

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON

Gray Local Media, Inc. v. Schmidt Property Management, LLC

No. 3:24-cv-1504-SI (D. Or. Apr. 28, 2026) · No. 3:24-cv-1504-SI · Decided April 28, 2026

SUMMARY

The United States District Court for the District of Oregon denied Gray Local Media, Inc.’s motion for partial summary judgment seeking specific performance against Schmidt Property Management, LLC. The dispute concerns Gray’s contractual obligations to repair a broadcast tower and transfer ownership to Schmidt upon termination of the parties’ lease. The court held that genuine disputes existed regarding whether Gray materially performed its repair obligations and whether Schmidt’s acceptance of \$500,000 constituted acceptance of deficient performance.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the District of Oregon                                                                                                                                                                                                                                                                                                                                                                                                    |
| WRITING FOR THE COURT | Michael H. Simon                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| JURISDICTION          | United States District Court for the District of Oregon                                                                                                                                                                                                                                                                                                                                                                                                    |
| DECIDED               | April 28, 2026                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| DOCKET                | 3:24-cv-1504-SI                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| DISPOSITION           | other                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| PROCEDURAL POSTURE    | Plaintiff moved for partial summary judgment on its equitable claim for specific performance, seeking an order compelling Defendant to take possession of a broadcast tower. The court denied the motion because genuine disputes of material fact existed concerning Plaintiff’s alleged material breaches and whether Defendant accepted deficient performance.                                                                                          |
| STANDARD OF REVIEW    | Summary judgment is appropriate when the movant shows that there is no genuine dispute as to any material fact and that the movant is entitled to judgment as a matter of law. The court views the evidence and draws reasonable inferences in favor of the nonmovant. Because Gray would bear the burden of proof on specific performance, it had to affirmatively demonstrate that no reasonable factfinder could find against it on the relevant issue. |
| PRECEDENTIAL VALUE    | unpublished                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| PARTIES               | Gray Local Media, Inc. v. Schmidt Property Management, LLC                                                                                                                                                                                                                                                                                                                                                                                                 |

## TOPICS

summary judgment

specific performance remedy

material breach

contracts

civil procedure

## PRACTICE AREAS

contract law

equitable remedies

specific performance

real estate

civil procedure

## QUESTIONS PRESENTED

1. Whether Gray was entitled to partial summary judgment on its specific-performance claim by establishing as a matter of law that any breaches of the lease, memorandum of understanding, or side letter were immaterial.
2. Whether Schmidt's acceptance and deposit of Gray's \$500,000 payment conclusively constituted acceptance of Gray's allegedly deficient repair performance and required Schmidt to perform its contractual obligations.
3. Whether genuine disputes of material fact existed regarding Gray's substantial or material performance of its repair obligations.

## HOLDINGS

1. Gray was not entitled to summary judgment because the record contained a genuine dispute of material fact concerning whether Gray materially breached its repair obligations. Evidence concerning unrepaired or uncertified damaged tower members alone was sufficient to defeat Gray's motion.
2. Schmidt's acceptance and deposit of the \$500,000 payment did not establish as a matter of law that Schmidt accepted Gray's allegedly deficient repair performance or waived its right to receive the contracted-for repairs.
3. Summary judgment was inappropriate because factual disputes remained regarding whether Gray substantially or materially performed its repair obligations and whether Schmidt accepted any deficient performance.

## KEY QUOTATIONS

*"A term is 'material' to an enforceable agreement when it goes to the substance of the contract and, if breached, defeats the object of the parties in entering into the agreement."* (Discussion § A)

*"Whether a breach is material is ordinarily a question of fact for the jury,"* (Discussion § A)

*"Here, however, there is a genuine issue of material fact whether Gray has substantially (or materially) performed its repair obligations under the relevant documents, namely the MOU and Side Letter."*  
(Discussion § B)

## FACTUAL BACKGROUND

Gray owned a broadcast tower located on land leased from Schmidt's predecessor. In a 2023 memorandum of understanding and side letter, the parties agreed that Gray would make specified repairs, pay Schmidt \$500,000,

and then transfer ownership of the tower and an associated building to Schmidt upon termination of the lease. Gray paid the \$500,000 and asserted that it had completed the required repairs, but Schmidt disputed the adequacy and completion of several repairs, including repairs to damaged tower members, plumb and tension work, painting, and ice-bridge repairs. Schmidt refused to take ownership while accepting and depositing the \$500,000 payment.

## PROCEDURAL HISTORY

Gray and Schmidt were parties to a lease, memorandum of understanding, and side letter governing repairs to a broadcast tower, transfer of tower ownership, and termination of the lease. After Gray asserted that it had completed the required work and Schmidt refused to take ownership, Gray brought claims including specific performance. Gray moved for partial summary judgment before trial on its other claims and Schmidt's counterclaims; the court denied the motion.

## DISPOSITION

other

## CASES CITED

- Celotex Corp. v. Catrett, 477 U.S. 317, 323, 325 (1986)
- Nissan Fire & Marine Insurance Co. v. Fritz Cos., 210 F.3d 1099, 1102 (9th Cir. 2000)
- Devereaux v. Abbey, 263 F.3d 1070, 1076 (9th Cir. 2001)
- Soremekun v. Thrifty Payless, Inc., 509 F.3d 978, 984 (9th Cir. 2007)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 250, 252, 255 (1986)
- Clicks Billiards, Inc. v. Sixshooters, Inc., 251 F.3d 1252, 1257 (9th Cir. 2001)
- Ricci v. DeStefano, 557 U.S. 557, 586 (2009)
- Matsushita Electric Industrial Co. v. Zenith Radio Corp., 475 U.S. 574, 587 (1986)
- Percy v. Miller, 197 Or. 230, 239-40 (1952)
- Albano v. Shea Homes Limited Partnership, 634 F.3d 524, 530 (9th Cir. 2011)
- Reeder v. Kay, 282 Or. 191, 194 (1978)
- Naftzger v. Henneman, 94 Or. 109, 117 (1919)
- Johnstone v. Zimmer, 191 Or. App. 26, 34 (2003)
- Crain v. Segel, 151 Or. App. 567, 572 (1997)
- Commerce Mortgage Co. v. Industrial Park Co., 101 Or. App. 345, 349 (1990)
- Wasserburger v. American Scientific Chemical, 267 Or. 77, 82 (1973)
- McDuffy, Edwards & Associates v. Peripheral Systems, 93 Or. App. 226 (1988)
- Phillips v. Johnson, 266 Or. 544, 549 (1973)
- Smith v. Hickey, 45 Or. App. 139, 142-43 (1980)
- Lincoln County v. Fischer, 216 Or. 421, 439-40, 448 (1959)
- O'Fallon v. Kennerly, 45 Mo. 124, 127-28 (1869)

- Lemley v. Lemley, 221 Or. App. 172, 186-87 (2008)

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