

STREET DEVELOPMENT AGREEMENT

DATED: August ____, 2014

BETWEEN: Hoyt Street Properties, L.L.C.,
an Oregon limited liability company
1022 NW Marshall Street, Unit 270
Portland, OR 97209-2989

("HSP")

AND: City of Portland
Acting by and through its Portland Bureau of Transportation
1120 SW 5th Avenue, Room 800
Portland, OR 97204

("PBOT")

RECITALS

1. HSP owns Blocks 23 and 26, HOYT STREET YARDS No. 2, and certain property formerly known as Block 27, Hoyt Street Yards No. 2, which property is legally described on attached Exhibit A, all of which are located in the City of Portland, County of Multnomah, State of Oregon (the "Blocks" and each a "Block."). In this Street Development Agreement, Blocks 26 and 27 will be referred to by their platted Block Numbers and the property formerly known as Block 27, Hoyt Street Yards No. 2, will be referred to as "Block 27". The Blocks are illustrated on Attached Exhibit B.

2. Block 26 is bounded on the east by a segment of NW 13th Avenue, Block 27 is bounded on the west by the same segment of NW 13th Avenue ("Segment A"). Block 23 is bounded on the west by a segment of NW 13th Avenue ("Segment B"). Segments A and B are illustrated on attached Exhibit B. Segment A is identified on Exhibit B as "Zone A," and Segment B is identified as "Zone B."
3. HSP has dedicated the right of way of both Segments A and B to the City of Portland. Neither Segment A nor Segment B are improved to City standards for public streets.
4. HSP has sold Block 27 and the development of Block 27 will commence in the near future. HSP intends to sell Block 23 and Block 26, each of which will be developed in the future.
5. HSP desires to defer the construction of full street improvements on both Segment A and Segment B and to coordinate the construction of full street improvements with the installation of underground utilities and the construction of buildings on the adjacent Blocks. HSP desires to defer construction of full street improvements so as to avoid damage to street improvements caused by subsequent utility installation or construction activities.
6. PBOT agrees that construction of full street improvements would best be accomplished on both Segment A and Segment B after installation of underground utilities and when building construction has occurred.

7. PBOT and HSP desire through this Street Development Agreement (the "Agreement") to establish the conditions and timing of the construction of full street improvements in Segment A and Segment B.

AGREEMENTS

NOW THEREFORE, in consideration of the mutual promises of the parties set forth in this Agreement and for other good and valuable consideration, the sufficiency of which the parties acknowledge, PBOT and HSP hereby agree as follows:

1. HSP agrees to install the underground utilities in Segment A within eighteen (18) months of the date of this Agreement, install gravel and a temporary asphalt lift, which will remain in place until the construction of a building on Block 26 has been substantially completed.
2. HSP agrees to construct full City required street improvements in Segment A after a building on Block 26 has been substantially completed but before the issuance of a temporary certificate of occupancy has been issued for a building to be built on Block 26.
3. HSP agrees to install the underground utilities in Segment B within eighteen (18) months of the date of this Agreement. After the underground utilities have been installed in Segment B, HSP will install gravel and a temporary asphalt lift on Segment B, until the underground utilities have been stubbed into Block 23.

4. After the utilities have been stuffed into Block 23, but before issuance of a temporary certificate of occupancy, HSP agrees to construct full City required street improvements in Segment B.
5. Notwithstanding the delayed periods of time referred to in Sections 2 and 4, HSP agrees to construct full City required street improvements in both Segments A and B not later than the fifth (5th) anniversary of the date of this Agreement; *provided, however,* that the anniversary date may be extended by mutual agreement of HSP and the City if adjacent property development would result in damage to the improvements to be made in Segment A or Segment B.
6. HSP has provided PBOT with a Letter of Credit in the amount of \$114, 834.10 to assure completion of the full City code required street improvements in both Segments A and B, when and as required by this Agreement.
7. If the full City required street improvements in both Segments A and B are not completed as required by this Agreement, PBOT may use the Performance Guarantee to complete these public improvements. HSP shall be responsible for the full cost of construction of the required public improvements, including all costs incurred by PBOT for engineering and superintendence, and any construction cost exceeding the amount of the Performance Guarantee.
8. HSP agrees to hold the City of Portland, its officials and employees harmless for any and all claims whatsoever arising out of HSP's performance of this Agreement.

(Remainder of Page Intentionally Left Blank; Signatures on Following Page)

IN WITNESS WHEREOF, HSP and PBOT have executed this Agreement to be effective on the date first set forth above.

HSP: HOYT STREET PROPERTIES, L.L.C.,
an Oregon limited liability company
BY: _____
Tiffany Sweitzer
Its: President

PBOT: PORTLAND BUREAU OF TRANSPORTATION
BY: _____
Its: _____

Approved as to form

CITY ATTORNEY APPROVED AS TO FORM

By: _____ *[Signature]* 6/19/14
Its: _____ CITY ATTORNEY

EXHIBIT A**Legal Description of Block 27**

Real property in the County of Multnomah, State of Oregon, described as follows:

A PORTION OF PARCEL II OF THAT TRACT OF LAND AS DESCRIBED BY STATUTORY WARRANTY DEED TO HOYT STREET PROPERTIES, L.L.C., AN OREGON LIMITED LIABILITY COMPANY, RECORDED JANUARY 13, 1994 AS DOCUMENT NO. 94-007230, MULTNOMAH COUNTY DEED RECORDS AND ALL OF PARCEL 1, OF PARTITION PLAT NO. 2014-003, MULTNOMAH COUNTY PLAT RECORDS, LOCATED IN THE SOUTHEAST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SECTION 28, TOWNSHIP 1 NORTH, RANGE 1 EAST, OF THE WILLAMETIE MERIDIAN, CITY OF PORTLAND, MULTNOMAH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD WITH ORANGE PLASTIC CAP MARKED "HHPR INC", AT THE SOUTHWEST CORNER OF PARCEL 1, OF SAID PARTITION PLAT NO. 2014-003, MULTNOMAH COUNTY PLAT RECORDS, ALSO BEING A POINT ON THE NORTH RIGHT OF WAY LINE OF NW RALEIGH STREET (VACATED);

THENCE NORTH 88°32'49"EAST, ALONG THE SOUTH LINE OF SAID PARCEL 1, 200.16 FEET TO THE SOUTHEAST CORNER THEREOF;

THENCE NORTH 01°27'11 "WEST, ALONG THE EAST LINE OF SAID PARCEL 1, 123.93 FEET, TO THE MOST EASTERLY NORTHEAST CORNER THEREOF AND A POINT ON THE NORTHEASTERLY LINE OF SAID DOCUMENT NO. 94-007230;

THENCE NORTH 50°28'59"WEST, ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 1, 116.01 FEET TO THE MOST NORTHERLY NORTHEAST CORNER THEREOF;

THENCE SOUTH 88°32'49"WEST, ALONG THE NORTH LINE OF SAID PARCEL 1, 112.56 FEET TO THE NORTHWEST CORNER THEREOF;

THENCE SOUTH 01°27'11"EAST, ALONG THE WEST LINE OF SAID PARCEL 1, 200.00 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH

BEGINNING AT A 5/8 INCH IRON ROD WITH ORANGE PLASTIC CAP MARKED "HHPR INC", AT THE NORTHWEST CORNER OF PARCEL 1, OF PARTITION PLAT NO. 2014-003, MULTNOMAH COUNTY PLAT RECORDS, ALSO BEING A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF N.W. SAVIER STREET (VACATED);

THENCE NORTH 88°32'49" EAST, ALONG THE NORTH LINE OF SAID PARCEL 1, 112.56 FEET TO A 5/8 INCH IRON ROD WITH AN ORANGE PLASTIC CAP MARKED "HHPR INC" AT THE MOST NORTHERLY NORTHEAST CORNER THEREOF AND A POINT ON THE NORTHEASTERLY LINE OF SAID DOCUMENT NO. 94-007230;

THENCE NORTH 50°28'59" WEST, ALONG SAID NORTHEASTERLY LINE, 7.63 FEET TO A POINT;

THENCE LEAVING SAID NORTHEASTERLY LINE, SOUTH 88°32'49" WEST, PARALLEL WITH THE NORTH LINE OF SAID PARCEL 1, 106.81 FEET TO A POINT ON THE NORTHERLY PROLONGATION OF THE WEST LINE OF SAID PARCEL 1;

THENCE SOUTH 01°27'11" EAST, ALONG THE SAID NORTHERLY PROLONGATION, 5.00 FEET TO THE POINT OF BEGINNING.

ALSO TOGETHER WITH

BEGINNING AT A 5/8 INCH IRON ROD WITH ORANGE PLASTIC CAP MARKED "HHPR INC", AT THE SOUTHWEST CORNER OF PARCEL 1, OF SAID PARTITION PLAT NO. 2014-003, MULTNOMAH COUNTY PLAT RECORDS, ALSO BEING A POINT ON THE NORTH RIGHT OF WAY LINE OF NW RALEIGH STREET (VACATED);

THENCE NORTH 88°32'49" EAST, ALONG THE SOUTH LINE OF SAID PARCEL 1, 200.16 FEET TO A 5/8 INCH IRON ROD WITH ORANGE PLASTIC CAP MARKED "HHPR INC" AT THE SOUTHEAST CORNER THEREOF;

THENCE NORTH 01°27'11" WEST, ALONG THE EAST LINE OF SAID PARCEL 1, 123.93 FEET, TO A 5/8 INCH IRON ROD WITH ORANGE PLASTIC CAP MARKED "HHPR INC" AT THE MOST EASTERLY NORTHEAST CORNER THEREOF AND A POINT ON THE NORTHEASTERLY LINE OF SAID DOCUMENT NO. 94-007230;

THENCE SOUTH 50°28'59"EAST, ALONG SAID NORTHEASTERLY LINE, 6.62 FEET TO A POINT;

THENCE LEAVING SAID NORTHEASTERLY LINE, SOUTH 01°27'11" EAST, PARALLEL WITH THE EAST LINE OF SAID PARCEL 1, 129.59 FEET TO A POINT;

THENCE SOUTH 88°32'49" WEST, PARALLEL WITH THE SOUTH LINE OF SAID PARCEL 1, 205.16 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF NW 13TH AVENUE;

THENCE NORTH 01°27'11" WEST, ALONG SAID EAST RIGHT OF WAY LINE, 10.00 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

Depiction of Blocks and Segments A and B

