

## Exhibit A

DEVELOPMENT AGREEMENT  
BETWEEN  
ADIDAS AMERICA, INC. AND THE CITY OF PORTLAND  
FOR  
THE NORTH GREELEY CYCLE TRACK

This development agreement (“this Agreement”) is between adidas America, Inc. (“Adidas”), an Oregon foreign business corporation, and the City of Portland (“the City”), an Oregon municipal corporation, by and through its Bureau of Transportation, and is effective as of the last date of signature below (“the Effective Date”).

Recitals

- A. As discussed in the Memorandum of Understanding between Adidas and the City executed on June ~~17<sup>th</sup>~~, 2019 the parties intend for Adidas to construct a City facility known as a cycle track (“the Cycle Track”) within the North Greeley Avenue right-of-way and adjacent to real property Adidas owns at 5055 and 5077-5111 North Greeley Avenue and adjacent to property owned by others but contiguous to the Cycle Track (“the Property”). Adidas will construct the entire Cycle Track, as illustrated in Exhibit A, in exchange for a reduction in the amount of transportation system development charges (“SDCs”) Adidas will owe the City under a building permit to develop the Property (“the Permit”).
- B. Portland City Code (“PCC”) section 17.15.060 A.1.c allows the City to provide an SDC credit in exchange for the construction of a capital improvement.
- C. The Cycle Track is listed on the City’s Transportation System Development Charge list as part of the “Killingsworth/Interstate Connected Centers Project,” identification number 18-0057.
- D. The City is willing to provide SDC credits in exchange for Adidas’s construction of the Cycle Track, subject to the terms and conditions of this Agreement.

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Terms

1. The City and Adidas agree that the Cycle Track, if constructed as approved by the City, will be a capital improvement eligible for an SDC credit under PCC 17.15.060 A.1.c.
2. The City and Adidas further agree that the City will provide an SDC credit in an amount estimated at and not to exceed \$1 million based on an estimated construction cost of \$1.26 million for the Cycle Track project. Adidas will pay transportation SDCs assessed against the Permit in excess of the \$1 million credit.
3. Adidas's request for, and the City's grant of, an SDC credit will comply with the provisions of PCC 17.15.060.
4. Adidas will construct the Cycle Track under a public works permit in compliance with Exhibit A hereto.
5. The City will review receipts submitted by Adidas after construction of the Cycle Track is complete. If the sum of the total construction costs—as approved by the City, in its reasonable discretion—is less than the credit amount determined by the City under section 2 above, Adidas will pay the balance of the SDCs assessed by the City within sixty calendar days of the City's notification thereof (“the True-Up”).
6. Adidas will waive any right to challenge the validity or applicability of the SDCs assessed by the City under this Agreement as long as the SDC assessment complies with PCC 17.15.060. Further, Adidas will execute and record against the Property a promissory note and, as security therefor, a trust deed, both acceptable to the City, if Adidas fails to pay remaining SDCs after the True-Up.
7. If either party provides written notice of a default under this Agreement to the other party, the defaulting party will have thirty days thereafter to cure the default. If the defaulting party thereafter fails to cure the default, the non-defaulting party may terminate this Agreement and pursue all remedies available to it under the law.
8. This Agreement shall be governed and construed according to the laws of the State of Oregon, without regard to its choice of law provisions. Any action or suit to enforce or construe any provision of this Agreement by either party shall be brought in the Circuit Court of the State of Oregon for Multnomah County or the Federal District Court located in Multnomah County, Oregon. The Circuit Court of the State of Oregon for Multnomah County or the Federal District Court located in Multnomah County shall have exclusive jurisdiction over all lawsuits brought by either party against the other party with respect

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to the subject matter of this Agreement, and each party hereby irrevocably consents to such exclusive jurisdiction and waives any and all objections it might otherwise have with respect thereto.

9. Adidas and the City are the only parties to this Agreement and are the only parties entitled to enforce its terms. There are no third-party beneficiaries of this Agreement.
10. All notices given under this Agreement shall be in writing and may be delivered by personal delivery, by overnight courier service, or by deposit in the United States Mail, postage prepaid, as certified mail, return receipt requested, and addressed as follows:

Adidas: David Remos  
adidas America, Inc.  
5055 N. Greeley Avenue  
Portland, OR 97217

City of Portland: Director, Portland Bureau of Transportation  
Attn: Christine Leon, Group Manager  
Portland Bureau of Transportation  
1120 SW 5th Avenue, Suite 800  
Portland, OR 97204

11. Subject to the terms and conditions of this Agreement, by making this Agreement, the City is specifically not obligating itself, or any other agency with respect to any police power or regulatory actions relating to the Permit or the development or operation of the Property and the improvements thereon, including, but not limited to, rezoning, variances, environmental clearances, or any other governmental approvals which are or may be required.
12. If any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement, and the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. If a material provision of this Agreement is held invalid or unenforceable such that a party does not receive the benefit of its bargain, then the other parties shall renegotiate in good faith terms and provisions that will effectuate the spirit and intent of the parties' agreement herein.
13. This Agreement may be executed in counterparts, including by electronic means, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

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14. This Agreement may be modified only by a writing signed by the parties.
15. This Agreement constitutes the entire agreement between the parties as to the subject matter covered by this Agreement.
16. The rights, obligations, liabilities, and remedies provided in this Agreement run with the Property and shall extend to the successors-in-interest of the parties and to the transferees and assignees of the parties.
17. This Agreement is the result of arm's-length negotiations between the parties and shall not be construed against either party by reason of its preparation of this Agreement. Nothing contained in this Agreement shall be construed as creating the relationship of principal and agent, partners, joint-venturers, or any other similar relationship between the parties.
18. The parties each warrant and represent to the others that this Agreement constitutes a legal, valid, and binding obligation of that party. Without limiting the generality of the foregoing, each party represents that its governing authority has authorized the execution, delivery, and performance of this Agreement by it. The individuals executing this Agreement warrant that they have full authority to execute this Agreement on behalf of the entity for whom they purport to be acting. Each party represents to the others that neither the execution and delivery of the Agreement nor the consummation of the transactions contemplated hereby will violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, government agency, or court to which it is subject or any provision of its charter or bylaws; or conflict with, result in a breach of, or constitute a default under any other agreement to which it is a party or by which it is bound. No party needs to give any notice to, make any filing with, or obtain the consent of any other entity or person to consummate the transaction contemplated by this Agreement.

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ADIDAS AMERICA, INC.

THE CITY OF PORTLAND



Signature

Signature

Paul Ehrlich  
Printed name

Printed name

General Counsel  
Title

Title

6/17/19  
Date

Date

  
Signature

APPROVED AS TO FORM

DAVID REMOS  
Printed Name

City Attorney

Director - CRE  
Title

6/17/19  
Date