

## CONFIDENTIALITY AND EXCLUSIVE NEGOTIATION AGREEMENT

This Confidentiality Agreement and Exclusive Negotiation Agreement (“Agreement”) is effective as of the last date of signature below (the “Effective Date”) and is by and between Prosper Portland and Related California Residential, LLC (“Related”). Related is interested in potentially developing a portion of the former USPS property located at 715 NW Hoyt Street, Portland, Oregon (the “Property”), and the parties desire to work together to determine the feasibility of one or more potential redevelopment projects on the Property (collectively, the “Project”). The Property is depicted on **Exhibit A**, but excludes Block 4 identified thereon, which is reserved for development by the Portland Housing Bureau.

In consideration of the foregoing and other valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree to the following:

1. Exclusive Negotiation. From the Effective Date continuing until the date that is one (1) year after the Effective Date, Prosper Portland will negotiate exclusively with Related with respect to the Project on the Property.

2. Feasibility. On or before the date that is eleven (11) months after the Effective Date, Related will provide a feasibility analysis to Prosper Portland regarding the Project (“Feasibility Analysis”). The Feasibility Analysis, including its assumptions and components, as well as Prosper Portland’s obligation to reimburse Related for certain costs, is described in more detail on **Exhibit B** attached to this Agreement.

3. Communications. Related will direct any stakeholder and media inquiries that Related receives in connection with the Project or the Property to Prosper Portland.

4. Confidential Information. From time to time during the term of this Agreement, Related may desire to provide Prosper Portland with trade secrets or other information that Related considers proprietary or confidential. If Related clearly and conspicuously transmits such information with a label or marking that it is “CONFIDENTIAL,” Prosper Portland agrees that it will be considered a “Confidential Submission” under ORS 192.355(4). Related understands that despite the foregoing, the information could be subject to public records disclosure and agrees that Prosper Portland will have no liability for release of information if such release is mandated by law, as determined by Prosper Portland’s counsel, or otherwise as required pursuant to an order of the Multnomah County District Attorney. Before disclosing the confidential information pursuant to law, Prosper Portland will give Related reasonable notice and an opportunity to intervene or otherwise protect its interests, at Related’s sole cost and expense. Nothing in this Agreement will be construed as obligating Prosper Portland to appeal any order of the Multnomah County District Attorney to disclose information covered by this Agreement, provided that each party will reasonably cooperate with the other party in connection with any appeal of such an order undertaken by the other party.

5. Remedies for Breach. Each party acknowledges and agrees that the other would be irreparably harmed by any breach of this Agreement. Accordingly, in the event of any breach of this Agreement, each party will be entitled to seek and obtain any and all equitable remedies, including injunctive relief and specific performance.

6. No Warranty. All Confidential Information is provided “as-is”, and Related makes no warranties, express or implied or otherwise, regarding its accuracy, completeness or performance.

7. No License. Nothing in this Agreement is intended to grant any rights to Prosper Portland in or to Confidential Information except as expressly set forth herein. Related acknowledges and agrees that Prosper Portland may share the Feasibility Analysis with third parties, including, without limitation, City officials and appraisers, and may summarize and communicate its findings to inform discussions regarding the future of the Property and any potential Project thereon. Prosper Portland may also share the Feasibility Analysis with future development partners, but only if negotiations are no longer ongoing between Related and Prosper Portland.

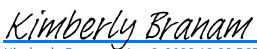
8. No Further Obligations; Rights. Neither party will have any obligation to enter into any further agreement with the other party. For the avoidance of doubt, nothing herein will obligate Related to proceed with the Project, and each party reserves the right, in its sole discretion, to terminate the discussions contemplated by this Agreement concerning the Property or the Project.

9. Termination. This Agreement may be terminated by either party upon thirty (30) calendar days prior notice in writing. This Agreement will automatically terminate one (1) year from the Effective Date. The rights and obligations accruing prior to termination survive the termination of this Agreement.

10. Authority. The individuals executing this Agreement warrant that they have full power and authority to execute this Agreement on behalf of the entity for which they are signing.


IN WITNESS WHEREOF, the parties have executed this Agreement effective as of last date of signature below.

PROSPER PORTLAND

By:   
Kimberly Branam (Jan 6, 2023 13:33 PST)  
Kimberly Branam, Executive Director

Date: 01/06/2023

Approved as to form:

  
General Counsel

RELATED

Related California Residential, LLC

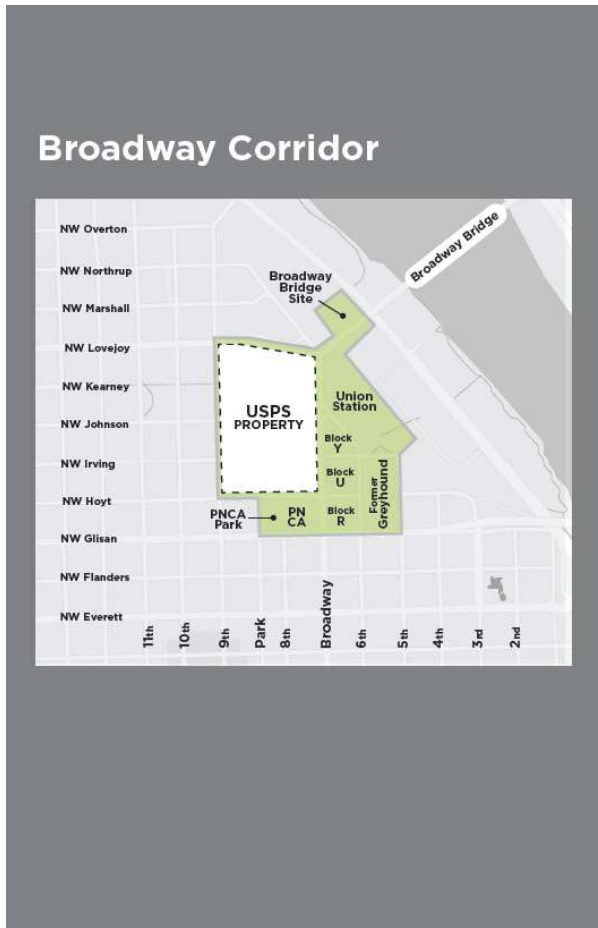
By:   
William Witte (Jan 6, 2023 10:41 PST)

Name: William A. Witte

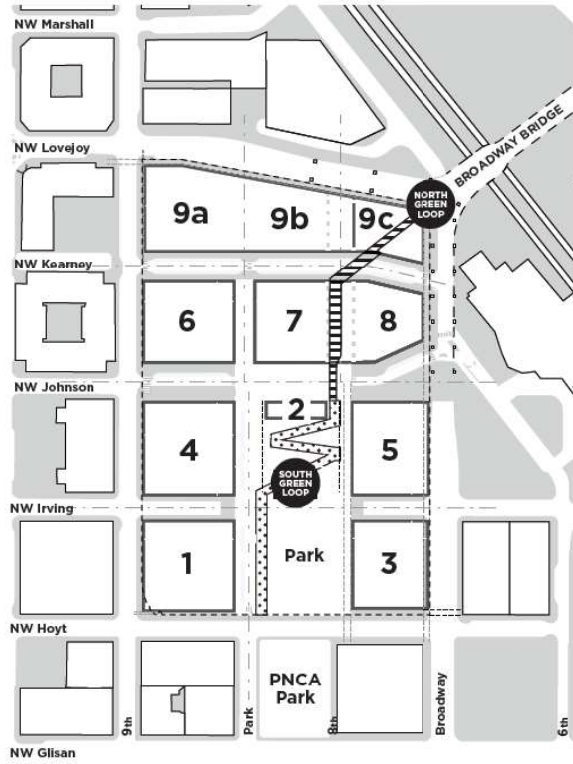
Title: Chairman and CEO

Date: 01/06/2023

## Exhibit A – Depiction of the Property



### USPS Property Detail



## Exhibit B – Feasibility Analysis

### Schedule:

- Phase 1: Proposal due eleven (11) months after the Effective Date (the “Phase 1 Proposal”). The Phase 1 Proposal must contain the required items described in the last section of this Exhibit B. The parties will discuss and collaborate on any additional scope for the Phase 1 Proposal, as well as the detail that Related will provide in the Phase 1 Proposal. Following submission of the Phase 1 Proposal to Prosper Portland, the parties will meet to discuss the Phase 1 Proposal so that they can determine, each in their sole discretion, whether there is the opportunity for a feasible Project and whether they would like to proceed to Phase 2.
- Phase 2: Pending satisfactory completion of Phase 1, the parties may elect, each in their sole discretion, to enter into negotiations of a Disposition and Development Agreement (DDA), including, without limitation, the terms and milestones for land transactions, extent of development rights, and the delivery of community benefits.

### Project Goals & Assumptions:

- Prosper Portland’s project objectives:
  - Optimizing development density
  - Generating a return on public investment (with shared public and private risk)
  - Delivering community benefits including equitable development opportunities and accountability; seeking developer partner(s) with aligned values
  - Reducing Prosper Portland’s carrying costs
  - Reducing risk by providing certainty (public and private)
- Fixed assumptions:
  - Master Plan
  - Property acquisition at Fair Market Value
- Flexible assumptions:
  - Funding & Finance Plan – adopted funding plan to be used as starting assumption; may indicate where modifications are necessary
  - DDA terms (such as development program, density, phasing, etc)
  - CBA terms
  - Other opportunities for increasing project feasibility

### Phase 1: Assessment of Development Feasibility

- Prosper Portland Role:
  - Prosper Portland to make available project resources, background information, and project contacts as helpful
  - Provide access to JLL database (confirming status with JLL) regarding “reverse” recruitment analysis
  - Provide summary data from Inclusive Economic Development Strategy including market and industry analyses
  - Share summary data and findings from ECONorthwest analysis regarding Central City market conditions and forward-looking recommendations for Central City Downtown, Old Town and Pearl District subdistricts
  - Engage with Greater Portland Inc regarding marketing of site during site selector visits
  - Staff technical support regarding existing recruitment incentives
  - Progress site preparation/demolition and construction of public street and utility infrastructure and keep Related apprised of status of work.

- Related / Melvin Mark Role:
  - Complete pre-development activities, including any identified in accordance with pre-development funding described below.
  - Conduct detailed review of the Community Benefits Agreement (CBA) term sheet as presented to City Council, and identify any feasibility concerns of proposed terms, including any implementation and/or financial challenges to implementing said benefit
  - Update commercial and residential project pro formas (update of April 2022 feasibility analysis for Parcels 6 + 9)
  - Participate in discussions with Prosper Portland and City partners regarding the park sequence/green loop design and longer-term operation and maintenance considerations of the Green Loop
  - Advocate for project funding as available (including any relevant public regional, State, and Federal infrastructure funding) that supports site build out
  - Prepare proposal for first phase of development
  
- Prosper Portland’s Contribution of Funding for Pre-Development Activities
  - Prosper Portland will contribute 50% of contract costs, up to a maximum amount of \$50,000 (the “Pre-Development Funds”), for certain eligible pre-development work, acknowledging that not all of the pre-development work that Related may elect to complete will be eligible for reimbursement with the Pre-Development Funds.
  - Work eligible for reimbursement is intended to be beneficial to any future development, as opposed to work that is specific to Related’s interest in the site (e.g., an employer recruitment strategy or concept plans to assess impacts of the Green Loop are eligible; project specific concept designs and pro formas are not eligible).
  - The parties will collaborate to prepare the scopes of work for the pre-development work that is eligible for reimbursement with the Pre-Development Funds, and Prosper Portland must pre-approve in writing those scopes of work.
  - Upon completion of approved work products, Related may submit a request for reimbursement, with all supporting documentation required by Prosper Portland. Prosper Portland will process payments in its normal course and manner for accounts payable.
  
- Related Deliverables:
  - Final work products authorized to utilize the Pre-Development Funds described above.
  - Updated commercial and residential development pro forma feasibility analysis
  - Feasibility assessment of CBA terms, including quantified feasibility/financial concerns and impacts
  - Attendance and participation in project meetings, including
    - Ongoing coordination with Prosper Portland
    - Discussions with economic development advisors and partners
    - Open Space and Green Loop design engagement and operations planning
  - Phase 1 Proposal – including:
    - Recommended parcels for phase 1 acquisition
    - Schedule including acquisition closing through design & construction
    - Proposed use (commercial or residential) to inform affordable housing outcome tracking
    - Land value analysis based on pro forma underwriting
    - Any additional key terms differing from prior CBA and DDA term sheet commitments