

RESOLUTION NO. 1903

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN OPTION AGREEMENT FOR THE PURCHASE OF CERTAIN REAL PROPERTY OWNED BY CPG PARTNERS AS WELL AS ENTERING INTO A RESTRICTIVE COVENANT WITH CPG PARTNERS, L.P. CONCERNING THE PLACEMENT OF CERTAIN SIGNAGE

THE TROUTDALE CITY COUNCIL, FINDS AS FOLLOWS:

1. The City, by and through the City Administrator, has engaged in negotiations for nearly one year with CPG Partners, L.P. for an option to purchase certain real property through the Columbia Gorge Premium Outlet Mall which property is designed to be the primary right-of-way for access to the site of the City's former waste water treatment plant which site the City intends to redevelop as a mixed use development (Site).
2. The City Administrator and CPG Partners have tentatively agreed to the terms of both an Option Agreement and Restrictive Covenant which gives the City the right to purchase the real property for right of way to the Site and for CPG Partners to have signage should the Site be redeveloped.
3. The Council has had an opportunity to review the documents and is satisfied that the City's interests are adequately protected and promoted.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:

- Section 1. The Council, hereby authorizes the Mayor to sign on behalf of the City two (2) documents, the first being an Option to Purchase and the second being a Restrictive Covenant in a form substantially akin to that attached hereto as Attachment "A".

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Section 2. This resolution is and shall be effective from and after its passage by the City Council.

YEAS: 7
NAYS: 0
ABSTAINED: 0



Paul Thalhofer
Mayor

Date October 3, 2007



Debbie Stickney
City Recorder

Adopted: October 2, 2007

**OPTION AGREEMENT AND
AGREEMENT OF PURCHASE AND SALE
(THE "AGREEMENT")**

DATE: November 1st, 2007 ("Effective Date")

FROM: CPG Partners, L.P.,
a Delaware limited partnership ("Owner")

TO: City of Troutdale,
an Oregon municipal corporation ("Optionee")

RECITALS:

A. Owner owns fee simple title to the real property described in Exhibit A attached hereto, together with all improvements situated on it. The real property and improvements, together with all other rights, hereditaments, and tenements appurtenant to the real property and improvements, are collectively referred to herein as the "Property."

B. Optionee is a governmental authority that intends to facilitate redevelopment of one or more properties located immediately east of the Property and has threatened Owner with condemnation of the Property to further this redevelopment project.

C. Owner has agreed, under threat of condemnation, to grant Optionee an exclusive option to purchase the Property, on the terms and conditions herein stated.

The parties therefore agree as follows:

AGREEMENT:

Section 1. Grant of Option. Owner, for and in consideration of the sum of \$300,000 (the "Option Money Payment") and other good and valuable consideration, paid or delivered as specified below, grants Optionee the sole and exclusive option to purchase the Property in the manner and for the price stated in this Agreement.

The Option Money Payment and other consideration shall be paid or delivered to Owner as follows:

- (a) \$150,000 shall be paid to Owner on the Effective Date;
- (b) \$150,000 shall be paid to Owner on the earlier of July 1, 2008 or the date on which Optionee delivers the Exercise Notice (as defined in Section 2.2); and

- (c) Within 10 days following the Effective Date, Optionee shall execute, acknowledge and deliver to Owner a restrictive covenant and sign easement agreement in substantially the form attached hereto as **Exhibit B** (the "Restrictive Covenant").

If Optionee fails to deliver the second installment of the Option Money Payment or the Restrictive Covenant on or before the date on which such payment or instrument is due, TIME BEING OF THE ESSENCE OF THIS AGREEMENT, this Agreement and all of Optionee's rights under this Agreement shall automatically and completely terminate without any act or action by Owner, provided that Optionee shall remain liable for any unpaid installment of the Option Money Payment and further provided that Optionee's restoration and indemnification obligations set forth in Section 11 below shall survive the termination of this Agreement. If this Agreement terminates after the Restrictive Covenant is recorded, then Owner shall provide Optionee with any instruments that Optionee reasonably deems necessary to terminate the Restrictive Covenant after Optionee has delivered to Owner the second installment of the Option Money Payment.

The Option Money Payment shall be non-refundable to Optionee under all circumstances (except in the event of a material default by Owner hereunder), but applicable to the Purchase Price (as defined in Section 3.1 below) at Closing (as defined in Section 9.3 below). Unless the Restrictive Covenant is terminated pursuant to the terms of this Agreement, the Restrictive Covenant shall be perpetual and irrevocable and shall run with the land and be binding on the current owners of the property encumbered by it and their respective successors, heirs and assigns.

Section 2. Option Term.

2.1 Term. The term of the option (the "Term") shall commence on the Effective Date and shall continue until December 31, 2008.

2.2 Exercise of Option. This option shall be exercised, if at all, by written notice (the "Exercise Notice") given by Optionee to Owner at any time during the Term, which notice shall state that Optionee has elected to exercise this option. This option may be exercised only with respect to the entirety of the Property, and nothing contained herein shall be construed as permitting Optionee to purchase less than all of the Property pursuant to this option. Upon exercise of this option, Optionee shall be obligated to purchase the Property from Owner, and Owner shall be obligated to sell the Property to Optionee, for the price and in the manner herein set forth.

2.3 Failure to Exercise Option. If Optionee fails to exercise this option by the end of the Term or in the manner set forth herein, Optionee shall have no further claim against or interest in the Property or the Option Money Payment. In the event of the failure to exercise the option, Optionee shall provide Owner with any instruments that Owner reasonably may deem necessary for the purpose of removing from the public record any cloud on title to the Property

which is attributable to the grant of the option or existence of this Agreement, and Owner shall do the same in respect to terminating the Restrictive Covenant.

Section 3. Purchase Price.

3.1 Purchase Price. The purchase price for the Property (the "Purchase Price") is \$2,150,000.

3.2 Payment of Purchase Price. The Purchase Price for the Property shall be payable as follows:

3.2.1 Optionee shall be given credit by Owner for the Option Money Payment actually paid by Optionee to Owner.

3.2.2 The entire balance of the Purchase Price shall be delivered in cash to the Title Company upon Opening of Escrow (as these terms are defined in Section 9.1 below), subject to adjustment as herein provided.

Section 4. Conditions Precedent to Closing. In addition to any other conditions contained in this Agreement, set forth below are certain conditions precedent for the benefit of Optionee (the "Conditions"). The Conditions are intended solely for the benefit of Optionee and Optionee shall have the right to waive, by written notice, any of the Conditions, at its sole discretion; giving the Exercise Notice shall not constitute such a waiver. If any Condition is not satisfied or waived on or before the deadline for satisfaction specified herein, then Optionee shall have the right to terminate this Agreement, at its sole election, by giving Owner notice of termination before the deadline expires, in which event this Agreement shall terminate and neither party shall have any further obligations to the other, except for Optionee's restoration and indemnification obligations set forth in Section 11 below. Notwithstanding the foregoing, if any Condition is not satisfied as the result of a default by Owner hereunder, then Optionee shall be entitled to exercise any remedy available to Optionee under the terms of this Agreement, including, but not limited to, return of the Option Money Payment and termination of the Restrictive Covenant. If Optionee does not give Owner notice of termination before the applicable deadline, then Optionee shall be deemed to have waived the termination privilege with respect to the Condition in question. The Conditions specifically delineated in this Section are the following:

4.1 On the Closing Date (as defined in Section 9.3 below), the Title Company (as defined in Section 9.1 below) shall be ready, willing, and able to issue, and shall issue to Optionee on recordation of the Owner's deed mentioned below, the title insurance policy required by Section 9.6 below.

4.2 On or before the Closing Date, Owner shall have performed in all material respects all of the covenants, conditions, agreements and promises to be performed by it under this Agreement.

4.3 Promptly following the Optionee's delivery of the Exercise Notice (subject to extension as provided herein), Owner shall commence the design, engineering and permitting of the Demolition/Restoration Work in accordance with the terms of Section 6 below.

Section 5. Title. Within 20 days following the Effective Date, Owner shall deliver to Optionee a preliminary title report (the "Title Report") covering the Property. The Title Report shall be issued by the Title Company (defined in Section 9.1 below). The Title Report shall be accompanied by legible copies of all plats and exceptions to title referenced in the Title Report (the "Exceptions"). Within 20 days of receiving the Title Report and the Exceptions documents, Optionee shall give written notice (the "Objection Notice") to Owner of the Exceptions that Optionee shall require Owner to remove of record at or before Closing (the "Unacceptable Exceptions"), provided that Optionee agrees that the matters set forth on attached **Exhibit C** are acceptable to Optionee and shall be considered Permitted Exceptions (as defined below). If Optionee fails to give Owner the Objection Notice within said 20 day period, then Optionee shall be deemed to have approved the Title Report.

Owner shall have 10 days following receipt of the Objection Notice to give written notice to Optionee (the "Reply Notice") of those Unacceptable Exceptions that Owner cannot or will not remove at or before Closing (provided, however, that Owner shall not under any circumstances be required to remove any Unacceptable Exceptions if Optionee has consented to such matters after the Effective Date). Owner agrees to remove all Unacceptable Exceptions not referenced in a duly given Reply Notice. If one or more of the Unacceptable Exceptions cannot be removed at or before Closing and Owner so states in a duly given Reply Notice, then Optionee may exercise any of the following rights by giving written notice to Owner within 20 days of receiving the Reply Notice: (1) Optionee may terminate this Agreement, in which event the Option Money Payment shall be refunded to Optionee, the Restrictive Covenant shall be terminated by the parties and neither party shall have any further obligation to the other except for Optionee's restoration and indemnification obligations set forth in Section 11 below; or (2) Optionee may accept title to the Property subject to any such Unacceptable Exceptions. The foregoing rights of Optionee shall not be deemed waived by giving the Exercise Notice.

Exceptions that are shown on the Title Report and to which Optionee does not object or to which Optionee agrees, in writing, to waive objection; Exceptions that appear in a Reply Notice; and all matters appearing on attached **Exhibit C** are collectively referred herein to as the "Permitted Exceptions." Owner shall not cause, permit, or suffer any matter to be recorded with respect to the Property during the Term, except (1) the Memorandum referenced in Section 12, and (2) any other matter that Optionee approves in writing, which approval shall not be unreasonably withheld, delayed or conditioned.

Section 6. Completion of Demolition/Restoration Work. Owner shall (a) design, engineer and obtain permits for demolition and end-capping of the buildings located on the Property (collectively, the "Demolition/Restoration Work"), (b) obtain competitive bids for completion of the Demolition/Restoration Work; and (c) cause the completion of the Demolition/Restoration Work, subject to the terms and conditions set forth herein. Optionee shall, in coordination with

Owner, cause the completion of the installation of roadway improvements to the Property (the "Optionee's Work") in the manner set forth herein.

Within 10 days after delivery of the Exercise Notice, Optionee shall deliver \$100,000 to the Title Company (as defined in Section 9.1 below) to hold in escrow to secure Optionee's obligation to reimburse Owner for the cost of designing, engineering and permitting the Demolition/Restoration Work (the "Design Escrow"). Owner may draw upon the Design Escrow periodically by submitting to the Title Company (with a copy to Optionee) a request for reimbursement, together with reasonable supporting documentation (each a "Design Escrow Draw Request"). The Title Company shall reimburse Owner within 10 days after receipt of each Design Escrow Draw Request, unless within said 10 day period, the Title Company receives notice (with a copy to Owner) from Optionee that it objects to some or all of the amounts appearing in the Design Escrow Draw Request, in which case the Title Company shall refrain from paying any amounts in dispute (but Title Company may pay all amounts not in dispute) on that particular Design Escrow Draw Request until it receives a written notice signed by both Owner and Optionee or a court of competent jurisdiction instructing the Title Company how to proceed in respect to the amounts in dispute on that Design Escrow Draw Request. If the cost of designing, engineering and permitting the Demolition/Restoration Work exceeds the amount of the Design Escrow, then Optionee shall promptly reimburse Owner for all amounts in excess of the Design Escrow upon receipt of a Design Escrow Draw Request (including supporting documentation). Owner shall have 8 months after Optionee funds the Design Escrow to design, engineer and obtain permits for the Demolition/Restoration Work.

Once the plans for the Demolition/Restoration Work are approved by the municipal authorities having jurisdiction, Owner shall competitively bid the Demolition/Restoration Work and select (after concurrence by Optionee) the lowest responsible bid from among those submitted by qualified contractors (as determined by Owner in its reasonable discretion, taking into account the experience, reputation, and financial stability of the contractors, among other factors), which may not be the lowest overall bid.

Within 5 days after receipt of a copy of the winning bid for completion of the Demolition/Restoration Work, Optionee shall deliver to Title Company:

- (i) the amount of the winning bid for the Demolition/Restoration Work (the "Work Escrow"), which shall be used to reimburse Owner for the cost of completing the Demolition/Restoration Work;
- (ii) the balance of the Purchase Price; and
- (iii) the Optionee's Closing Documents (as defined in Section 9.2.2 below),

all of which shall be held in escrow by the Title Company and disbursed or released in accordance with the terms of this Agreement. Within 5 days after the Opening of Escrow (as defined in Section 9.1 below), Owner shall deliver to the Title Company the Owner's Closing Documents (as defined in Section 9.2.1 below) to be held in escrow and released in accordance with the terms of this Agreement.

Within a reasonable period of time after the Opening of Escrow, Owner shall let the contract for completion of the Demolition/Restoration Work and then diligently oversee the Demolition/Restoration Work to completion within twelve (12) months after commencement of the Demolition/Restoration Work; provided, however, that Owner shall have the right to delay letting the Demolition/Restoration Work contract and/or commencement of the Demolition/Restoration Work to avoid having any Demolition/Restoration Work take place during the months of August through December.

Prior to the commencement of work by Optionee, Owner and Optionee shall meet and confer as necessary to develop a mutually acceptable plan for coordination of the Demolition/Restoration Work with the Optionee's Work such that all work performed by the Optionee shall be coordinated with Owner's on-site personnel and conducted at times which, to an extent commercially and logistically reasonable, minimize interference with Owner's ongoing operations. The parties shall develop a mutually acceptable plan for (i) Optionee's access locations and phasing during its construction activities so as to address the issue of Owner's business invitees and the Optionee's construction activities; (ii) permanent traffic/safety controls in the vicinity of Owner's pedestrian walkways and the planned roadway; and (iii) Owner's redesign of the end-caps, which will include tower/signage elements. Owner shall be responsible for payment of all costs associated with construction and installation of new signage elements and those architectural elements constituting the aforementioned tower that are not agreed to by Optionee as replacement for existing architectural features at the Property. Optionee hereby agrees that installation of signage and architectural elements comparable to the ones shown on Exhibit E are acceptable to Optionee. It is understood that Optionee retains its regulatory authority over buildings and signage; as such, any signage or construction activity during the Demolition/Restoration Work by Owner will have to meet the requirements lawfully imposed under that regulatory authority and Optionee does not, by agreeing to the installation of signage and architectural elements in the preceding sentence, waive or otherwise abrogate that authority.

Owner may draw upon the Work Escrow periodically by submitting to the Title Company (with a copy to Optionee) a request for reimbursement, together with reasonable supporting documentation (each a "Work Escrow Draw Request"). The Title Company shall reimburse Owner within 10 days after receipt of each Work Escrow Draw Request, unless within said 10 day period, the Title Company (with a copy to Owner) receives notice from Optionee that it objects to some or all of the amounts appearing in the Work Escrow Draw Request, in which case the Title Company shall refrain from paying any amount(s) in dispute (but Title Company may pay all amounts not in dispute) on that particular Work Escrow Draw Request until it receives a written notice signed by both Owner and Optionee or a court of competent jurisdiction instructing the Title Company how to proceed in respect to the amounts in dispute on that Work Escrow Draw Request. If the cost of completing the Demolition/Restoration Work exceeds the amount of the Work Escrow as a result of change orders consented to by the Optionee in writing, then Optionee shall within thirty (30) days reimburse Owner for all amounts in excess of the Work Escrow upon receipt of a Work Escrow Draw Request (including supporting documentation).

Within 5 days after the Exercise Date, the parties agree to negotiate in good faith the terms of an escrow agreement with the Title Company incorporating the terms of this Section 6 and containing such other provisions as are mutually acceptable to both parties.

Section 7. Termination of Tenancies. Optionee acknowledges that the Property is currently occupied by one or more tenants of Owner (collectively, the "Tenants"), and that these tenancies must be terminated before Owner can proceed with the Demolition/Restoration Work on the Property. After Optionee delivers the Exercise Notice, Owner agrees to negotiate in good faith with the Tenants for termination of their respective leases or relocation of the Tenants within Owner's shopping center consistent with the terms of their leases. If, however, Owner is not able to terminate all of the Tenant leases or make arrangements to relocate the Tenants within the shopping center, on terms and conditions reasonably acceptable to Owner (which shall not include paying any damages or relocation expenses of any Tenants unless reimbursed by City), Owner shall deliver written notice to Optionee no later than 180 days prior to the anticipated commencement date of the Demolition/Restoration Work to take such action as Optionee deems appropriate to terminate the Leases and remove the Tenants and their personal property from the Property no later than 15 days prior to the anticipated commencement date of the Demolition/Restoration Work consistent with the requirements imposed by law.

Section 8. Remedies.

8.1 Optionee. If Owner materially breaches any term or provision of this Agreement, then Optionee, as its sole and exclusive remedy and in lieu of any other relief, may either (1) terminate this Agreement and obtain the return of the Option Money Payment and termination of the Restrictive Covenant, or (2) tender performance of the obligations of Optionee and specifically enforce all obligations of Owner. Except as noted in Section 8.3 and any specific remedies reserved elsewhere in this Agreement, Optionee waives the right to pursue any remedy in law or equity against Owner other than the remedies specified above, including any action for damages, in the event of a default by Owner.

8.2 Owner.

8.2.1 If Optionee materially breaches (i.e. failure to pay the second payment) any term or provision of this Agreement before Optionee delivers the Exercise Notice, then Owner, as its exclusive remedy and in lieu of any other relief, shall be entitled to terminate this Agreement by giving Optionee written notice of termination and to retain the Option Money Payment, in which event neither party shall have any further obligations to the other, except that Optionee shall remain liable for any unpaid installment of the Option Money Payment, Optionee's restoration and indemnification obligations set forth in Section 11 below shall survive the termination of this Agreement, and Owner shall provide Optionee with any instruments that Optionee reasonably deems necessary to terminate the Restrictive Covenant after Optionee has delivered to Owner any unpaid installment of the Option Money Payment. Owner acknowledges (1) the adequacy of this exclusive remedy and (2) that this limitation of remedies is an essential part of this Agreement from the perspective of Optionee. Except as noted in Section 8.3 and any specific remedies reserved elsewhere in this Agreement, Owner expressly waives the right to

pursue any other right or remedy in law or equity other than the remedy specified above, including the right of specific performance and the right to sue for damages, in the event of a default by Optionee. Optionee and Owner have established the foregoing remedy in favor of Owner because of the difficulty and inconvenience of ascertaining the actual damages Owner may suffer as a result of a breach of this Agreement by Optionee.

8.2.2 If Optionee materially breaches any term or provision of this Agreement after Optionee delivers the Exercise Notice, then Owner may pursue any right or remedy in law or equity, including the right of specific performance and the right to sue for damages. Owner may also continue to seek reimbursement from the Design Escrow and Work Escrow pursuant to the terms of Section 6 above without waiving any of Owner's rights or remedies, and if Owner has commenced the Demolition/Restoration Work, then Owner may complete the Demolition/Restoration Work notwithstanding a material default by Optionee and cause the Title Company to release the balance of the purchase price to Owner and consummate the purchase and sale transaction contemplated by this Agreement.

Section 9. Escrows and Closing.

9.1 Title Company, Escrows and Opening of Escrow. All escrows required under the terms of this Agreement shall be established with Chicago Title Insurance Company (the "Title Company") located at 10135 SE Sunnyside Road, Suite 200, Clackamas, OR 97015. The "Opening of Escrow" shall be the date on which the Title Company receives the Work Escrow, the balance of the Purchase Price, and the Optionee's Closing Documents as required by the terms of Section 6 above.

9.2 Closing Documents. Owner and Optionee shall deposit the following documents and funds in escrow with the Title Company as required by the terms of Section 6 above (such documents shall be updated as of the Closing Date and additional funds delivered by Optionee, if required, no later than the Closing Date):

9.2.1 Owner shall deposit the following (all documents required to be delivered by Owner are referred to herein as the "Owner's Closing Documents"):

- (1) A duly executed and acknowledged statutory Special Warranty Deed, subject only to the Permitted Exceptions;
- (2) A duly executed affidavit certifying that Owner is not a foreign person, trust, partnership, or corporation in compliance with the requirements of IRC §1445;
- (3) A duly executed Seller's Estimated Closing Statement;
- (4) Such documents as Optionee or the Title Company may reasonably require to evidence the authority of Owner to consummate this transaction, provided that Owner shall not be required to furnish a gap indemnity; and

(5) Such other documents and funds, including (without limitation) escrow instructions, as are required of Owner to close the sale in accordance with this Agreement.

9.2.2 Optionee shall deposit the following (all documents required to be delivered by Optionee are referred to herein as the "Optionee's Closing Documents"):

(1) The Purchase Price less the Option Money Payment, subject to adjustment as provided under the terms of this Agreement;

(2) A duly executed Buyer's Estimated Closing Statement prepared by the Title Company;

(3) Such documents as Owner or the Title Company may reasonably require to evidence the authority of Optionee to consummate the transaction contemplated; and

(4) Such other documents and funds, including escrow instructions, as are required of Optionee to close the sale and purchase of the Property in accordance with this Agreement.

9.3 Time and Place of Closing. Closing of the sale and purchase of the Property (the "Closing") shall occur within 20 days after satisfaction or waiver of the conditions set forth in Section 4, on a date (the "Closing Date") selected by Optionee with at least 10 day prior written notice to Owner.

9.4 Costs. Optionee and Owner each shall pay one-half of the escrow fee of the Title Company with respect to the Closing and for the duties of the Title Company described in Section 6. Owner shall pay the premium for the standard coverage title insurance policy that Owner is obligated to provide to Optionee. Optionee shall pay the fee for recording the conveyance documents referred to herein and the additional premium for endorsements and extended title insurance coverage, if desired by Optionee.

9.5 Prorations. All real property taxes and assessments payable with respect to the tax year in which Closing occurs shall be prorated between Owner and Optionee as of the Closing Date.


9.6 Title Insurance Policy. As soon as practicable after Closing, and in any event no later than 20 days after the Closing Date, Owner shall cause the Title Company to issue its standard form ALTA owner policy of title insurance in the amount of the Purchase Price and insuring fee simple title to the Property vested in Optionee, subject only to the standard preprinted exceptions and Permitted Exceptions.

9.7 Possession. Optionee shall be entitled to exclusive possession of the Property on and after the Closing Date.

Section 10. Condition of Property and Release.

10.1 As-Is. Optionee is and shall be purchasing the Property in its "AS IS, WHERE IS CONDITION WITH ALL FAULTS" and Owner shall have no liability to Optionee with respect to the condition of the Property under common law or any federal, state or local law or regulation. OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT OWNER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS, OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY, INCLUDING BUT NOT LIMITED TO: (A) THE NATURE, QUALITY, OR CONDITION OF THE PROPERTY; (B) THE INCOME TO BE DERIVED FROM THE PROPERTY; (C) THE HABITABILITY, MERCHANTABILITY, OR FITNESS OF THE PROPERTY FOR A PARTICULAR PURPOSE; OR (D) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY."

10.2 Release. Optionee and anyone claiming by, through or under Optionee hereby waives its right to recover from and fully and irrevocably releases Owner, its agents and attorneys, successors and assigns ("Released Parties") from any and all claims, demands, losses, costs and expenses, damages, liabilities, obligations, liens, equitable or injunctive relief, costs, expenses, fees (including, but not limited to, court, arbitration, and attorneys' fees and costs), actions, or causes of action, of whatever kind or nature (including any claims in tort or contract or otherwise and any claim for indemnification or contribution but expressly excluding from this release any claims arising out of this Agreement and any of the documents executed by Owner as part of the Closing), that it may now have or hereafter acquire against any of the Released Parties arising out of, or relating to, and/or by reason of any fact, matter or thing whatsoever, with respect to the Property including, but not limited to, any conditions, latent or otherwise, and any environmental matters (including claims arising under the Comprehensive Environmental Response, Compensation and Liability Act, (42 U.S.C. Section 9601, et seq., or any similar federal, state or local statute, rule or ordinance relating to liability of property owners for environmental matters and all claims relating to the existence of mold or similar substances, asbestos, lead or any hazardous substances or environmental conditions of the Property or the quality of the indoor or outdoor environment at the Property) affecting the Property or any portion thereof. Optionee realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to losses, damages, liabilities, costs and expenses which are presently unknown, unanticipated and unsuspected, and Optionee further agrees that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Optionee nevertheless hereby intends to release, discharge and acquit Owner from any such unknown losses, damages, liabilities, costs and expenses (excluding from such release any claims arising out of a breach by Owner of this Agreement and in any of the documents executed by Owner as part of the Closing). Optionee acknowledges that the foregoing acknowledgments, releases and waivers were expressly bargained for and that Optionee has carefully reviewed this paragraph and discussed its import with legal counsel.



Optionee's Initials

Section 11. Access to Property. Owner grants to Optionee and its agents the right to enter on the Property at any reasonable times before the Closing Date, subject to at least 5 days prior written notice to Owner, for the purpose of conducting tests or studies that Optionee may deem necessary or appropriate in connection with its acquisition of the Property. Optionee shall ensure that the consultants hired to conduct any tests, inspections or studies on the Property: (a) perform all work permitted under this Section in a diligent, expeditious and safe manner, (b) not interfere with or disturb the rights of any tenants of Owner in possession of any portion of the Property, (c) comply with all applicable laws and governmental regulations, (d) repair any and all damage to the Property caused by such tests, inspections or studies in a timely manner, and (e) maintain commercial general liability insurance with a combined liability limit of at least \$1,000,000 combined single limit for personal injury and property damage and naming Owner as an additional insured. Prior to any entry onto the Property, Optionee shall provide Owner with certificates or other evidence of insurance required by this Section. Optionee shall, to the extent permitted by law, defend, indemnify and hold Owner harmless for, from and against any claim, loss or liability or any claim of lien or damage in connection with any entry on the Property by Optionee or its consultants or any activities on the Property by Optionee or its consultants. If Optionee fails to exercise the option, Optionee shall deliver to Owner a legible copy of any reports, studies, and drawings owned by Optionee that relate to the Property. The terms of this Section 11 shall survive the Closing or earlier termination of this Agreement.

Section 12. Recording. On the Effective Date, Owner shall execute, acknowledge, and deliver to Optionee a Memorandum in the form attached as **Exhibit D**. If Optionee fails to exercise the option before the Term expires, Optionee shall execute, acknowledge, and deliver to Owner a statutory quitclaim deed releasing any interest in the Property.

Section 13. Waiver. Failure by Owner or Optionee to enforce any right under this Agreement shall not be deemed to be a waiver of that right or of any other right.

Section 14. Successors and Assigns. The terms, covenants, and conditions herein contained shall be binding on and inure to the benefit of the heirs, successors, and assigns of Owner and Optionee. Optionee may not assign its interest in this Agreement or the Property to any person or entity, without the express written consent of Owner, which may be withheld in the reasonable discretion of Owner.

Section 15. Notices. Any notice under this Agreement shall be in writing and be delivered in person or by public or private overnight courier service (including U.S. Postal Service Express Mail) or certified mail or by facsimile. Any notice given by certified mail shall be sent with return receipt requested. Any notice given by facsimile shall be verified by electronic or mechanical confirmation. All notices shall be addressed to the parties at the addresses or facsimile numbers set forth in this Agreement, or at such other addresses or facsimile numbers as the parties may from time to time direct in writing. Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal, (b) three (3) days after mailing by certified mail or (c) the day after delivery of a facsimile.

The address of each party to this Agreement for purposes of notice shall be as follows:

Owner: Chelsea Property Group
105 Eisenhower Parkway
Roseland, New Jersey 07068
Attention: Darryl E. Gugig
Fax: (973) 228-7148

with a copy to:

Schwabe, Williamson & Wyatt, P.C.
1211 SW Fifth Avenue, Suite 1600
Portland, Oregon 97204
Attention: Jill S. Gelineau
Fax: (503) 796-2900

Optionee: City of Troutdale
104 SE Kibling Avenue
Troutdale, Oregon 97060-2099
Attention: John Anderson
Fax: (503) 667-6403

with a copy to:

Beery, Elsner & Hammond, LLP
1750 SW Harbor Way, Suite 380
Portland, Oregon 97201-2348
Attention: Paul C. Elsner
Fax: (503) 226-2348

Each party may change its address for notice by giving not less than three (3) days' prior notice of such change to the other party in the manner set forth above..

Section 16. Integration, Modification, or Amendments. This Agreement contains the entire agreement of the parties with respect to the Property and supersedes all prior written and oral negotiations and agreements with respect to the Property. Any modifications, changes, additions, or deletions to this Agreement must be approved by Owner and Optionee, in writing.

Section 17. Representation. Owner and Optionee have each been represented by separate legal counsel of choice with respect to this transaction. Except as otherwise provided in Section 16, each party shall be responsible for all attorney fees incurred by it with respect to this Agreement.

Section 18. Counterparts; Pronouns. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement and shall be effective

when one or more counterparts have been signed and delivered by Owner and Optionee. With respect to any pronouns used, each gender used shall include the other gender and the singular and the plural, as the context may require.

Section 19. Governing Law; Interpretation. This Agreement shall be governed by the laws of Oregon. If a court of competent jurisdiction holds any portion of this Agreement to be void or unenforceable as written, Owner and Optionee intend that (1) that portion of this Agreement be enforced to the extent permitted by law, and (2) the balance of this Agreement remain in full force and effect.

Section 20. Time Is of the Essence. Time is of the essence of this Agreement.

Section 21. Authority to Execute. Each person executing this Agreement on behalf of Owner and Optionee, respectively, warrants his or her authority to do so.

Section 22. Confidentiality. Owner and Optionee and their agents, accountants, attorneys, and consultants shall treat this Agreement and all information obtained or exchanged in connection with it as confidential and, to the extent permitted by law, shall not disclose the terms of this Agreement or any information relating to it to any person other than the consultants and the entities engaged to assist in the consummation of this Agreement, such as the Title Company. If the option is not exercised, then Optionee shall return to Owner all documents and information delivered to Optionee by Owner. Nothing contained herein shall operate to prevent or limit the right of Owner or Optionee to disclose the terms of this Agreement or any other information relating to it in conjunction with any litigation, land use proceeding, or other proceeding instituted with respect to this Agreement or the Property.

Section 23. Statutory Disclaimer.

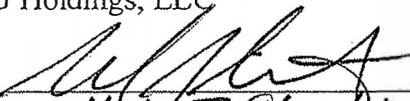
THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES, THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352.

[Signatures appear on the following page]

Executed on the day and year first above written.


OWNER:

CPG PARTNERS, L.P.,
a Delaware limited partnership
By: CPG Holdings, LLC

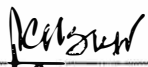
By: 
Name: Monte J. Silvestri
Title: Vice President

OPTIONEE:

CITY OF TROUTDALE,
an Oregon municipal corporation

By: 
Name: Paul Thathofer
Title: Mayor

Approved by City Attorney:

By: 
Name: PAUL C. FLEMING
Title: City Attorney

Attachments:

- Exhibit A—Property
- Exhibit B—Restrictive Covenant
- Exhibit C—Accepted Title Exceptions
- Exhibit D—Form of Memorandum
- Exhibit E - Tower/Signage Elements

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

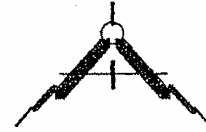
[TO BE ADDED PRIOR TO EXECUTION]

ENGINEERING
PLANNING
SURVEYING
LAND DEVELOPMENT

Registration:
Oregon
Idaho
Washington

KENT W. COX and ASSOCIATES, INC.
Consulting Engineers --- Land Surveyors

204 N.E. KELLY AVENUE
GRESHAM, OREGON 97030-7544
(503) 667-4464
FAX (503) 665-9634



Affiliations:
American Society of Civil Engineers
Professional Land Surveyors of Oregon
American Congress of Surveying and Mapping

August 20, 2007

File No. 07-076lgl.doc

**PROPOSED RIGHT OF WAY DEDICATION
THROUGH TAX LOT 100, MAP 1N 3E 25BC, MULTNOMAH COUNTY, OREGON**

A tract of land in the Northwest quarter of Section 25, Township 1 North, Range 3 East of the Willamette Meridian, in the City of Troutdale, Multnomah County, Oregon, more particularly described as follows:

Commencing at the West quarter corner of said Section 25; thence South 87°41'03" East, a distance of 693.46 feet to a point on the centerline of N.E. 257th Drive; thence North 00°21'01" East, a distance of 836.33 feet and South 89°38'59" East, a distance of 69.99 feet to a 5/8" iron rod with yellow plastic cap marked "WCI LS 1841" found as called for in Survey Number 53429, Multnomah County Survey Records; thence North 14°25'37" East, a distance of 2.23 feet to the Southwest corner of that certain tract of land described in deed to the City of Troutdale, recorded November 8, 1991 in Book 2475, page 1477, Multnomah County Deed Records; thence South 89°41'02" East, along the South line of said City of Troutdale tract, a distance of 221.66 feet to a 5/8" iron rod with yellow plastic cap marked "WCI LS 1841" found at the Southeast corner of said City of Troutdale tract; thence North 00°18'58" East, along the East line of said City of Troutdale tract, a distance of 4.00 feet to the **true point of beginning**; thence continuing North 00°18'58" East, along the East line of said City of Troutdale tract, a distance of 52.00 feet to a point; thence South 89°41'02" East, parallel with the South line of said City of Troutdale tract, a distance of 239.21 feet to a point; thence North 00°18'58" East, a distance of 4.00 feet to a point; thence South 89°41'02" East, a distance of 196.20 feet to a point on the East line of that tract conveyed as Parcel B in deed recorded November 8, 1993 in Book 2780, page 1712, Multnomah County Deed Records; thence South 00°17'09" West, along the East line of said Parcel B, a distance of 60.00 feet to a point; thence North 89°41'02" West, a distance of 196.23 feet to a point; thence North 00°18'58" East, a distance of 4.00 feet to a point; thence North 89°41'02" West, a distance of 239.21 feet to the **true point of beginning**. Containing 24,212 square feet, more or less.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Daniel T. Burton 8/20/07

OREGON
JANUARY 15, 1987
DANIEL T. BURTON
#2248

RENEWS 12/31/07

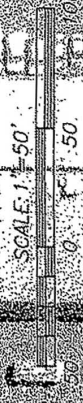


PREPARED BY
KENT W. COX AND ASSOCIATES, INC.
CONSULTING ENGINEERS - LAND SURVEYORS
 204 NORTHEAST KELLY AVENUE GRESHAM, OREGON 97030
 ENGINEERING - PLANNING - SURVEYING - LAND DEVELOPMENT
 PHONE: (503) 667-1455 FAX: (503) 665-0634
 E-MAIL: kwc@kwcoc.com WEBSITE: www.kwcoc.com
 JOB NO. 07-1076

PARCEL ID:
 BOOK 2780, PAGE 1712
 (11/8/1993)

PARCEL A
 BOOK 2780, PAGE 1712
 (11/8/1993)

AND RECORD MONUMENT FROM OREGON STATE



310.30' TO BUILDING CORNER
 305.63' TO BUILDING CORNER
 COLUMBIA GORGE
 OUTLET MALL BUILDINGS

367.17' TO BUILDING CORNER
 371.37' TO BUILDING CORNER
 300'19.31' W 60.00'
 889'41'02\"/>

PROPOSED PLANNING 100'18.50' x 100'
 ALL 1/2\"/>

EXHIBIT MAP - FOR: THE CITY OF TROUTDALE
 PROPOSED PUBLIC STREET RIGHT OF WAY DEDICATION
 IN THE NW 1/4 OF SECTION 26, T4N, R35E, W1W,
 CITY OF TROUTDALE, MULTNOMAH COUNTY, OREGON

EXHIBIT B

RESTRICTIVE COVENANT

When recorded return to:

Schwabe, Williamson & Wyatt, P.C.
1211 SW Fifth Avenue, Suite 1600
Portland, Oregon 97204
Attention: Jill S. Gelineau
Fax: (503) 796-2900

**RESTRICTIVE COVENANT
AND SIGN EASEMENT AGREEMENT**

THIS RESTRICTIVE COVENANT AND SIGN EASEMENT AGREEMENT (this "Agreement") is made as of this ___ day of _____ 2007, by and between the CITY OF TROUTDALE, an Oregon municipal corporation ("City") and CPG PARTNERS, L.P., a Delaware limited partnership ("CPG").

RECITALS:

A. The City is the owner of a certain parcel of land located in the City of Troutdale, Multnomah County, Oregon (the "City Parcel") that is intended to be developed as a mixed use development. The City Parcel is more particularly depicted and described on Exhibit A attached hereto and made a part hereof. To the extent that the City acquires additional land contiguous with the City Parcel, the City agrees that Exhibit A shall be amended to incorporate such additional land and the term "City Parcel" shall be deemed to include any such after-acquired adjacent land.

B. CPG is the owner of a certain parcel of land adjacent to and contiguous with the City Parcel upon which CPG operates a manufacturer's outlet center (the "CPG Parcel"). The CPG Parcel is more particularly depicted and described on Exhibit B attached hereto and made a part hereof.

C. CPG, under threat of condemnation, has agreed to grant City an option to purchase (the "Option") a portion of the CPG Parcel (the "Option Parcel") to facilitate City's plans to develop a mixed use development on the City Parcel. The Option Parcel is more particularly depicted and described on Exhibit C attached hereto and made a part hereof.

D. In exchange for the Option (among other consideration), City has agreed to encumber City Parcel and Option Parcel (effective only if the City acquires the Option Parcel) with restrictive covenants in favor of CPG and to grant CPG a sign easement right in respect to the City Parcel and Option Parcel (effective only if the City acquires the Option Parcel), on terms and conditions more particularly set forth herein.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and CPG hereby agree as follows:

Section 1. Restrictive Covenant.

Section 1.01 The City agrees that it will not sell, lease, or permit the use of all, or any portion of, the City Parcel or the Option Parcel for a "Competing Use," as defined herein. A "Competing Use" shall mean:

- (i) Any use for a manufacturer's or outlet center or store by a merchandise manufacturer operated as an outlet store;
- (ii) the discounted sale of apparel, shoes, or linens in excess of 5,000 square feet of gross rentable area per product category, per tenant, except that the foregoing shall not prohibit one of the following stores: (a) 25,000 square foot or larger home goods store; or (b) 25,000 square foot or larger linens/home furnishings store; or (c) 80,000 square foot or larger sports or outdoor store such as a Sheels, Cabela's or Bass Pro; and
- (iii) any store that markets, advertises or identifies itself as an outlet, factory outlet store, manufacturer's outlet, or company store (i.e. a store owned by the manufacturer of the majority of the goods sold in such store at a discount).

Section 1.02 The restrictive covenant granted in Section 1.01 above shall not encumber nor restrict the Option Parcel unless and until the City or its successors or assigns acquires the Option Parcel.

Section 2. Grant of Sign Easement. In the event a pylon or monument sign structure is erected on or maintained on the City Parcel or on Property under the control of City that is to the west of CPG's property, CPG shall be granted the right to use and maintain, at CPG's sole cost and expense, a sign panel on each face thereof.

Section 3. Remedies.

Section 3.01 In the event of a breach by any party of any obligation of this Agreement, the other party shall be entitled to obtain an order specifically enforcing the performance of such obligation or an injunction prohibiting any such breach, the parties hereby acknowledge the inadequacy of legal remedies and the irreparable harm which would be caused by any such

breach; and/or to relief by other available legal and equitable remedies from the consequences of such breach.

Section 3.02 No delay or omission of any party in the exercise of any right accruing upon any default of the other party shall impair such right or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of such default. A waiver by any party of a breach of, or a default in, any of the terms and conditions of this Agreement by the other party shall not be construed to be a waiver of any subsequent breach of or default in the same or any other provision of this Agreement. Except as otherwise specifically provided in this Agreement, (a) no remedy provided in this Agreement shall be exclusive but each shall be cumulative with all other remedies provided in this Agreement and (b) all remedies at law or in equity shall be available.

Section 3.03 No breach of the provisions of this Agreement shall entitle any party to cancel, rescind or otherwise terminate this Agreement, but such limitation shall not affect, in any manner, any other rights or remedies which a party may have hereunder by reason of any breach of the provisions of this Agreement.

Section 4. Notices. Any notice under this Agreement shall be in writing and be delivered in person or by public or private overnight courier service (including U.S. Postal Service Express Mail) or certified mail or by facsimile. Any notice given by certified mail shall be sent with return receipt requested. Any notice given by facsimile shall be verified by electronic or mechanical confirmation. All notices shall be addressed to the parties at the addresses or facsimile numbers set forth in this Agreement, or at such other addresses or facsimile numbers as the parties may from time to time direct in writing. Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal, (b) three (3) days after mailing by certified mail, or (c) the day after delivery of a facsimile.

The address of each party to this Agreement for purposes of notice shall be as follows:

CPG: Chelsea Property Group
105 Eisenhower Parkway
Roseland, New Jersey 07068
Attention: General Counsel
Fax: (973) 228-7148

with a copy to:

Schwabe, Williamson & Wyatt, P.C.
1211 SW Fifth Avenue, Suite 1600
Portland, Oregon 97204
Attention: Jill S. Gelineau
Fax: (503) 796-2900

City:

City of Troutdale
104 SE Kibling Avenue
Troutdale, Oregon 97060-2099
Attention: _____
Fax: (503) 667-6403

with a copy to:

Beery, Elsner & Hammond, LLP
1750 SW Harbor Way, Suite 380
Portland, Oregon 97201-2348
Attention: Paul C. Elsner
Fax: (503) 226-2348

Each party may change its address for notice by giving not less than three (3) days' prior notice of such change to the other party in the manner set forth above..

Section 5. Miscellaneous.

Section 5.01 In the event that any party to this Agreement institutes a suit, action, arbitration, or other legal proceeding of any nature whatsoever, relating to this Agreement or to the rights or obligations of the parties with respect thereto, the prevailing party shall be entitled to recover from the losing party or parties its reasonable attorney, paralegal, accountant, expert witness (whether or not called to testify at trial or other proceeding) and other professional fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, including but not limited to deposition transcript and court reporter costs, as determined by the judge or arbitrator at trial or other proceeding, and including such fees, costs and expenses incurred in any appellate or review proceeding, or in collecting any judgment or award, or in enforcing any decree rendered with respect thereto, in addition to all other amounts provided for by law. This cost and attorney fees provision shall apply with respect to any litigation or other proceedings in bankruptcy court, including litigation or proceedings related to issues unique to bankruptcy law. Notwithstanding anything to the contrary contained herein, the provisions of this Section 5.01 shall not be effective as to either party for so long as one of the parties is the City.

Section 5.02 This Agreement contains the entire agreement of the parties with respect to the subjects herein covered and supersedes all prior written and oral negotiations and agreements.

Section 5.03 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement and shall be effective when one or more counterparts have been signed and delivered by City and CPG.

Section 5.04 If any provision of this Agreement, or portion thereof, or the application thereof to any person or circumstances, shall, to any extent be held invalid, inoperative or unenforceable, the remainder of this Agreement, or the application of such provision or portion thereof to any other persons or circumstances, shall not be affected thereby; it shall not be deemed that any such invalid provision affects the consideration for this Agreement; and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 5.05 This Agreement shall be construed in accordance with the laws of the State of Oregon

Section 5.06 The headings in this Agreement are for convenience only, shall in no way define or limit the scope or content of this Agreement, and shall not be considered in any construction or interpretation of this Agreement or any part hereof.

Section 5.07 This Agreement shall run with the land and shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs and assigns.

Section 5.08 This Agreement may be amended, modified, or terminated at any time by a declaration in writing, executed and acknowledged by all the parties to the Agreement or their successors or assigns; this Agreement shall not be otherwise amended, modified or terminated during the term hereof.

Section 5.09 Time is of the essence under this Agreement.

[Signatures begin on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CITY:

CITY OF TROUTDALE,
an Oregon municipal corporation

By: _____
Name: _____
Title: _____

Approved as to form:

Name:
Title: City Attorney

ACKNOWLEDGMENT

STATE OF OREGON)
)
COUNTY OF MULTNOMAH)

On this _____ day of _____ 2007, personally appeared before me _____, known to me or proven by satisfactory evidence to be the same person as named in the within instrument and he executed said instrument and acknowledged same as the _____ of the City of Troutdale, an Oregon municipal corporation, on behalf of said corporation.

Notary Public in and for the State of Oregon
My commission expires: _____

EXHIBIT A

City Parcel

EXHIBIT B

CPG Parcel

EXHIBIT C

Option Parcel

EXHIBIT C

ACCEPTED TITLE EXCEPTIONS

[TO BE ADDED PRIOR TO EXECUTION]

Order No.: 444477

DESCRIPTION

See Legal Description Attached Hereto

GENERAL EXCEPTIONS (Standard Coverage Policies only)

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject land onto adjoining land or of existing improvements located on adjoining land onto the subject land), encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the subject land.
5. Any lien, or right to a lien, for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the public records.

SPECIAL EXCEPTIONS

6. Taxes for the fiscal year 2007-2008, a lien but not yet payable.
7. City liens, if any, of the City of Troutdale. (An inquiry has been directed to the City Clerk concerning the status of said liens and a report will follow if such liens are found.)
8. An easement created by instrument, including terms and provisions thereof;
Dated: July 18, 1928
Recorded: August 16, 1928
Book: 1146
Page: 345
In Favor Of: The Pacific Telephone and Telegraph Company
For: Utility purposes
Affects: Exact location not disclosed
9. Limited access provisions contained in 'Final judgment and order of taking' to the State of Oregon, by and through its State Highway Commission, which provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property,
Filed: November 20, 1947
Circuit Court No.: 179782
(Affects access to Interstate 84/Columbia River Highway and to NE 257th Avenue)
10. Limited access provisions contained in Deed to the State of Oregon, by and through its State Highway Commission, which provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property,
Recorded: November 25, 1947
Book: 1223
Page: 476
(Affects access to Interstate 84/Columbia River Highway and to NE 257th Avenue)
11. Release and Flowage Easement Agreement, including the terms and provisions thereof;
Dated: March 14, 1963
Recorded: March 21, 1963
Book: 2159
Page: 345
By and Between: Roy Farella and Madge L. Farella, husband and wife and the State of Oregon, by and through its

Order No.: 444477

State Highway Commission
(Affects Westerly portion of Parcel I and Easterly portion of Parcel III)

12. An easement created by instrument, including terms and provisions thereof;
Dated: November 17, 1989
Recorded: January 29, 1990
Book: 2272
Page: 466
In Favor Of: City of Troutdale, a municipal corporation of the State of Oregon
For: General public utilities and a storm sewer line
Affects: Parcel I
13. An easement created by instrument, including terms and provisions thereof;
Dated: September 10, 1991
Recorded: September 30, 1991
Book: 2461
Page: 3466
In Favor Of: The State of Oregon, by and through its Department of Transportation, Highway Division
For: A permanent easement to construct and maintain slopes, and to relocated, construct and maintain water, gas, electric and communication service lines, fixtures and facilities and appurtenances therefor
Affects: Westerly portion of Parcel I
14. Limited access provisions contained in Deed from the State of Oregon, by and through its State Highway Commission, which provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property,
Recorded: February 10, 1992
Book: 2505
Page: 1437
(Affects Tax Lot 300 of Parcel II)
15. Covenants, conditions, restrictions and easements, but omitting covenants or restrictions, if any, based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, or use of the real property by any home or facility that is licensed by or under the authority of the State of Oregon under ORS Chapter 443, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, imposed by instrument, including the terms and provisions thereof.
Recorded: February 10, 1992
Book: 2505
Page: 1437
(Affects Tax Lot 300 of Parcel II)
16. Limited access provisions contained in Deed from the State of Oregon, by and through its State Highway Commission, which provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property,
Recorded: February 10, 1992
Book: 2505
Page: 1440
(Affects Tax Lot 200 of Parcel I)
17. Covenants, conditions, restrictions and easements, but omitting covenants or restrictions, if any, based on race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, or use of the real property by any home or facility that is licensed by or under the authority of the State of Oregon under ORS Chapter 443, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, imposed by instrument, including the terms and provisions thereof.
Recorded: February 10, 1992
Book: 2505
Page: 1440
(Affects Tax Lot 200 of Parcel I)

Order No.: 444477

18. Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, including the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances as may be provided therein;
- | | |
|---------------------|---|
| Dated: | April 28, 2000 |
| Recorded: | May 1, 2000 |
| Recorder's Fee No.: | 2000-061290 |
| Amount: | \$16,800,000.00 |
| Grantor: | Chelsea Financing Partnership, L.P., a Delaware limited partnership |
| Trustee: | Commonwealth Land Title Insurance Company |
| Beneficiary: | Bayerische Landesbank Cayman Islands Branch, as agent |

NOTE: A "Satisfaction of Deed of Trust" executed by Bayerische Landesbank Cayman Islands Branch, as agent was recorded March 5, 2004 as Recorder's Fee No. 2004-036640. Said instrument is insufficient for the purposes of releasing the lien of the trust deed shown next above.

19. Assignment of Rents and Leases given as additional security to the Trust Deed shown as Exception No. 18;
- | | |
|---------------------|---|
| Dated: | April 28, 2000 |
| Recorded: | May 1, 2000 |
| Recorder's Fee No.: | 2000-061291 |
| To: | Bayerische Landesbank Cayman Islands Branch |
20. Unrecorded easement or license for ingress and egress over existing improved driveways situated along the Southerly boundary of Parcel I, as disclosed by the Multnomah County Assessors Tax Map (Map No. 1N3E25BC).
21. Unrecorded Billboard Lease in favor of Meadow Outdoor Advertising affecting Tax Lot 700 of Parcel I as disclosed by the Multnomah County Tax Assessment Roll. (Map No. 1N3E25B, Tax Lot No. 01700-A1)
22. The terms and provisions of the partnership agreement of Chelsea Financing Partnership, L.P., a copy of which should be furnished for our examination prior to closing. Any conveyance or encumbrance of partnership property must be executed by all of the general partners, unless otherwise provided for in the partnership agreement.
23. Unrecorded lease(s) and existing tenancies, if any.
24. Proof that there are no parties in possession, or claiming to be in possession, other than above vosteers.
25. Any statutory liens for labor or material, including liens for contributions due to the State of Oregon for unemployment compensation and for workmen's compensation, which have now gained or hereafter may gain priority over the lien of the insured mortgage, which liens do not now appear of record.

NOTE: Taxes for the fiscal year 2006-2007, paid in full.

Original Amount:	\$271,568.63
Special Assessment:	Mid-County Street Lighting and Sandy Drainage Improvement
Levy Code:	931
Property ID No.:	R320519
Alternate Account No.:	R943250420
Map No.:	1N3E25BC
Tax Lot No.:	00100

NOTE: Taxes for the fiscal year 2006-2007, paid in full.

Original Amount:	\$471.66
Special Assessment:	Mid-County Street Lighting and Sandy Drainage Improvement
Levy Code:	931
Property ID No.:	R320661
Alternate Account No.:	R943252240
Map No.:	1N3E25BC
Tax Lot No.:	00200

NOTE: Taxes for the fiscal year 2006-2007, paid in full.

Original Amount:	\$2,064.30
Special Assessment:	Mid-County Street Lighting and Sandy Drainage Improvement

Order No.: 444477

Levy Code: 931
Property ID No.: R320660
Alternate Account No.: R943252230
Map No.: 1N3E25BC
Tax Lot No.: 00300

NOTE: Taxes for the fiscal year 2006-2007, paid in full.

Original Amount: \$2,757.59
Special Assessment: Mid-County Street Lighting and Sandy Drainage Improvement
Levy Code: 931
Property ID No.: R320662
Alternate Account No.: R943252250
Map No.: 1N3E25BC
Tax Lot No.: 00400

NOTE: Taxes for the fiscal year 2006-2007, paid in full.

Original Amount: \$7,352.03
Special Assessment: Mid-County Street Lighting and Sandy Drainage Improvement
Levy Code: 931
Property ID No.: R320594
Alternate Account No.: R943251370
Map No.: 1N3E25BC
Tax Lot No.: 00500

NOTE: Taxes for the fiscal year 2006-2007, paid in full.

Original Amount: \$2,493.86
Special Assessment: Mid-County Street Lighting and Sandy Drainage Improvement
Levy Code: 931
Property ID No.: R320632
Alternate Account No.: R943251860
Map No.: 1N3E25BC
Tax Lot No.: 00600

NOTE: Taxes for the fiscal year 2006-2007, paid in full.

Original Amount: \$9,553.45
Special Assessment: Mid-County Street Lighting and Sandy Drainage Improvement
Levy Code: 931
Property ID No.: R320569
Alternate Account No.: R943251060
Map No.: 1N3E25B
Tax Lot No.: 01700

NOTE: Property address is identified as:
450 NW 257th Way, Troutdale, Oregon 97060

NOTE: This report is subject to any amendments which might occur when the names of prospective purchasers are submitted to us for examination.

END OF REPORT

cc:

ibd

Chelsea GCA Realty and Partnership, LP

ts/ije

9014711746.rdw

EXHIBIT D

MEMORANDUM OF OPTION

[TO BE ADDED PRIOR TO EXECUTION]

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

MEMORANDUM OF OPTION

THIS MEMORANDUM OF OPTION (the "Memorandum") is made, executed and delivered as of the ___ day of _____, 2007, by and between **CPG Partners, L.P.**, a Delaware limited partnership ("Owner") and **City of Troutdale**, an Oregon municipal corporation ("Optionee").

RECITALS

A. The Owner and the Optionee are parties to an Option Agreement and Purchase and Sale Agreement dated October __, 2007 (the "Option").

B. Pursuant to the terms of the Option, the parties agreed to give record notice of the existence of the Option and of its material terms.

NOTICE OF OPTION

1. Pursuant to the Option, the Owner granted to the Optionee an option to purchase the real property described in Exhibit "A" attached to this Memorandum and incorporated herein (the "Property").

2. The term of the option (the "Term") shall commenced on the October __, 2007 and shall expire and be of no further force and effect upon December 31, 2008. If Optionee fails to exercise the option before the Term expires, the Option shall terminate and be of no further force or effect.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Option as of the date first above written.

OWNER:

CPG PARTNERS, L.P.,
a Delaware limited partnership
By: CPG Holdings, LLC

By: _____
Name: _____
Title: _____

OPTIONEE:

CITY OF TROUTDALE,
an Oregon municipal corporation

By: _____
Name: _____
Title: _____

Approved by City Attorney:

By: _____
Name:
Title: City Attorney

STATE OF _____)

COUNTY OF _____) ss

)

On _____, _____, before me, _____ [insert name], a Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF _____)

COUNTY OF _____) ss

)

On _____, _____, before me, _____ [insert name], a Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

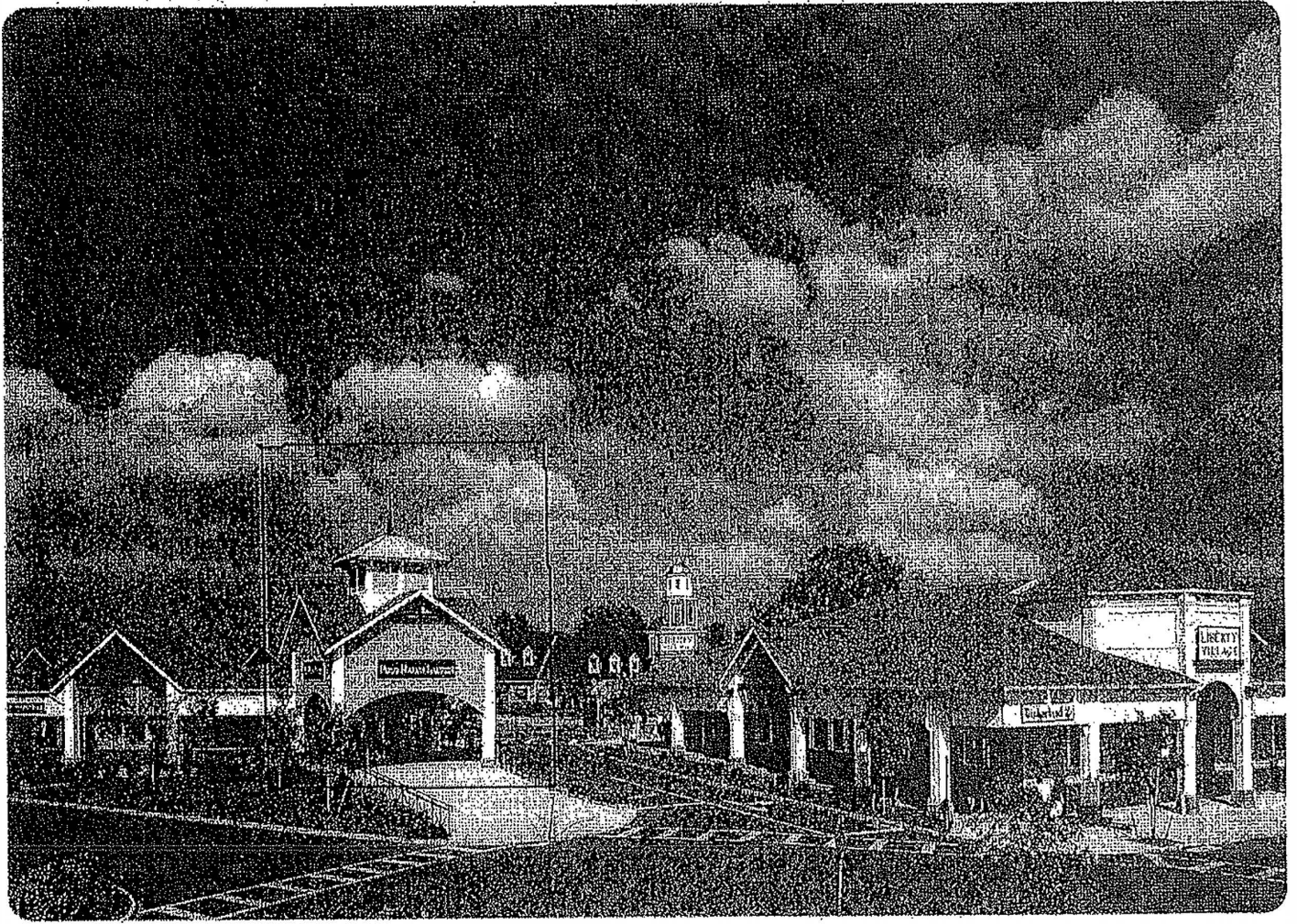
EXHIBIT A

Property

EXHIBIT E

TOWER/SIGNAGE ELEMENTS

[TO BE ADDED PRIOR TO EXECUTION]





When recorded return to:

Schwabe, Williamson & Wyatt, P.C.
1211 SW Fifth Avenue, Suite 1600
Portland, Oregon 97204
Attention: Jill S. Gelineau
Fax: (503) 796-2900

RESTRICTIVE COVENANT AND SIGN EASEMENT AGREEMENT

THIS RESTRICTIVE COVENANT AND SIGN EASEMENT AGREEMENT (this "Agreement") is made as of this 9th day of November 2007, by and between the CITY OF TROUTDALE, an Oregon municipal corporation ("City") and CPG PARTNERS, L.P., a Delaware limited partnership ("CPG").

RECITALS:

A. The City is the owner of a certain parcel of land located in the City of Troutdale, Multnomah County, Oregon (the "City Parcel") that is intended to be developed as a mixed use development. The City Parcel is more particularly depicted and described on Exhibit A attached hereto and made a part hereof. To the extent that the City acquires additional land contiguous with the City Parcel, the City agrees that Exhibit A shall be amended to incorporate such additional land and the term "City Parcel" shall be deemed to include any such after-acquired adjacent land.

B. CPG is the owner of a certain parcel of land adjacent to and contiguous with the City Parcel upon which CPG operates a manufacturer's outlet center (the "CPG Parcel"). The CPG Parcel is more particularly depicted and described on Exhibit B attached hereto and made a part hereof.

C. CPG, under threat of condemnation, has agreed to grant City an option to purchase (the "Option") a portion of the CPG Parcel (the "Option Parcel") to facilitate City's plans to develop a mixed use development on the City Parcel. The Option Parcel is more particularly depicted and described on Exhibit C attached hereto and made a part hereof.

D. In exchange for the Option (among other consideration), City has agreed to encumber City Parcel and Option Parcel (effective only if the City acquires the Option Parcel) with restrictive covenants in favor of CPG and to grant CPG a sign easement right in respect to the City Parcel and Option Parcel (effective only if the City acquires the Option Parcel), on terms and conditions more particularly set forth herein.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and CPG hereby agree as follows:

Section 1. Restrictive Covenant.

Section 1.01 The City agrees that it will not sell, lease, or permit the use of all, or any portion of, the City Parcel or the Option Parcel for a "Competing Use," as defined herein. A "Competing Use" shall mean:

- (i) Any use for a manufacturer's or outlet center or store by a merchandise manufacturer operated as an outlet store;
- (ii) the discounted sale of apparel, shoes, or linens in excess of 5,000 square feet of gross rentable area per product category, per tenant, except that the foregoing shall not prohibit one of the following stores: (a) 25,000 square foot or larger home goods store; or (b) 25,000 square foot or larger linens/home furnishings store; or (c) 80,000 square foot or larger sports or outdoor store such as a Sheels, Cabela's or Bass Pro; and
- (iii) any store that markets, advertises or identifies itself as an outlet, factory outlet store, manufacturer's outlet, or company store (i.e. a store owned by the manufacturer of the majority of the goods sold in such store at a discount).

Section 1.02 The restrictive covenant granted in Section 1.01 above shall not encumber nor restrict the Option Parcel unless and until the City or its successors or assigns acquires the Option Parcel.

Section 2. Grant of Sign Easement. In the event a pylon or monument sign structure is erected on or maintained on the City Parcel or on Property under the control of City that is to the west of CPG's property, CPG shall be granted the right to use and maintain, at CPG's sole cost and expense, a sign panel on each face thereof.

Section 3. Remedies.

Section 3.01 In the event of a breach by any party of any obligation of this Agreement, the other party shall be entitled to obtain an order specifically enforcing the performance of such obligation or an injunction prohibiting any such breach, the parties hereby acknowledge the inadequacy of legal remedies and the irreparable harm which would be caused by any such

breach; and/or to relief by other available legal and equitable remedies from the consequences of such breach.

Section 3.02 No delay or omission of any party in the exercise of any right accruing upon any default of the other party shall impair such right or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of such default. A waiver by any party of a breach of, or a default in, any of the terms and conditions of this Agreement by the other party shall not be construed to be a waiver of any subsequent breach of or default in the same or any other provision of this Agreement. Except as otherwise specifically provided in this Agreement, (a) no remedy provided in this Agreement shall be exclusive but each shall be cumulative with all other remedies provided in this Agreement and (b) all remedies at law or in equity shall be available.

Section 3.03 No breach of the provisions of this Agreement shall entitle any party to cancel, rescind or otherwise terminate this Agreement, but such limitation shall not affect, in any manner, any other rights or remedies which a party may have hereunder by reason of any breach of the provisions of this Agreement.

Section 4. Notices. Any notice under this Agreement shall be in writing and be delivered in person or by public or private overnight courier service (including U.S. Postal Service Express Mail) or certified mail or by facsimile. Any notice given by certified mail shall be sent with return receipt requested. Any notice given by facsimile shall be verified by electronic or mechanical confirmation. All notices shall be addressed to the parties at the addresses or facsimile numbers set forth in this Agreement, or at such other addresses or facsimile numbers as the parties may from time to time direct in writing. Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal, (b) three (3) days after mailing by certified mail, or (c) the day after delivery of a facsimile.

The address of each party to this Agreement for purposes of notice shall be as follows:

CPG: Chelsea Property Group
105 Eisenhower Parkway
Roseland, New Jersey 07068
Attention: General Counsel
Fax: (973) 228-7148

with a copy to:

Schwabe, Williamson & Wyatt, P.C.
1211 SW Fifth Avenue, Suite 1600
Portland, Oregon 97204
Attention: Jill S. Gelineau
Fax: (503) 796-2900

City: City of Troutdale
104 SE Kibling Avenue
Troutdale, Oregon 97060-2099
Attention: John Anderson
Fax: (503) 667-6403

with a copy to:

Beery, Elsner & Hammond, LLP
1750 SW Harbor Way, Suite 380
Portland, Oregon 97201-2348
Attention: Paul C. Elsner
Fax: (503) 226-2348

Each party may change its address for notice by giving not less than three (3) days' prior notice of such change to the other party in the manner set forth above..

Section 5. Miscellaneous.

Section 5.01 In the event that any party to this Agreement institutes a suit, action, arbitration, or other legal proceeding of any nature whatsoever, relating to this Agreement or to the rights or obligations of the parties with respect thereto, the prevailing party shall be entitled to recover from the losing party or parties its reasonable attorney, paralegal, accountant, expert witness (whether or not called to testify at trial or other proceeding) and other professional fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, including but not limited to deposition transcript and court reporter costs, as determined by the judge or arbitrator at trial or other proceeding, and including such fees, costs and expenses incurred in any appellate or review proceeding, or in collecting any judgment or award, or in enforcing any decree rendered with respect thereto, in addition to all other amounts provided for by law. This cost and attorney fees provision shall apply with respect to any litigation or other proceedings in bankruptcy court, including litigation or proceedings related to issues unique to bankruptcy law. Notwithstanding anything to the contrary contained herein, the provisions of this Section 5.01 shall not be effective as to either party for so long as one of the parties is the City.

Section 5.02 This Agreement contains the entire agreement of the parties with respect to the subjects herein covered and supersedes all prior written and oral negotiations and agreements.

Section 5.03 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement and shall be effective when one or more counterparts have been signed and delivered by City and CPG.

Section 5.04 If any provision of this Agreement, or portion thereof, or the application thereof to any person or circumstances, shall, to any extent be held invalid, inoperative or unenforceable, the remainder of this Agreement, or the application of such provision or portion thereof to any other persons or circumstances, shall not be affected thereby; it shall not be deemed that any such invalid provision affects the consideration for this Agreement; and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 5.05 This Agreement shall be construed in accordance with the laws of the State of Oregon

Section 5.06 The headings in this Agreement are for convenience only, shall in no way define or limit the scope or content of this Agreement, and shall not be considered in any construction or interpretation of this Agreement or any part hereof.

Section 5.07 This Agreement shall run with the land and shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs and assigns.

Section 5.08 This Agreement may be amended, modified, or terminated at any time by a declaration in writing, executed and acknowledged by all the parties to the Agreement or their successors or assigns; this Agreement shall not be otherwise amended, modified or terminated during the term hereof.

Section 5.09 Time is of the essence under this Agreement.

[Signatures begin on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CITY:

CITY OF TROUTDALE,
an Oregon municipal corporation

By: Paul Thalhofer
Name: Paul Thalhofer
Title: Mayor

Approved as to form:

Paul C. Egan
Name: Paul C. Egan
Title: City Attorney

ACKNOWLEDGMENT

STATE OF OREGON)
)
COUNTY OF MULTNOMAH)

On this 9th day of November 2007, personally appeared before me Paul Thalhofer, known to me or proven by satisfactory evidence to be the same person as named in the within instrument and he executed said instrument and acknowledged same as the Mayor of the City of Troutdale, an Oregon municipal corporation, on behalf of said corporation.

Sarah Skroch
Notary Public in and for the State of Oregon
My commission expires: 8/7/11



CPG:

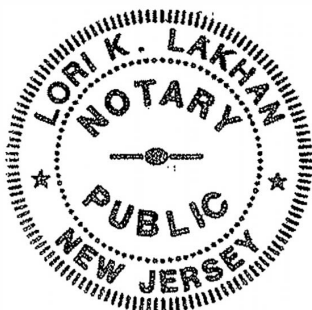
CPG PARTNERS, L.P.,
a Delaware limited partnership
By: CPG Holdings, LLC, General Partner

By: [Signature]
Name: Mark J. Silvestri
Title: Vice President

ACKNOWLEDGMENT

STATE OF New Jersey)
)
COUNTY OF Essex)

On this 6th day of November 2007, personally appeared before me Mark J. Silvestri, known to me or proven by satisfactory evidence to be the same person as named in the within instrument and he executed said instrument and acknowledged same as the Vice President of CPG Holdings, LLC, general partner of such limited partnership.



[Signature]
Notary Public in and for the State of _____
My commission expires: _____

LORI K. LAKHANI
Notary Public of New Jersey
I.D. # 2332617
Commission Expires 8/9/2010

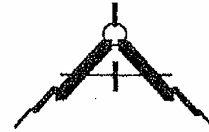
EXHIBIT A

City Parcel

ENGINEERING
PLANNING
SURVEYING
LAND DEVELOPMENT

KENT W. COX and ASSOCIATES, INC.
Consulting Engineers --- Land Surveyors

204 N.E. KELLY AVENUE
GRESHAM, OREGON 97030-7544
(503) 667-4464
FAX (503) 665-9634



Registration:
Oregon
Idaho
Washington

Affiliations:
American Society of Civil Engineers
Professional Land Surveyors of Oregon
American Congress of Surveying and Mapping

November 2, 2007

File No. 06-1171gl.doc

**"CITY OWNED" TRACT
TAX LOTS 400 AND 500, MAP 1N 3E 25BD
CITY OF TROUTDALE, MULTNOMAH COUNTY, OREGON**

A tract of land in the Northwest quarter of Section 25, Township 1 North, Range 3 East of the Willamette Meridian, in the City of Troutdale, Multnomah County, Oregon, more particularly described as follows:

Beginning at a 5/8-inch iron rod found on the North line of the O.W.R. & N. Co. right of way, at the Southwest corner of Parcel III of that tract of land conveyed to the Town of Troutdale, in deed recorded August 3, 1970 in Book 745, page 580, Multnomah County deed records, said 5/8-inch iron rod bears South 04°37'24" East, a distance of 1031.04 feet from a 4-1/4 inch brass disk found at the angular corner of the D.F. Buxton Donation Land Claim No. 59; thence South 88°44'43" East, along the South line of said Town of Troutdale tract, a distance of 116.47 feet to a 3/4-inch iron pipe found at a point of curvature; thence along said O.W.R. & N. Co. North right of way line, the arc of a 2740.00 foot radius curve to the left, through a central angle of 04°57'01" (the chord of which bears North 88°46'47" East, 236.65 feet) an arc length of 236.73 feet to a 5/8-inch iron rod found at the Southwest corner of Parcel 1 of that certain tract of land conveyed to Eastwind Development, LLC, by deed recorded in Document No. 2001-038329, Multnomah County Deed Records; thence North 03°31'49" West, along the West line of said Parcel 1, a distance of 180.25 feet to the Northwest corner thereof, being the Southwest corner of Parcel 2 of said Eastwind Development, LLC tract; thence North 03°37'25" West, along the West line of said Parcel 2, a distance of 180.60 feet to the Northwest corner thereof; thence along the North line of said Parcel 2, through the following courses: North 86°11'53" East a distance of 250.32 feet; and South 00°03'31" East a distance of 20.04 feet to an angle corner on said North line; thence continuing along the North line of said Parcel 2, and along the North line of that certain tract of land conveyed from Marie I Bennett to the City of Troutdale as Parcel III in deed recorded November 26, 1986 in Book 1958, page 1229, Multnomah County deed records, North 85°41'26" East, a distance of 60.20 feet to the Southeast corner of last-said Parcel III; thence North 00°03'38" West, along the East line of last-said Parcel III, a distance of 185.92 feet to the most Northerly corner thereof, being the Southwest corner of Parcel II of said tract of land conveyed from Marie I Bennett to the City of Troutdale in deed recorded November 26, 1986 in Book 1958, page 1229, Multnomah County deed records; thence North 89°59'35" East, along the South line of last-said Parcel II, a distance of 171.78 feet to a point at the West water's edge of the Sandy River; thence along said West water's edge, through the following courses: North 55°41'08" West a distance of 46.40 feet; North 48°24'00" West a distance of 38.36 feet; North 39°39'13" West a distance of 45.33 feet; North 41°05'16" West a distance of 41.19 feet; North 49°13'45" West a distance of 47.99 feet; North 48°54'27" West a distance of 99.77 feet; North 31°17'26" West a distance of 39.09 feet; North 21°55'12" West a distance of 69.32 feet; North 25°18'59" West a distance of 32.02 feet; North 23°11'34" West a distance of 34.33 feet; North 11°08'55" West a distance of 36.64 feet; North 00°05'40" East a distance of 38.97 feet; and North 00°42'19" West a distance of 21.68 feet to a point on the North line of that certain tract of land conveyed from Marie I Bennett to the City of Troutdale as Parcel I in deed recorded November 26, 1986 in Book 1958, page 1229, Multnomah County deed records; thence South 89°59'35" West, along the North line of last-said Parcel I, a distance of 490.83 feet to the Northwest corner thereof; thence South 00°24'36" West along the West line of last-said Parcel I and along the West line of that certain tract of land conveyed to the Town of Troutdale as Parcel I in deed recorded August 3, 1970 in Book 745, page 580, Multnomah County deed records, a distance of 370.12 feet to the Southwest corner of last-said Parcel I, being the Northwest corner of Parcel III of that certain tract of land conveyed to the Town of Troutdale in deed recorded August 3, 1970 in Book 745, page 580, Multnomah County deed records; thence South 00°17'09" West, along the West line of last-said Parcel III, a distance of 648.79 feet to the point of beginning.

Containing 521,638 square feet, more or less.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JANUARY 15, 1987
DANIEL T. BURTON
#2248

RENEWS 12/31/07

EXHIBIT B

CPG Parcel

LEGAL DESCRIPTION

PARCEL I: (East of Kendall Road)

A tract of land situated in the Northwest quarter of Section 25, Township 1 North, Range 3 East, of the Willamette Meridian, in the City of Troutdale, County of Multnomah and State of Oregon, being more particularly described as follows:

Commencing at the Northwest corner of said Section 25; thence North $89^{\circ}57'$ East, 748 feet to a stone in the North line of the David F. Buxton Donation Land Claim; thence South $0^{\circ}23'$ West, 1,346 feet to a point; thence South $61^{\circ}11'$ East, 319.44 feet to the Northeast corner of tract of land conveyed to Z.T. Truelove by Deed, dated May 26, 1920, and recorded June 10, 1920, in Book 815, Page 232, Multnomah County Deed Records; thence along the East line of said Truelove Tract, South $0^{\circ}23'$ West, 191.36 feet to an iron pipe; thence East 394.42 feet to the true point of beginning; thence South $0^{\circ}17'09''$ West 648.79 feet to a point in the North line of the O.W.R. & N. Company right-of-way; thence along said North right-of-way line, North $88^{\circ}46'56''$ West, 394.43 feet; thence continuing along said North right-of-way line, North $88^{\circ}42'14''$ West, 186.87 feet; thence South $2^{\circ}15'36''$ West 74.95 feet; thence North $89^{\circ}22'12''$ West 74.94 feet to a point on the East line of NE 257th Drive, said point being 70.00 feet, when measured at right angles, from the centerline; thence along the East line of said NE 257th Drive, North $0^{\circ}21'01''$ East, 575.64 feet; thence continuing along the East line of said NE 257th Drive, North $14^{\circ}25'37''$ East, 1.95 feet to a point on the South line of Kendall Road as conveyed to the City of Troutdale, recorded November 8, 1991, in Book 2475, Page 1477, Multnomah County Deed Records; thence along the Southerly line of said Kendall road, South $89^{\circ}41'03''$ East, 222.10 feet to an angle point; thence along the East line of said Kendall Road, North $0^{\circ}18'58''$ East, 371.16 feet to a point of curve; thence along a 90.00 foot radius curve to the right, through a central angle of $62^{\circ}41'44''$ (chord bears North $31^{\circ}39'50''$ East, 93.64 feet) a distance of 98.48 feet to a point in the South line of the Columbia River Highway (I-84); thence along said South line North $89^{\circ}59'35''$ East, 387.11 feet; thence South $0^{\circ}22'23''$ West 370.14 feet to the true point of beginning.

PARCEL II: (West of Kendall Road)

A tract of land situated in the Northwest quarter of Section 25, Township 1 North, Range 3 East, of the Willamette Meridian, in the City of Troutdale, County of Multnomah and State of Oregon, being more particularly described as follows:

Commencing at the West quarter corner of said Section 25; thence South $87^{\circ}41'03''$ East a distance of 693.46 feet to a point of intersection with the centerline of NE 257th Drive; thence along the centerline of NE 257th Drive, North $00^{\circ}21'01''$ East a distance of 836.39 feet; thence South $89^{\circ}38'59''$ East, a distance of 69.99 feet to a point on the East right-of-way line of said NE 257th Drive; thence along said East right-of-way, North $14^{\circ}25'37''$ East, a distance of 90.46 feet to a point of curve; thence along a 656.19 foot radius curve to the right, through a central angle of $3^{\circ}48'12''$ (long chord bears North $18^{\circ}27'01''$ East 43.55 feet) a distance of 43.56 feet to a point on non-tangency, and the true point of beginning of this description; thence North $00^{\circ}22'02''$ West, a distance of 9.20 feet; thence North $03^{\circ}12'48''$ West a distance of 243.82 feet; thence North $39^{\circ}31'35''$ East, a distance of 79.96 feet; thence North $65^{\circ}56'00''$ East a distance of 146.25 feet to a point on the West line of Kendall Road as conveyed to the City of Troutdale, recorded November 8, 1991 in Book 2475, Page 1477, Multnomah County Deed Records; thence along the West line of said Kendall Road along a 150.00 foot radius curve to the left, through a central angle of $31^{\circ}10'57''$ (chord bears South $15^{\circ}54'27''$ West,

LEGAL DESCRIPTION

(Continued)

80.63 feet), a distance of 81.64 feet; thence continuing along the West line of said Kendall Road, South $0^{\circ}18'58''$ West, 344.46 feet; thence along a 20.00 foot radius curve to the right, through a central angle of $90^{\circ}00'00''$ (chord bears South $45^{\circ}18'57''$ West, 28.28 feet) a distance of 31.42 feet to a point in the North line of said Kendall Road (now known as 257th Way); thence along said North line, North $89^{\circ}41'02''$ West 147.01 feet to a point in the East line of NE 257th Drive; thence along said East line, North $14^{\circ}25'37''$ East, 26.65 feet; thence along a 656.19 foot radius curve to the right, through a central angle of $3^{\circ}48'12''$ (chord bears North $18^{\circ}27'01''$ East, 43.55 feet) a distance of 43.56 feet to the true point of beginning.

EXHIBIT C

Option Parcel

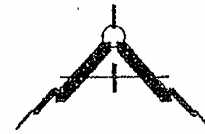
ENGINEERING
PLANNING
SURVEYING
LAND DEVELOPMENT

Registration:
Oregon
Idaho
Washington

KENT W. COX and ASSOCIATES, INC.
Consulting Engineers --- Land Surveyors

204 N.E. KELLY AVENUE
GRESHAM, OREGON 97030-7544
(503) 667-4464
FAX (503) 665-9634

August 20, 2007



Affiliations:
American Society of Civil Engineers
Professional Land Surveyors of Oregon
American Congress of Surveying and Mapping

File No. 07-076lgl.doc

**PROPOSED RIGHT OF WAY DEDICATION
THROUGH TAX LOT 100, MAP 1N 3E 25BC, MULTNOMAH COUNTY, OREGON**

A tract of land in the Northwest quarter of Section 25, Township 1 North, Range 3 East of the Willamette Meridian, in the City of Troutdale, Multnomah County, Oregon, more particularly described as follows:

Commencing at the West quarter corner of said Section 25; thence South 87°41'03" East, a distance of 693.46 feet to a point on the centerline of N.E. 257th Drive; thence North 00°21'01" East, a distance of 836.33 feet and South 89°38'59" East, a distance of 69.99 feet to a 5/8" iron rod with yellow plastic cap marked "WCI LS 1841" found as called for in Survey Number 53429, Multnomah County Survey Records; thence North 14°25'37" East, a distance of 2.23 feet to the Southwest corner of that certain tract of land described in deed to the City of Troutdale, recorded November 8, 1991 in Book 2475, page 1477, Multnomah County Deed Records; thence South 89°41'02" East, along the South line of said City of Troutdale tract, a distance of 221.66 feet to a 5/8" iron rod with yellow plastic cap marked "WCI LS 1841" found at the Southeast corner of said City of Troutdale tract; thence North 00°18'58" East, along the East line of said City of Troutdale tract, a distance of 4.00 feet to the **true point of beginning**; thence continuing North 00°18'58" East, along the East line of said City of Troutdale tract, a distance of 52.00 feet to a point; thence South 89°41'02" East, parallel with the South line of said City of Troutdale tract, a distance of 239.21 feet to a point; thence North 00°18'58" East, a distance of 4.00 feet to a point; thence South 89°41'02" East, a distance of 196.20 feet to a point on the East line of that tract conveyed as Parcel B in deed recorded November 8, 1993 in Book 2780, page 1712, Multnomah County Deed Records; thence South 00°17'09" West, along the East line of said Parcel B, a distance of 60.00 feet to a point; thence North 89°41'02" West, a distance of 196.23 feet to a point; thence North 00°18'58" East, a distance of 4.00 feet to a point; thence North 89°41'02" West, a distance of 239.21 feet to the **true point of beginning**. Containing 24,212 square feet, more or less.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Daniel T. Burton

OREGON
JANUARY 15, 1987
DANIEL T. BURTON
#2248

8/20/07

RENEWS 12/31/07

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Darryl E. Gugig, Esq.
Chelsea Property Group
105 Eisenhower Parkway
Roseland, NJ 07068

MEMORANDUM OF OPTION

THIS MEMORANDUM OF OPTION (the "Memorandum") is made, executed and delivered as of the 4th day of November, 2007, by and between **CPG Partners, L.P.**, a Delaware limited partnership ("Owner") and **City of Troutdale**, an Oregon municipal corporation ("Optionee").

RECITALS

- A. The Owner and the Optionee are parties to an Option Agreement and Purchase and Sale Agreement dated November 4th, 2007 (the "Option").
- B. Pursuant to the terms of the Option, the parties agreed to give record notice of the existence of the Option and of its material terms.


NOTICE OF OPTION

1. Pursuant to the Option, the Owner granted to the Optionee an option to purchase the real property described in Exhibit "A" attached to this Memorandum and incorporated herein (the "Property").
2. The term of the option (the "Term") shall commence on November 4th, 2007 and shall expire and be of no further force and effect upon December 31, 2008. If Optionee fails to exercise the option before the Term expires, the Option shall terminate and be of no further force or effect.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Option as of the date first above written.


OWNER:

CPG PARTNERS, L.P.,
a Delaware limited partnership
By: CPG Holdings, LLC


By: 
Name: Mark J. Silvestri
Title: Vice President

OPTIONEE:

CITY OF TROUTDALE,
an Oregon municipal corporation

By: 
Name: Paul Thalhofer
Title: Mayor

Approved by City Attorney:

By: 
Name: Paul C. Elsum
Title: City Attorney

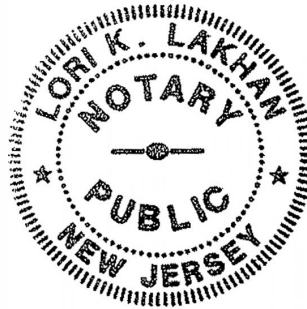
STATE OF New Jersey)
COUNTY OF Essex) ss
)

On November 6, 2007, before me, Lori K. Lakhani [insert name], a Notary Public, personally appeared Mark J. Silvestri, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Lori K. Lakhani (Seal)

LORI K. LAKHAN
Notary Public of New Jersey
I.D. # 2332617
Commission Expires 8/9/2010



STATE OF Oregon)
COUNTY OF Multnomah) ss

On November 9, 2007, before me, Sarah Skroch [insert name], a Notary Public, personally appeared Paul Thihofen, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/~~are~~. subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Sarah Skroch (Seal)



EXHIBIT A

Property

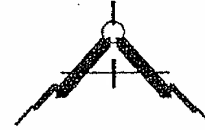
ENGINEERING
PLANNING
SURVEYING
LAND DEVELOPMENT

Registration:
Oregon
Idaho
Washington

KENT W. COX and ASSOCIATES, INC.
Consulting Engineers --- Land Surveyors

204 N.E. KELLY AVENUE
GRESHAM, OREGON 97030-7544
(503) 667-4464
FAX (503) 665-9634

August 20, 2007



Affiliations:
American Society of Civil Engineers
Professional Land Surveyors of Oregon
American Congress of Surveying and Mapping

File No. 07-076lgl.doc

**PROPOSED RIGHT OF WAY DEDICATION
THROUGH TAX LOT 100, MAP 1N 3E 25BC, MULTNOMAH COUNTY, OREGON**

A tract of land in the Northwest quarter of Section 25, Township 1 North, Range 3 East of the Willamette Meridian, in the City of Troutdale, Multnomah County, Oregon, more particularly described as follows:

Commencing at the West quarter corner of said Section 25; thence South 87°41'03" East, a distance of 693.46 feet to a point on the centerline of N.E. 257th Drive; thence North 00°21'01" East, a distance of 836.33 feet and South 89°38'59" East, a distance of 69.99 feet to a 5/8" iron rod with yellow plastic cap marked "WCI LS 1841" found as called for in Survey Number 53429, Multnomah County Survey Records; thence North 14°25'37" East, a distance of 2.23 feet to the Southwest corner of that certain tract of land described in deed to the City of Troutdale, recorded November 8, 1991 in Book 2475, page 1477, Multnomah County Deed Records; thence South 89°41'02" East, along the South line of said City of Troutdale tract, a distance of 221.66 feet to a 5/8" iron rod with yellow plastic cap marked "WCI LS 1841" found at the Southeast corner of said City of Troutdale tract; thence North 00°18'58" East, along the East line of said City of Troutdale tract, a distance of 4.00 feet to the **true point of beginning**; thence continuing North 00°18'58" East, along the East line of said City of Troutdale tract, a distance of 52.00 feet to a point; thence South 89°41'02" East, parallel with the South line of said City of Troutdale tract, a distance of 239.21 feet to a point; thence North 00°18'58" East, a distance of 4.00 feet to a point; thence South 89°41'02" East, a distance of 196.20 feet to a point on the East line of that tract conveyed as Parcel B in deed recorded November 8, 1993 in Book 2780, page 1712, Multnomah County Deed Records; thence South 00°17'09" West, along the East line of said Parcel B, a distance of 60.00 feet to a point; thence North 89°41'02" West, a distance of 196.23 feet to a point; thence North 00°18'58" East, a distance of 4.00 feet to a point; thence North 89°41'02" West, a distance of 239.21 feet to the **true point of beginning**. Containing 24,212 square feet, more or less.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Daniel T. Burton
OREGON
JANUARY 15, 1987
DANIEL T. BURTON
#2248

RENEWS 12/31/07

8/20/07

