Wade Hoyt, Manager HEH, LLC 2265 S. 3rd Street West Missoula, MT 59801

Re: Application of Prior TED Standards to Proposed Development

This letter is intended to memorialize the understanding of the City concerning the application of the townhome exemption development standards to your proposed development. This letter concerns the real property owned by HEH, LLC ("HEH"), identified as Tract 2 of Certificate of Survey No. 4490, records of Missoula County, Montana ("the Property"), which is approximately 8.5 acres.

Starting in 2019, HEH engaged in the City's subdivision review procedures for development of the Property. The first step in HEH's development process was to seek a growth policy amendment and rezoning of the property as well as minor subdivision approval from the City. HEH made it clear throughout every step of the process that HEH's ultimate goal was to build townhome exemption developments on the subdivided parcels. HEH submitted plan specifics as part of the review showing planned housing density, utility service, and road and access connectivity based on the needs of the proposed townhome exemption development. The City conducted its review of the subdivision, growth policy amendment and rezoning application with the understanding that a townhome exemption development was planned for the proposed subdivided lands. The City ultimately approved the growth policy amendment, rezoning and proposed subdivision.

During the review and approval process for HEH's proposed subdivision, the City adopted an interim zoning ordinance regarding townhome exemption development standards. The purpose behind the interim zoning ordinance was to address development issues associated with some townhome exemption development projects, which included public right of way connectivity, necessary off-site improvements to accommodate development, flooding and groundwater, and excessive slopes and unstable soils. It is important to note that these issues either do not exist on the Property, or were addressed as part of the subdivision review process.

The City understands that it takes a substantial investment of time and resources to prepare a project of the type intended by HEH to be ready to submit to the City. HEH invested time and resources to develop a townhome exemption development project that first required rezoning and minor subdivision approval. While the City changed the townhome exemption development standards that would otherwise be applicable to a townhome exemption development on the Property, those changes were made after this project was submitted to the City for review.

So long as HEH's townhome exemption development declaration is filed with the Missoula County Clerk and Recorder, following review and approval as a conditional use, within the time period discussed below, HEH's proposed townhome exemption developments on the Property will be governed by the townhome exemption development standards reflected in Ordinance 3570, as amended by Ordinance 3609. These represent the regulations that were in place at the time of the proposed development was first submitted to the City.

Similar to preliminary plat approvals, the City will honor the understanding laid out in this letter for a period of three years from the date of this letter. The developer can extend this period by requesting an extension prior to the expiration date. The extension shall identify the reasons for the delay, and the steps to be taken to move the project along during the proposed extension. The City will grant up to two extensions of two years each. After the three year period, or any extensions of that period expire, any townhome exemption development on the Property will need to comply with the townhome exemption development standards then in effect. To be clear, this three year period, and any extensions thereof, only applies to the submittal for conditional use approval for the townhome exemption development. If that approval is granted, the developer will need to comply with the time requirements otherwise applicable to these developments.

I look forward to continuing to work with you on this project.

Sincerely,

Jeremy Keene, Interim Director

Development Services

tor (date)

I agree and assent to this understanding:

HEH, LLC

by: Wade Hoyt, President of Hoyt

Homes, Inc., the Manager of HEH, LLC