

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

This is the First Amendment to that certain agreement by and between the URBAN RENEWAL AGENCY OF THE CITY OF SALEM, an Oregon quasi-municipal corporation ("Agency") and KOZ ON STATE STREET LLC, an Oregon limited liability company (as assigned from STATE STREET SQUARE LLC) ("Developer") dated February 14, 2014 ("Development Agreement").

RECITALS:

Whereas, pursuant to the Development Agreement, Agency sold to Developer, certain real property located at 129 Commercial Street SE, Salem, Marion County, Oregon, as described in the Development Agreement; and

Whereas, on June 17, 2019, Agency consented to the assignment of the Development Agreement from STATE STREET SQUARE LLC to KOZ ON STATE STREET LLC; and

Whereas, Agency and Developer are desirous of amending the Development Agreement to provide additional time to begin and complete development of the site.

Now therefore, the Parties agree as follows:

A. Article II, Sec. 2.2 of the Development Agreement is hereby modified as follows:

2.2 Payment of Purchase Price. Developer shall pay Agency according to the terms of the Promissory Note "Exhibit C" attached hereto. Upon timely fulfillment of the terms of this Agreement, Developer shall be entitled to a discounted purchase price per the schedule below.

Within two (2) years of the Effective Date	\$43,750.00
Within three (3) years of the Effective Date:	\$87,500.00
Within four (4) years of the Effective Date:	\$131,250.00
Within five (5) years of the Effective Date:	\$175,000.00
Within six (6) years of the Effective Date:	\$207,500.00
<u>Within seven (7) years of the Effective Date:</u>	<u>\$207,500.00</u>

B. Article II, Sec. 2.4 of the Development Agreement is hereby modified as follows:

2.4 Development Schedule. The Project shall be under construction ~~within four years from the Effective Date by October 1, 2019~~ and complete ~~within six years from the Effective Date by September 30, 2022~~. Project completion shall be defined as having obtained a Certificate of Final Approval.

2.4.1 Extension Option. Upon written request by Developer and with no less than 30 days prior notice to deadline, Agency may at its sole discretion, grant a one year extension to either of the dates in Section 2.4.

IN WITNESS WHEREOF the Parties have executed this instrument in their respective names by their duly authorized representatives as of the date above written.

DEVELOPER:

KOZ ON STATE STREET LLC

AGENCY:

URBAN RENEWAL AGENCY OF THE
CITY OF SALEM

By: _____
Koz Development LLC, Member
Cathy Reines, Member

By: _____
Steven D. Powers, Executive Director

Date: _____

Date: _____