

ASSIGNMENT AND FIRST AMENDMENT TO PROMISSORY NOTE

This is an Assignment and First Amendment to that certain Promissory Note by and between the URBAN RENEWAL AGENCY OF THE CITY OF SALEM, an Oregon quasi-municipal corporation ("Lender") and STATE STREET SQUARE LLC, an Oregon limited liability company ("Borrower") dated January 31, 2014 ("Note").

RECITALS:

Whereas, pursuant to the Note, Agency sold to Developer, certain real property located at 129 Commercial Street SE, Salem, Marion County, Oregon, in conjunction with the conditions described in that certain Development Agreement dated February 14, 2014; and

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

Whereas, Lender and Borrower are desirous of assigning the Note to KOZ ON STATE STREET LLC and amending the Note to provide additional time to begin and complete development of the site.

Now therefore, the Parties agree as follows:

A. The Note is hereby assigned from STATE STREET SQUARE LLC TO KOZ ON STATE STREET LLC.

B. Sec. 2 of the Note is hereby modified as follows:

2. Payment. Borrower shall pay the note per the terms below. Any payment will be applied first to any expenditure advanced by Lender under this Note and the Development Agreement; second, to the payment of any late charges; third, the balance to principal. Checks will constitute payment only when collected. The principal sum due and Effective Date shall be determined as set forth below and as may be adjusted per the terms of the Development Agreement.

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>

Upon written request by Developer and with no less than 30 days prior notice to deadline, Agency may solely and at its discretion, agree to extend payment deadline to either: 1) six months after Project completion or, 2) successful placement of permanent financing on the Project (as defined in the Development Agreement), whichever comes first.

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

BORROWER/ASSIGNEE:

KOZ ON STATE STREET LLC

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

Date: _____

LENDER:

URBAN RENEWAL AGENCY OF THE
CITY OF SALEM

By: _____
Steven D. Powers, Executive Director

Date: _____

BORROWER/ASSIGNOR:

STATE STREET SQUARE LLC

By: _____
Linda T. Nishioka
Its: Member

Date: _____