

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7653

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT WITH PORTLAND STATE UNIVERSITY FOR REDEVELOPMENT OF MULTIPLE PROPERTIES WITHIN THE NORTH MACADAM TAX INCREMENT FINANCING DISTRICT

WHEREAS, Prosper Portland is the duly authorized urban renewal agency of the City of Portland (“City”), Oregon, and administers the City’s urban renewal plans;

WHEREAS, Portland State University (“PSU”), partner on the University District amendment to the Central City Plan as approved on July 1, 1995, by the City Council, is one of Oregon’s largest universities; a renowned provider of quality accessible higher education to Portlanders and the state; nationally recognized for community engagement, graduate education, research, and international exchange; and a major employer and contributor to economic activity in downtown Portland;

WHEREAS, Prosper Portland, the City, and PSU (the “Parties”) have a long history of partnership, including a June 2007 Intergovernmental Agreement setting forth general terms and conditions to cooperate in developing a long-term Framework Plan to guide PSU projects, reflect ongoing growth at PSU, and coordinate with related City planning and development efforts, including the City’s Central City 2035 planning efforts;

WHEREAS, in May 2014, by Resolution No. 37072 as Amended, the Portland City Council directed Prosper Portland and City staff to work on a package of urban renewal amendments that would collectively reduce the impact of urban renewal on taxing jurisdictions, while maintaining resources for City economic development, redevelopment and affordable housing priorities, and continue to support PSU—a proposed package that resulted in the termination of the Education District Urban Renewal Area and the expansion of the North Macadam (NMAC) Tax Increment Financing (TIF) District;

WHEREAS, on December 14, 2014, the Prosper Portland Board of Commissioners (“Board”) through Resolution No. 7088 approved a Disposition and Development Agreement between Prosper Portland and PSU (the “2014 DDA”), which was subsequently amended by the Board of June 17, 2017, through Resolution No. 7239 (the “2017 Amendment”), which collectively outlined a series of development and redevelopment projects in and around the University District to bolster in economic activity within the Portland downtown area and specifically within the NMAC TIF District,

WHEREAS, as the development projects described in the 2014 DDA and 2017 Amendment have progressed, and market conditions have shifted, the provisions of the 2014 and 2017 agreements have become outdated, and the Parties agree that a new and restated Disposition and Development Agreement (“Amended and Restated DDA”) is needed to align

current priorities, to clarify roles, and to support upcoming PSU campus projects and property development within the NMAC TIF District;

WHEREAS, the proposed Amended and Restated DDA (attached hereto as Exhibit A) addresses development and redevelopment projects on PSU owned real property within the NMAC TIF District, including (i) the property located at 2033 SW Fourth Avenue (the former Budget Rent A Car site) (the “4th & Lincoln Property”), (ii) PSU’s former Art Building / School of Art and Design property adjacent to the 4th & Lincoln Property located at 2000 SW 5th Avenue (the “A&D Property”), and (iii) PSU’s University Place Property located at 310 SW Lincoln Street (the “UP Property”).;

WHEREAS, the Amended and Restated DDA will support the City’s Advance Portland Equitable Economic Development Strategy and the City’s goals related to the reactivation of the Central City;

WHEREAS, the Parties intend that no part of the funds or the value of the property provided by Prosper Portland will be used exclusively for education purposes but rather will be incorporated into Projects in conjunction with PSU funds such that the Projects will be tax-generating and consistent with the limitations established in Article XI, Section 11b(1) of the Oregon Constitution;

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is authorized to enter into an Amended and Restated Disposition and Development Agreement with Portland State University on the terms and conditions substantially consistent with the Amended and Restated DDA attached to this Resolution as Exhibit A;

BE IT FURTHER RESOLVED, that that the Executive Director, or designee, is authorized to execute all other documents as may be necessary or desirable to complete the transaction contemplated in the Amended and Restated DDA, and is hereby delegated authority to expend agency funds up to the amounts set forth in the Amended and Restated DDA provided that the funds have been appropriated by the Board and expressly included in the Prosper Portland Budget for the fiscal year in which they will be spent;

BE IT FURTHER RESOLVED, that that the Executive Director may approve changes to the terms of the Amended and Restated DDA, provided that such changes do not materially increase the risk to Prosper Portland, as determined by the Executive Director in consultation with Prosper Portland’s General Counsel; and

BE IT FURTHER RESOLVED, that with the affirmative vote of no fewer than four commissioners for this resolution and of all of those present, this resolution will become effective immediately upon its adoption, and otherwise it will take effect thirty days after adoption.

AMENDED AND RESTATED DEVELOPMENT AND DISPOSITION AGREEMENT

This Amended and Restated Development and Disposition Agreement (this “**Agreement**” or “**DDA**”) is entered into as of June ____, 2026 (“**Effective Date**”), by and between **Portland State University**, an Oregon public university, acting by and through its Board of Trustees (“**PSU**”), and **Prosper Portland**, the economic development and urban renewal agency of the City of Portland, Oregon (“**Prosper**”). PSU and Prosper may be referred to individually as a “**Party**” and collectively as the “**Parties.**”

1. Recitals; Purpose; Relationship of the Parties

1.1 Recitals

A. PSU owns certain real properties within the North Macadam Tax Increment Financing District (“**NMAC District**”) that are the subject of redevelopment planning and potential disposition/ground leasing, including (i) the property located at **2033 SW Fourth Avenue** (the former Budget Rent-A-Car site) (the “**4th & Lincoln Property**”), (ii) PSU’s former Art Building / School of Art and Design property adjacent to the 4th & Lincoln Property located at 2000 SW 5th Avenue (the “**A&D Property**”), and (iii) PSU’s **University Place Property** located at 310 SW Lincoln Street (the “**UP Property**”), as shown in Exhibits B1 and B2.

B. The Parties desire to maintain and strengthen their relationship to support PSU’s education mission, Prosper’s Advance Portland Equitable Economic Development Strategy, and City goals to reactivate the Central City.

C. The Parties desire to amend and replace the Development and Disposition Agreement between them dated April 3, 2015, as previously amended on February 20, 2018, and to address an existing promissory note related to the 4th & Lincoln Property dated June 21, 2018.

D. The Parties executed a non-binding term sheet dated January 27, 2026 (the “**Term Sheet**”) that set forth key business terms for discussion, and this Agreement is intended to be a definitive agreement to the extent and only to the extent expressly stated herein, subject to all conditions, approvals, and limitations set forth in this Agreement.

1.2 Purpose

The purpose of this Agreement is to establish (i) the framework for the Parties’ collaboration regarding the **4th & Lincoln Property** and **A&D Property** (together, the “**4AD Properties**”) including formation of joint ownership as tenants in common, joint marketing, developer selection, post-development revenue sharing, and resolution of the Promissory Note (See Sections 5 and 6) (ii) the framework for the Parties’ collaboration on the **UP Property** including NMAC TIF funding conditions and a construction commencement deadline (See Section 7), and (iii) continued support for PSU placemaking initiatives, all in accordance with applicable public processes and legal requirements (See Section 8).

1.3 No Partnership or Joint Venture

Except for any tenancy-in-common relationship created by deed and the TIC Agreement (each as defined below), nothing in this Agreement creates a partnership, joint venture, fiduciary relationship, or agency between the Parties. Neither Party has authority to bind the other except as expressly stated in a written instrument executed by the other Party.

2. Definitions

For purposes of this Agreement, the following terms have the meanings set forth below:

- **“4th & Lincoln Property”** has the meaning in Recital A and more particularly described in **Exhibit A-1**.
- **“4AD Properties”** has the meaning in Section 1.2.
- **“A&D Property”** has the meaning in Recital A and more particularly described in **Exhibit A-2**.
- **“Construction Commencement”** means commencement of physical on-site construction activities for the applicable project, including mobilization and site work, under an executed construction contract, and after receipt of required permits, subject to customary force majeure and governmental delay provisions.
- **“Decision Item”** means any matter designated in this Agreement or the Governance Charter as requiring consensus approval.
- **“DDA Term”** means the Initial Term and any executed Extension Term described in Section 3.
- **“Developer”** means the selected third-party development partner for the 4AD redevelopment.
- **“Environmental Clearance”** means environmental due diligence results and, if required, remediation/management actions sufficient to meet applicable law and to be acceptable to Prosper in its reasonable discretion consistent with its public purposes and NMAC requirements.
- **“Governance Charter”** means the governance procedures adopted under Section 4.1.
- **“Ground Lease”** means a triple-net (NNN) ground lease structure targeted for the 4AD redevelopment, as further described in Section 5.
- **“Good-Faith Efforts”** means commercially reasonable efforts undertaken honestly and diligently, consistent with public entity processes, legal constraints, and required approvals.

- **“Marketing Phase”** means the joint marketing and pre-development period described in Section 5.4.
- **“NMAC”** means the North Macadam Urban Renewal Plan approved and adopted by the Portland City Council on August 11, 1999, through Ordinance 173651, as subsequently amended, which established the NMAC District.
- **“NMAC TIF”** means tax increment financing funds available (if any) within the NMAC District and administered by Prosper.
- **“Operating Expenses”** means reasonable out-of-pocket costs incurred by PSU, including appropriate staff time, in managing the 4AD Properties and/or Ground Lease administration post-development (as applicable), excluding overhead and internal administrative allocations unless expressly approved as eligible in writing by Prosper.
- **“Pre-Marketing Phase”** means the period described in Section 5.2.
- **“Promissory Note”** means the forgivable contingent promissory note between the Prosper and PSU dated June 21, 2018, attached as **Exhibit C**.
- **“Public Approvals”** means all approvals required for each Party to enter into and perform this Agreement and related documents, including governing board approvals, committee approvals, procurement requirements, and any other authorizations required by law or policy.
- **“ROFO”** means right of first offer, as described in Section 5.3.2.4.
- **“TIC Agreement”** means a tenancy-in-common agreement for the 4AD Properties to be negotiated and executed by the Parties, consistent with Section 5.3 and the outline in **Exhibit D**.
- **“UP Property”** has the meaning in Recital A and more particularly described in **Exhibit A-3**.
- **“UP/PACC Project”** means PSU’s proposed Portland Arts and Cultural Center concept described in Section 7.1, as may be refined through public processes, funding, and approvals.

3. Term; Extension; Expiration Upon Completion

3.1 Initial Term

The term of this Agreement begins on the Effective Date and continues for five (5) years (the **“Initial Term”**), unless earlier terminated or expired in accordance with this Agreement.

3.2 Extension Option

The Parties may extend this Agreement for one additional five (5)-year period (the “**Extension Term**”) by mutual written consent executed by both Parties prior to expiration of the Initial Term, subject to required Public Approvals.

3.3 Expiration Upon Completion

Notwithstanding Sections 3.1 and 3.2, this Agreement will automatically expire upon the earlier of: (a) completion of the contemplated projects and performance of the Parties’ material obligations under this Agreement (including post-development revenue sharing mechanics being implemented through operative documents such as a Ground Lease and/or TIC Agreement); or (b) execution of definitive documents that fully supersede this Agreement with respect to the applicable project(s), as determined by the Parties in writing. Expiration will not relieve either Party of obligations that expressly survive or by their nature should survive.

4. Governance; Consensus Decision-Making; Escalation

4.1 Governance Charter; Working Group

As of the Effective Date, the Parties will have established a joint governance working group for 4AD (the “**Working Group**”) and adopt a Governance Charter that includes designated primary contacts and alternates, meeting cadence and document-sharing protocols, identification of Decision Items requiring consensus, and escalation and documentation requirements. Unless otherwise specified, each Party will appoint up to three (3) representatives to the Working Group.

4.2 Consensus Requirement

Except as expressly stated otherwise in this Agreement, all material decisions regarding the 4AD Properties (including marketing strategy, selection of Developer, selection of transaction structure, approval of conceptual plans, and approval of definitive development documents) are Decision Items and require consensus approval by both Parties.

4.3 Escalation

If the Working Group cannot reach consensus on a Decision Item within fourteen (14) days after the item is formally presented for decision (or such other period agreed in writing), the matter will be escalated to Prosper’s Executive Director (or designee) and PSU’s President (or designee) for attempted resolution within thirty (30) days, or such other period as agreed upon. If still unresolved, the dispute resolution process in Section 9 will be followed.

4.4 Documentation of Decisions

All consensus decisions must be documented in writing (email acceptable) and retained in the project file for public records and audit purposes.

5. 4AD REDEVELOPMENT FRAMEWORK (4th & Lincoln Property + A&D Property)

5.1 Scope; Intent

This Section 5 sets forth the Parties' definitive framework to (i) complete preconditions to joint ownership, (ii) form a tenants-in-common ownership structure for the 4AD Properties, (iii) market the 4AD Properties for highest and best use consistent with applicable policy and zoning (including housing and mixed-use outcomes), and (iv) pursue a triple-net ground lease and development partner selection, all subject to Public Approvals, due diligence results, and funding availability.

5.2 Pre-Marketing Phase: Demolition and Due Diligence (PSU Lead)

5.2.1 Demolition Obligations

Following completion of PSU's new School of Art, Art History, and Design building (the "**New School of Art and Design**"), PSU will, subject to Public Approvals, funding availability, and applicable law demolish existing structures at **1990 and 2000 SW 5th Avenue** (collectively, the "**Demolition Sites**"), and perform associated site clearing and safety measures consistent with applicable permitting requirements. PSU will provide Prosper with a proposed demolition schedule and scope for review and coordination.

5.2.2 Due Diligence

PSU will conduct, or cause to be conducted, due diligence to support ownership transfer and redevelopment readiness, including: (a) Phase I environmental site assessments and, if warranted, Phase II investigations; (b) identification and implementation (or planning) of remediation or risk management measures required by applicable law; (c) title review, including identification of liens, encumbrances, easements, and restrictions; (d) surveys as reasonably needed; and (e) confirmation of PSU's clear ownership and authority to convey an undivided interest as contemplated herein. Prosper will have the right to review and comment on due diligence scopes and reports, and PSU will consider Prosper's comments in good faith.

5.2.3 Environmental Clearance Standard

As a condition precedent to TIC formation (Section 5.3), the 4AD Properties must achieve Environmental Clearance acceptable to Prosper by addressing all Recognized Environmental Conditions identified in the Environmental Site Assessment(s), exercised in Prosper's reasonable discretion consistent with public entity obligations and the purposes of NMAC TIF.

5.3 Formation of Joint Ownership; TIC Agreement

5.3.1 TIC Formation; 50/50 Undivided Fee Interest

Upon completion of demolition (as applicable) and Environmental Clearance, and subject to Public Approvals, the Parties will combine the 4AD Properties into joint ownership as tenants in common, with PSU and Prosper each owning an undivided fifty percent (50%) fee interest in the land (subject to permitted exceptions and encumbrances approved by consensus). The Parties will document such joint ownership by one or more deeds and related instruments in recordable form and will record such instruments in the official records of Multnomah County, Oregon.

5.3.2 TIC Agreement

Concurrently with or prior to recordation of the TIC deed(s), the Parties will negotiate, finalize, and execute a TIC Agreement consistent with: (a) equal and unanimous decision-making authority for major decisions during redevelopment; (b) PSU serving as developer lead and property manager/administrator in consultation with Prosper; (c) procedures for budgeting, accounting, and cost sharing; (d) tenant arrangements and fair market ground lease requirements (including to the extent required by Oregon law, City/Prosper policy, or NMAC TIF conditions); (e) insurance, indemnity, and risk allocation consistent with public entity limitations; (f) dispute resolution alignment with Section 9; and (g) exit rights and ROFO mechanics aligned with Section 8. The TIC Agreement will be substantially consistent with the outline in **Exhibit D**, as modified by consensus and required Public Approvals. In addition, the TIC Agreement will address the following:

5.3.2.1 General

The Parties intend to incorporate an exit strategy into the TIC Agreement and/or other definitive documents to address circumstances including changes in mission or development project objectives, financing infeasibility, or other material changes.

5.3.2.2 Mutual Buyout Rights

Subject to Public Approvals and the terms of the TIC Agreement, each Party will have mutual buyout rights allowing one Party to buy the other Party's undivided interest in the 4AD Properties (or, if applicable, the Parties' interests under the Ground Lease revenue stream), triggered by events and on timelines specified in the TIC Agreement.

5.3.2.3 Fair Market Valuation; Ground Lease Valuation

Any buyout price and related consideration will be determined at fair market value, including fair market valuation of the Ground Lease and/or lease revenue stream, determined through an appraisal process conducted by a qualified appraiser (or appraisers) meeting standards set forth in the TIC Agreement and consistent with public entity requirements.

5.3.2.4 ROFO

Subject to Public Approvals and the terms of the TIC Agreement, the TIC Agreement will include a **Right of First Offer (ROFO)** such that if a Party intends to sell or transfer its interest in the 4AD Properties (or its TIC interest), it must first offer such interest to the other Party on terms and through procedures specified in the TIC Agreement.

5.3.2.5 Permitted Transfers

The TIC Agreement may provide for limited permitted transfers (e.g., to a successor public entity, an affiliate for financing purposes where permitted by law, or as required by a restructuring approved by consensus), subject to notice, consent, and continued compliance with this Agreement and applicable law.

5.4 Joint Marketing / Pre-Development Phase

5.4.1 Joint Marketing

Upon execution of this Agreement and subject to satisfaction of any applicable prerequisites in the Governance Charter, PSU and Prosper will jointly market the 4AD Properties for highest and best use development consistent with applicable policy, zoning, and the Parties' shared goals, including housing and mixed-use outcomes. As determined by the Parties, joint marketing activities could include kickoff and coordination meetings, marketing objectives, promotional or procurement materials, multi-channel media approach, local community engagement and real estate broker support, performance review and optimization.

5.4.2 Shared Marketing and External Legal Costs

The Parties will share jointly (50/50) the reasonable external costs of marketing and related external legal or brokerage services that are (i) pre-approved by consensus in a written budget and (ii) actually incurred. Each Party will bear its own internal staffing costs unless otherwise agreed in writing.

5.4.3 Tours and Scheduling

PSU will lead scheduling and coordination of property tours and site access in consultation with Prosper, subject to safety and operations.

5.4.4 Optional Joint Funding of Pre-Development Activities

Additional pre-development activities (e.g., surveys, conceptual plans, cost estimates, community engagement support) may be jointly funded, subject to consensus approval of a scope of work and budget, and shall comply with PSU's procurement and contracting requirements with Prosper having a right to review and participate, and availability of lawfully appropriated funds.

5.5 Development Phase: Developer Selection; Funding; Project Management

5.5.1 Developer Selection

The Parties will negotiate with and select a Developer aligned with the Parties development goals through a process that complies with applicable procurement, competitive selection, and public contracting requirements for PSU with Prosper having a right to review and participate. Selection of the Developer, selection of a transaction structure, and approval of any exclusive negotiation period are Decision Items requiring consensus and Public Approvals.

5.5.2 Project Funding

The Parties will work collaboratively to secure and structure project funding, which may include private financing, public incentives, and (if available and approved) NMAC TIF contributions. No Party is obligated to fund development costs except as expressly set forth in definitive documents approved pursuant to this Agreement and subject to lawful appropriation.

5.5.3 PSU Project Management Lead; Shared Guidance

PSU will lead project management for the 4AD redevelopment, with both Parties collaborating on guiding development direction through the Working Group and Decision Items. PSU's project management authority will be exercised consistent with consensus decisions, the TIC Agreement, and any definitive development agreements. PSU's project management costs shall be reimbursed as a Project expense.

5.5.4 PSU Retained Ownership Interest

If PSU retains an ownership interest in the vertical development (e.g., a condominium unit or other separate estate), PSU will fund its pro rata share of costs associated with such interest, as determined in definitive documents. The Parties will ensure compliance with fair market value and public contracting requirements.

5.5.5 Ground Lease Structure (Targeted)

The Parties intend to pursue a **triple-net (NNN) ground lease** structure for the 4AD Properties. The ground lease (or leases) will: (a) be at fair market value as required by law and applicable policies, (b) allocate responsibilities consistent with NNN principles (taxes, insurance, maintenance), (c) include performance milestones and remedies, (d) address lender requirements, subordination/non-disturbance, and estoppels as appropriate, and (e) be approved by consensus and subject to Public Approvals.

5.5.6 TIC Requirements for Tenant Arrangements and Fair Market Lease

The TIC Agreement will address tenant arrangements and fair market ground lease requirements, including allocation of leasing authority, consent rights, and procedures to document fair market rent (e.g., appraisal and/or competitive process).

5.6 Post-Development Phase: Revenue Sharing

5.6.1 Net Ground Lease / Land Lease Revenue Share

Net ground lease or land lease revenue derived from the 4AD Properties will be shared 50/50 between PSU and Prosper, net of Operating Expenses incurred by PSU, subject to the TIC Agreement and Ground Lease terms, compliance with any NMAC TIF requirements attached to Prosper funding, audit/records requirements in Section 12, and applicable law.

5.6.2 Adjustment for PSU Ownership in Development

If PSU obtains an ownership interest in the vertical development (or other retained project interest) and such interest reduces the ground lease revenue below fair market value, the Parties will negotiate a proportionate reduction of PSU's share of net lease revenue from the 4AD Properties to ensure that Prosper Portland receives fair market value rents from the property, unless otherwise approved by Prosper in writing and permitted by law.

5.6.3 Accounting; Payment Timing

Unless otherwise specified in definitive documents, PSU will provide quarterly statements of revenues and Operating Expenses within forty-five (45) days after each calendar quarter end and will remit amounts due to Prosper within fifteen (15) days after delivery of such statement, subject to good-faith dispute rights and audit.

5.7 Prosper Discretionary NMAC TIF Contributions

Prosper may contribute NMAC TIF funds to the 4AD redevelopment at Prosper’s discretion, subject to PSU concurrence, Public Approvals, and execution of applicable funding agreements specifying eligible costs, reporting, and remedies. Nothing in this Agreement obligates Prosper to provide NMAC TIF funding for 4AD.

6. PROMISSORY NOTE (4th & Lincoln Property): SURVIVAL; NON-ENFORCEMENT; NULL/VOID UPON TIC

6.1 Survival of Promissory Note

The Promissory Note related to the 4th & Lincoln Property will survive amendment or termination of any prior DDA and will remain in effect unless and until it is satisfied, forgiven, or otherwise terminated in accordance with its terms and this Section 6.

6.2 Non-Enforcement for Debt Collection During Good-Faith Efforts

Prosper agrees that it will not enforce the Promissory Note for debt collection so long as PSU is making Good-Faith Efforts to complete a joint ownership agreement with Prosper for the 4AD Properties as contemplated by this Agreement, including timely pursuit of demolition (as applicable), due diligence, Environmental Clearance, and negotiation/execution of the TIC Agreement, subject to Public Approvals and funding availability.

6.3 Promissory Note Null and Void Upon TIC Execution

Upon execution of the TIC Agreement (and recordation of the deed(s) establishing the Parties’ tenants-in-common ownership as contemplated in Section 5.3, unless the Parties agree in writing to a different sequencing), the Promissory Note will be null and void and of no further force or effect, and the Parties will execute any confirmatory documentation reasonably requested to evidence such termination, subject to Public Approvals.

6.4 No Waiver of Other Rights

Nothing in this Section 6 waives any Party’s rights under this Agreement or applicable law. The non-enforcement commitment in Section 6.2 is conditioned on PSU’s Good-Faith Efforts and does not apply in the event of PSU’s material breach of this Agreement that remains uncured after applicable notice and cure periods, subject to Section 9.

7. UNIVERSITY PLACE / PORTLAND ARTS AND CULTURAL CENTER (UP/PACC)

7.1 Non-Binding Concept Description

PSU proposes to develop a transformative, multi-use arts, education, and cultural destination on

the University Place site, to be known as the Performing Arts and Cultural Center (the “UP/PACC”). The UP/PACC Project concept currently includes (and is not limited to) the following components: a 3,000-seat main auditorium, an adjacent 1,200-seat performance venue, a new hotel, a public plaza, and supporting work and dining amenities. This description is nonbinding and subject to refinement through public processes, design development, financing, approvals, and definitive documents.

7.2 NMAC TIF Funding

Prosper conditionally commits \$7,600,000 in NMAC TIF funding applicable to the entire UP/PACC Site for both City and PSU facilities, subject to lawful availability and appropriation, satisfaction of conditions in definitive documents, compliance with NMAC TIF requirements and eligible cost rules, and Public Approvals. PSU must submit for Prosper’s review and approval a work scope and budget identifying eligible costs prior to reimbursement or disbursement, in a form acceptable to Prosper and consistent with a definitive funding agreement for the entire PACC project, or alternative redevelopment project acceptable to Prosper. PSU will be required to achieve Construction Commencement for the UP/PACC Project by June 30, 2028, subject to force majeure and governmental delay provisions consistent with Section 18 and any additional provisions in definitive documents.

7.3 No Obligation Until Definitive Funding/Amendment Documents

Notwithstanding Section 7.2, no Party will be obligated to fund, approve, or proceed with UP/PACC activities unless and until the Parties execute definitive amendment and/or funding documents, and all required conditions and Public Approvals are satisfied.

7.4 Alternative Project

In the event that PSU determines that the UP/PACC Project is not feasible under the provisions of this Agreement or is not desired within the time frames established herein, then PSU may nominate to Prosper an alternative project (“UP Alternative”). The UP Alternative will be for highest and best use consistent with applicable policy and zoning, subject to approval by Prosper. If the UP Alternative is approved (“Approved UP Alternative”) by Prosper, then such project will be eligible for funding as set forth in Section 7.2 above, including the requirement the PSU achieve Construction Commencement by June 30, 2028.

8. Placemaking Funding

8.1 Funding Amount; Eligibility; No Entitlement

Prosper will continue to support PSU placemaking initiatives with funding up to \$300,000 in the aggregate, subject to (i) submission by PSU of proposed eligible projects, (ii) Prosper’s review and approval in its discretion consistent with public purposes and NMAC TIF requirements (if applicable), (iii) Public Approvals, and (iv) lawful availability and appropriation of funds. Nothing in this Agreement creates an entitlement to funding.

8.2 Submission and Approval Process

PSU will submit placemaking requests including scope, budget, schedule, procurement approach, and eligible cost categories. Prosper may approve, condition, partially approve, or deny requests

in writing. Placemaking projects will be collaborative, community-driven projects that bring people together to shape campus spaces through projects and programming, which may include projects to transform underutilized spaces into ones that celebrate cultural heritage, community needs, and aspirations.

8.3 Eligible Costs; Documentation; Reimbursement

Eligible costs and payment mechanics (reimbursement vs. direct payment) will be specified in a written approval and/or separate funding agreement, including documentation requirements, reporting, and claw back/remedy provisions if funds are used for ineligible costs.

8.4 Publicity and Recognition

Any public recognition of Prosper funding will be coordinated consistent with Section 13.3 and applicable public communications policies.

9. Dispute Resolution; Mediation; Continued Performance

9.1 Good-Faith Negotiation

The Parties will attempt in good faith to resolve disputes through the Working Group and escalation procedures in Section 4 before initiating litigation.

9.2 Mediation

If a dispute is not resolved through escalation, either Party may request non-binding mediation by delivering written notice to the other Party. The Parties will participate in mediation in Multnomah County, Oregon (unless otherwise agreed). Mediation will occur before a mutually acceptable mediator with experience in public sector real estate development. Costs of mediation will be shared equally, except each Party will bear its own attorneys' fees and internal costs.

9.3 Litigation; Venue

If mediation does not resolve the dispute within sixty (60) days after a mediation request (or such other period agreed), either Party may pursue any remedy available at law or equity, subject to applicable law and limitations for public entities. Venue and jurisdiction are governed by Section 21.

9.4 Continued Performance

During any dispute, the Parties will continue to perform undisputed obligations and will use Good-Faith Efforts to avoid project delay, unless continued performance is impossible or unlawful.

10. Conditions Precedent; Public Approvals; Non-Appropriation

10.1 Conditions Precedent

The Parties' obligations to proceed with specific transactions, conveyances, funding commitments, and development steps are conditioned upon: (a) receipt of all required Public Approvals; (b) lawful availability of funds and appropriations (if applicable); (c) completion of

due diligence to the satisfaction of the applicable Party as set forth herein; (d) execution of definitive documents (e.g., TIC Agreement, deeds, funding agreements, ground lease, development agreements) where required; and (e) compliance with applicable law, including public contracting and procurement requirements.

10.2 Public Approvals and Discretion

Each Party retains sole discretion to seek, condition, or withhold its Public Approvals consistent with applicable law and its public duties. Nothing in this Agreement requires either Party to violate public meeting laws, procurement laws, ethical requirements, or other legal obligations.

10.3 Non-Appropriation; No Debt

All financial obligations of each Party requiring expenditure of public funds are subject to lawful appropriation, budget availability, and constitutional/statutory limitations. This Agreement does not create debt within the meaning of Oregon constitutional or statutory debt limitations.

10.4 No Binding Commitment of Funds Except as Expressly Stated

Except for expressly stated cost-sharing obligations (e.g., Section 5.4.2, subject to approved budgets and lawful appropriations), nothing in this Agreement constitutes a binding commitment by either Party to provide funds, subsidies, or incentives unless set forth in a definitive funding agreement executed by the Parties.

11. Covenants; Compliance; Procurement; Prevailing Wage

11.1 Compliance with Law

Each Party will comply with all applicable federal, state, and local laws, rules, regulations, ordinances, and policies applicable to its performance under this Agreement, including public contracting requirements and ethics rules.

11.2 Procurement/Competitive Selection

To the extent required by law, policy, or funding conditions, the Parties will utilize competitive procurement/selection processes for consultants, developers, and contractors. Where a Party's procurement rules apply to a contract it enters, that Party's rules will govern that contract.

12. Records; Audit; Reporting; Public Records

12.1 Records and Retention

Each Party will maintain records related to this Agreement in accordance with applicable law and its record retention schedules. PSU will maintain project financial records related to Operating Expenses and revenue sharing for the 4AD Properties in reasonable detail.

12.2 Audit Rights

To the extent permitted by Oregon law and applicable public entity policies, each Party (and any authorized auditor) may audit the other Party's relevant records relating to shared costs, NMAC TIF expenditures, and revenue sharing, upon reasonable notice and during normal business

hours, subject to confidentiality and public records laws.

12.3 Public Records

The Parties acknowledge that each Party is subject to Oregon public records laws. The Parties will cooperate in responding to public records requests, including providing notice to the other Party of requests that reasonably relate to the other Party's Confidential Information (as defined in Section 13.1), to the extent such notice is permitted by law and practicable.

13. Confidentiality; Publicity

13.1 Confidential Information

“**Confidential Information**” means information disclosed by one Party to the other and marked confidential or that reasonably should be understood as confidential, excluding information that is (i) publicly available through no breach, (ii) already known without restriction, (iii) independently developed, or (iv) rightfully received from a third party without duty of confidentiality.

13.2 Confidentiality Obligations; Public Records Override

Each Party will use reasonable care to protect the other Party's Confidential Information and will use it solely for purposes of this Agreement. Notwithstanding the foregoing, disclosure may be required by public records laws, court order, subpoena, or other legal process. The receiving Party will, to the extent permitted by law, provide prompt notice and cooperate with reasonable efforts to seek protective treatment.

13.3 Publicity

Neither Party will issue press releases or public announcements that identify the other Party or the projects without prior coordination through the Working Group, except as required by law, public meeting requirements, or standard public reporting obligations.

14. Insurance

Each Party will maintain insurance or self-insurance programs consistent with Oregon public entity practices and statutory authority. The Parties will specify insurance requirements for any consultants, Developer, and contractors in the applicable procurement and definitive project documents.

15. Indemnity; Limitations

15.1 To the Extent Permitted by Oregon Law

Subject to the limits of the Oregon Tort Claims Act and Oregon Constitution, each Party agrees to indemnify and hold harmless the other Party, its officers, employees and agents from and against any and all liabilities, claims, losses, damages, or expenses (including attorney fees and expenses) which any of them may suffer or incur arising out of the first Party's activities contemplated under the Agreement, but excluding claims, losses, damages, or expenses that arise solely from the gross negligence or willful misconduct of second Party. This Section will

survive completion of the Project and any termination of this Agreement.

15.2 No Waiver

Nothing in this Agreement waives any immunities, defenses, or limitations of liability available to either Party under applicable law.

16. Representations and Warranties

16.1 Mutual Representations

Each Party represents that it has the authority to enter into this Agreement and perform its obligations, subject to Public Approvals and legal limitations, that the individual executing this Agreement on its behalf is duly authorized, subject to required Public Approvals; and that it will perform this Agreement in accordance with applicable law.

16.2 Disclaimer Regarding Outcomes

Except as expressly stated in this Agreement, neither Party makes any representation or warranty regarding feasibility, financing availability, environmental conditions (except as may be stated in delivered due diligence reports), or ultimate development outcomes.

17. Default; Remedies; Termination

17.1 Notice and Opportunity to Cure

If a Party materially breaches this Agreement, the non-breaching Party will provide written notice describing the breach in reasonable detail. The breaching Party will have thirty (30) days to cure, or if the breach cannot reasonably be cured within that period, to commence cure and diligently pursue cure to completion within a reasonable time.

17.2 Remedies

Upon an uncured material breach, the non-breaching Party may pursue remedies available at law or in equity, subject to limitations applicable to public entities and any dispute resolution requirements in Section 9.

17.3 Termination for Convenience (Public Entity)

Either Party may terminate this Agreement for convenience upon ninety (90) days' prior written notice to the other Party, subject to: (a) continued compliance with law and Public Approvals, (b) payment of any undisputed amounts owing for approved shared costs incurred prior to termination, and (c) survival provisions in Section 22. Termination for convenience will not unwind recorded property interests or executed definitive documents (e.g., a TIC Agreement, deed, Ground Lease, or funding agreement), which will govern according to their terms unless amended by the Parties in writing.

17.4 Effect on Promissory Note

Termination of this Agreement does not by itself terminate the Promissory Note, except as expressly provided in Section 6.

18. Force Majeure

Neither Party will be liable for delay or failure to perform (other than payment obligations when funds are lawfully available and appropriated) due to events beyond its reasonable control, including acts of God, fire, flood, earthquake, epidemic/pandemic, labor disruptions, war, terrorism, civil unrest, and governmental actions or permitting delays, provided the affected Party (i) gives prompt notice, (ii) uses reasonable efforts to mitigate, and (iii) resumes performance as soon as practicable.

19. Assignment; No Third-Party Beneficiaries

19.1 Assignment

Neither Party may assign this Agreement without the prior written consent of the other Party, except to a successor public entity or as otherwise permitted by law and consistent with Public Approvals. Any assignment in violation of this Section is void.

19.2 No Third-Party Beneficiaries

This Agreement is for the sole benefit of the Parties and does not create any rights in any third party.

20. Notices

All notices required or permitted under this Agreement must be in writing and delivered by personal delivery, recognized overnight courier, or certified mail (return receipt requested), and may be delivered by email only if the receiving Party confirms receipt by reply email (excluding auto-replies). Notices are deemed received upon actual receipt (or refusal) at the addresses below.

If to PSU:

Portland State University
Attn: Jason Franklin, AVP Planning, Construction & Real Estate
Finance and Administration | Planning, Construction & Real Estate
Post Office Box 751 – PCRE
Portland, Oregon 97207-0751
Email: jfrank2@pdx.edu

With a copy (non-notice copy) to: Michael Grieser
Attn: Office of General Counsel
Post Office Box 751 – Office of General Counsel

Portland, Oregon 97207-0751 Email: mgrieser@pdx.edu

If to Prosper:

Prosper Portland
Attn: Jennifer Mannhard
220 NW 2nd Avenue, Suite 200
Portland, OR. 97209

Email: Mannhardj@PropserPortland.us

With a copy (non-notice copy) to:
Prosper Portland
Attn: General Counsel
220 NW 2nd Avenue, Suite 200
Portland, OR. 97209
Email: LegalNotice@ProsperPortland.us

Either Party may change its notice address by notice given in accordance with this Section.

21. Governing Law; Venue

This Agreement is governed by the laws of the State of Oregon, without regard to conflicts of law rules. Subject to Section 9, exclusive venue for any action arising out of this Agreement will be the state courts located in Multnomah County, Oregon, or if federal jurisdiction exists, the United States District Court for the District of Oregon.

22. Miscellaneous

22.1 Entire Agreement; Order of Priority

This Agreement, together with its Exhibits, constitutes the entire agreement between the Parties regarding its subject matter and supersedes prior discussions and term sheets to the extent they relate to the same subject matter; provided that the Promissory Note remains governed by Section 6 and its terms until rendered null and void as stated herein. If there is a conflict between the body of this Agreement and an Exhibit, the body controls unless the Exhibit expressly states it controls for a specific matter.

22.2 Amendments

This Agreement may be amended only by a written instrument executed by both Parties, subject to Public Approvals.

22.3 Counterparts; Electronic Signatures

This Agreement may be executed in counterparts, each of which is deemed an original. Electronic signatures and PDF counterparts are enforceable to the extent permitted by applicable law and policy.

22.4 Severability

If any provision is found invalid or unenforceable, the remaining provisions will remain in effect, and the Parties will negotiate a valid substitute provision that most closely reflects the Parties' intent.

22.5 Further Assurances

The Parties will execute and deliver such further documents and take such further actions as reasonably necessary to carry out the purposes of this Agreement, subject to Public Approvals

and applicable law.

22.6 Survival

The following provisions survive expiration or termination: Sections 6 (Promissory Note), 9 (Dispute Resolution), 12 (Records/Audit), 13 (Confidentiality/Publicity), 15 (Indemnity/Limitations), 20 (Notices), 21 (Governing Law/Venue), and 22 (Miscellaneous), and any payment obligations accrued prior to termination.

23. TIF-Funded Project Requirements.

23.1 Availability of TIF Funding. In addition to any other requirements set forth in this Agreement, Prosper’s funding commitments that utilize TIF are expressly contingent on: (a) the availability of TIF generated under the applicable TIF area plan (the “**TIF District**”), as determined by Prosper Portland and the City Debt Management Office; (b) the successful performance of the applicable TIF District as modeled, and (c) the execution of one or more subsequent project-specific development agreements, intergovernmental agreements, grant agreements, or other legal agreements (each, a “**Project Funding Agreement**”) in a form mutually acceptable to the Parties and any external partners.

23.2 Non-Educational Use of Prosper Contributions. Where, pursuant to this Agreement, Prosper is called upon to commit real estate, funds, other value or to forgive value then the execution of that commitment may not be used by PSU exclusively for educational services, including support services and must be accounted for by Prosper consistent with the provisions of in Article XI, Section 11b(1) of the Oregon Constitution and ORS 310.060. Prosper can require, in addition to this Agreement, the execution of documentation by PSU confirming and restricting the ongoing use of such funds and/or property. More, specifically, the parties intend that no part of the funds or the value of the property provided by Prosper will be used exclusively for education purposes but rather will be incorporated into a project in conjunction with PSU funds in a way which preserves the use of those assets contributed by Prosper for non-education purposes.

23.3 TIF Eligibility. The dedication of Prosper value in any form (real estate, direct funding, forgiven payments, etc.) to a Project will require Prosper approval that such application of value is in accord with the provisions of Oregon Revised Statutes Chapter 457. The Projects envision Prosper investments that are targeted to development of commercial and/or ground-floor retail space(s) to create active ground floor experience.

24. Additional Policy Requirements.

Public investments into the projects described in this Agreement, including the use of funds of a public agency to support such projects, may require compliance by PSU (including its development partners, contractors, or subcontractors) with the following additional policies, rules and regulations:

24.1 Business and Workforce Equity Policy.

Prosper has adopted Construction Business and Workforce Equity policies to ensure fair and equitable opportunities, to promote prosperity, to foster economic growth and to expand market competition for all of Portland’s diverse communities. The expenditure of public funds into specific projects may be subject to one of these policies in existence at the time a Project Funding Agreement is executed.

24.2 Green Building Policy.

Prosper has adopted Green Building policies to advance climate action through construction and supports environmental, social, and economic conditions. The expenditure of public funds into specific projects may be subject to one of these policies in existence at the time a Project Funding Agreement is executed.

24.3 City of Portland Business License and EEO Certification.

PSU will be required to ensure that its contractors and development partners comply with the City’s Business License Law set forth in City Code Chapter 7.02 and the City’s EEO Certification Program set forth in City Code Section 3.100.041.

24.4 Oregon Prevailing Wage.

If a project is a “Public Work,” as that term is defined in ORS 279C.800, it may be subject to any prevailing wage requirements in effect at the time a Project Funding Agreement is executed. As used in this Term Sheet, the phrase “funds of a public agency” does not include the items described in ORS 279C.810(1)(a).

24.5 Two Percent for the Arts.

The City of Portland has adopted a 2% for the arts policy, codified at City Code Chapter 5.74 (the “City’s Arts Policy”), to incorporate funding for public art into qualifying infrastructure projects by the City for the purpose of enriching the social, physical and cultural environment of Portland in a manner that benefits all Portlanders, including historically underserved communities and neighborhoods. The expenditure of public funds may be subject to the City’s Arts Policy, as it exists at the time a Project Funding Agreement is executed.

SIGNATURES

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

PORTLAND STATE UNIVERSITY

an Oregon public university

By: _____
Name: [NAME]

Title: *[TITLE]*
Date: _____

Approved as to form (if applicable):
By: _____
Name: *[NAME]*
Title: *[TITLE]*
Date: _____

PROSPER PORTLAND

the economic development and urban renewal agency of the City of Portland, Oregon

By: _____
Name: Cornell Wesley
Title: Executive Director
Date: _____

Approved as to form (if applicable):

By: _____
Prosper Portland Legal Counsel

EXHIBITS

Exhibit A-1 — Legal Description: 4th & Lincoln Property

2033 SW Fourth Ave., Portland, Oregon

PARCEL 1: Lot 5, EXCEPT the West 50 feet thereof and all of Lots 6, 7 and 8, Block 21, CARUTHERS ADDITION TO CARUTHERS ADDITION TO THE CITY OF PORTLAND, in the City of Portland, County of Multnomah, State of Oregon.

PARCEL 2: A tract of land adjoining the South line of Lots 4 and 5, Block 156, CITY OF PORTLAND in the City of Portland, County of Multnomah and State of Oregon, more particularly described as follows:

Beginning at a point on the East line of S.W. 5th Avenue being 200 feet Southerly from the Northwest corner of Block 156, CITY OF PORTLAND; thence at right angles to said East side line of S.W. 5th Avenue Easterly along the Southerly side of Block 156, 191.57 feet to the Northerly line of Block 21, CARUTHER'S ADDITION TO THE CITY OF PORTLAND; thence Westerly along the Northerly line of Block 21, angle left from last course 19° 24' 45" 203.12 feet to said East line of S.W. 5th Avenue; thence Northeasterly along said East line 67.51 feet to the place of beginning.

Exhibit A-2 — Legal Description: A&D Properties

1990 SW 5th Ave. / 2000 SW 5th Ave. Portland, Oregon

A PARCEL OF LAND IN THE SOUTHEAST ONE-QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 1 EAST, WILLAMETTE MERIDIAN, MULTNOMAH COUNTY, OREGON, BEING A PORTION OF THAT PROPERTY DESCRIBED IN THAT STIPULATED GENERAL JUDGMENT IN CONDEMNATION, TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON AS GRANTEE/PLAINTIFF, RECORDED ON AUGUST 22, 2012 AS DOCUMENT NO. 2012-104746, MULTNOMAH COUNTY OFFICIAL RECORDS, TO WIT:

BEGINNING AT THE NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN THAT BARGAIN AND SALE DEED TO THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON, RECORDED ON SEPTEMBER 21, 2011 AS DOCUMENT NO. 2011-103933, MULTNOMAH COUNTY OFFICIAL RECORDS, WHICH CORNER BEARS SOUTH 77°49'37" EAST, A DISTANCE OF 1,017.26 FEET FROM A BRASS DISK MARKING A WITNESS COMER ON THE NORTH LINE OF THE FINICE CARUTHERS DLC NO. 43; THENCE SOUTH 82°05'20" EAST, A DISTANCE OF 96.93 FEET TO THE POINT OF CURVE LEFT OF AN 8.00 FOOT RADIUS CURVE; THENCE ALONG THE ARC OF SAID CURVE LEFT THROUGH A CENTRAL ANGLE OF 94°07'48", A DISTANCE OF 13.14 FEET (CHORD BEARS NORTH 50°50'46" EAST, A DISTANCE OF 11.71 FEET); THENCE NORTH 03°46'52" EAST, A DISTANCE OF 54.43 FEET TO A POINT ON THE EAST LINE OF SAID DOCUMENT NO. 2012-104746 PROPERTY, WHICH POINT BEARS NORTH 02°56'37" EAST, A DISTANCE OF 91.34 FEET FROM THE SOUTHEAST CORNER OF SAID DOCUMENT NO. 2012-104746 PROPERTY; THENCE TRACING THE BOUNDARY OF SAID DOCUMENT NO. 2012-104746 PROPERLY ALONG THE FOLLOWING THREE (3) COURSES: NORTH 02°56'37" EAST, A DISTANCE OF 108.66 FEET; THENCE NORTH 87°01'30" WEST, A DISTANCE OF 105.82 FEET; THENCE SOUTH 03°01'27" WEST, A DISTANCE OF 162.61 FEET TO THE POINT OF BEGINNING.

Exhibit A-3 — Legal Description: UP Properties

310 SW Lincoln Street, Portland, Oregon

Part of Lot 1, Block "C", SOUTH AUDITORIUM ADDITION, Blocks C, D, E, F, G and partial Block H, in the City of Portland, County of Multnomah and State of Oregon, described as follows:

Commencing at the initial point of SOUTH AUDITORIUM ADDITION, Blocks C, D, E, F, G and partial Block H; thence South 89°18'03" East 106.67 feet; thence South 0°41'57" West 40 feet to a point on the South line of S.W. Lincoln Street; thence along said South line South 89°18'03" East 137.66 feet to the true point of beginning of the tract to be described; thence along the South line of S.W. Lincoln Street, South 89°18'03" East 334.84 feet; thence South 0°41'57" West 300.00 feet; thence North 89°18'03" West 57.00 feet; thence South 0°41'57" West 100.00 feet; thence North 89°18'03" West 27.25 feet; thence South 0°41'57" West 196.26 feet; thence North 65°24'28" West 15.25 feet; thence North 56°00'18" West 127.42 feet; thence North 54°01'07" West 103.84 feet; thence North 41°15'30" West 116.61 feet; thence North 17°37'20" West 177.46 feet to a point on the South line of S.W. Lincoln Street; thence along said South line South 89°18'03" East 62.71 feet to the true point of beginning.

330 SW Lincoln Street, Portland Oregon

Part of Lot 1, Block "C", SOUTH AUDITORIUM ADDITION, Blocks C, D, B, F, G and Partial Block H, in the City of Portland, County of Multnomah and State of Oregon, described as follows:

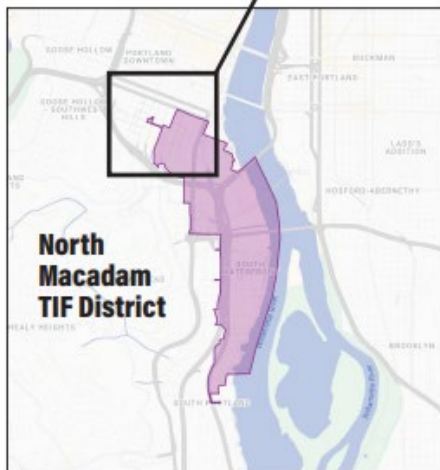
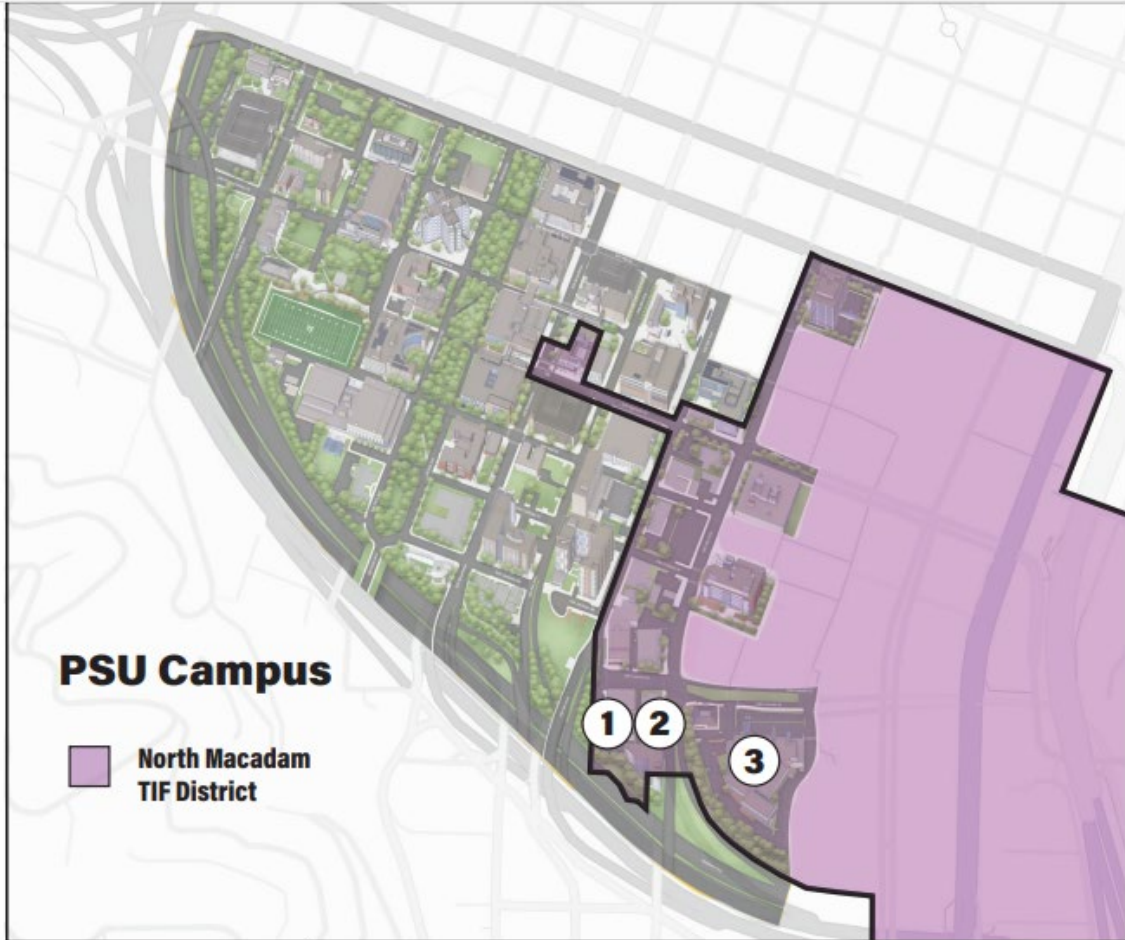
Commencing at the initial point of SOUTH AUDITORIUM ADDITION, Block C, D, E, F, G, and Partial Block H; thence South 89° 18' 03" East 106.67 feet; thence South 0° 41' 57" West 40.00 feet to a point on the South line of SW Lincoln Street and the true point of beginning of the tract to be described; thence along said South line of SW Lincoln Street South 89° 18' 03" East, 137.66 feet; thence South 0° 41' 57" West 126.83 feet to a point of curvature; thence on the arc of a curve to the right having a radius of 15 feet and a central angle of 90°, the long chord of which bears South 45° 41' 57" West, 21.21 feet, an arc distance of 23.56 feet; thence North 89° 18' 03" West 106 feet; thence North 21° 05' 25" West 45 feet; thence North 10° 35' 06" West 80.54 feet; thence North 37° 34' 09" East 26.33 feet to the true point of beginning.

EXCEPTING THEREFROM that portion conveyed to Tri-County Metropolitan Transportation District of Oregon by Deed recorded September 16, 2011 as Fee No. 2011-102545.

TOGETHER WITH a non-exclusive driveway easement as set forth in Reciprocal Easement Agreement, recorded November 7, 1991 in Book 2475, Page 3 of Multnomah County Deed Records.

Exhibit B — Map of Properties

EXHIBIT B-1 -NMAC LOCATION MAP



- 1 Former Arts & Design Building Properties
- 2 SW 4th Ave & SW Lincoln St
- 3 University Place

EXHIBIT B-2 – PSU AND PROSPER DDA PROPERTIES MAP

Project Map

SW 4th & Lincoln

2033 SW 4th Ave

Former Arts & Design Building Property

1990 SW 5th Ave

2000 SW 5th Ave

University Place

330 SW Lincoln St

310 SW Lincoln St



Exhibit C — Forgivable Contingent Promissory Note (June 21, 2018)

FORGIVABLE CONTINGENT PROMISSORY NOTE

THIS INSTRUMENT (hereinafter “**Note**”) is made as of June 21, 2018 (“**Effective Date**”), by and between the CITY OF PORTLAND a municipal corporation of the State of Oregon, acting by and through the Portland Development Commission, the duly designated urban renewal agency of the City of Portland, doing business as **PROSPER PORTLAND** (hereinafter “**Payee**”) and **PORTLAND STATE UNIVERSITY** (hereinafter “**Maker**”). Together Maker and Payee are the “**Parties**”.

RECITALS

A. This Note is made in accordance with that Grant Agreement in Support of the Fourth and Lincoln Project executed by the Parties, executed concurrently with this Note, (the “**Grant Agreement**”) and the Agreement for Disposition and Development of Property in North Macadam Urban Renewal Area by and between the Parties, dated April 3, 2015, and as subsequently amended (“**DDA**”).

B. This Note is made to secure the obligation of Maker to commence construction on the **Fourth and Lincoln Property**, as defined in the Grant Agreement and DDA , on or before January 31, 2024.

C. This Note is forgivable and shall be forgiven by Payee as provided below, in the Grant Agreement and in the DDA.

D. Capitalized terms not defined in this Note shall have the meaning given to such terms in the Grant Agreement and in the DDA.

NOW, THEREFORE, in consideration of the mutual benefits conferred by each Party to the other under the Grant Agreement and under the DDA, the Parties agree as follows:

Maker does hereby promise to pay to Payee the total principal amount of the Grants provided to Maker by Payee, as set forth in the Grant Agreement, up to a maximum amount of \$5,840,000.

This Note is contingent and shall only be payable if PSU has not commenced construction on the Fourth and Lincoln Property on or before January 31, 2024 or, the Fourth and Lincoln Alternative or another project which has been approved by Prosper Portland as described in the Grant Agreement and the DDA

If, however, Maker has commenced construction, as defined in the DDA, on the Fourth and Lincoln Property, then Payee shall forgive Maker’s obligation under this Note.

[signature page to follow]

Exhibit C — Forgivable Contingent Promissory Note (June 21, 2018)

IN WITNESS WHEREOF, the Parties have entered into this Note as of the Effective Date.

PROSPER PORTLAND

By: 

Kimberly Branam, Executive Director

APPROVED AS TO FORM:

By: 

Prosper Portland Legal Counsel

PORTLAND STATE UNIVERSITY

By: 

Kevin Reynolds
Vice President for Finance and Administration

Dated: June 20th 2018

Exhibit D — TIC Agreement Outline (4AD) (Form Term Sheet/Outline)

1. Parties; Property; Purpose
 2. Title; Undivided Interests (50/50)
 3. Management (PSU as manager in consultation with Prosper)
 4. Decision Items; Unanimous/Consensus Approval Matters
 5. Budgets; Cost Sharing; Reimbursements
 6. Accounting; Books/Records; Audit
 7. Development Process; Developer Selection; Exclusive Negotiations (if any)
 8. Ground Lease Requirements (NNN target; fair market value; appraisals/competitive process)
 9. Tenant Arrangements; Leasing Consents; Estoppels
 10. Insurance; Risk; Indemnity (public entity limitations)
 11. Financing; Lender Protections; Subordination/Non-Disturbance (if applicable)
 12. Transfers; Permitted Transfers; ROFO
 13. Buyout Rights; Triggers; Appraisal and Valuation (including ground lease valuation)
 14. Deadlock; Escalation; Mediation; Remedies
 15. Default; Cure; Termination of TIC (if applicable)
 16. Miscellaneous (notices, governing law, amendments, public records)
-