

**AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE  
OREGON CITY URBAN RENEWAL COMMISSION AND THE COVE, LLC.**

This Disposition and Development Agreement Amendment No. 1 (the "Amendment"), dated August 21, 2019, hereby amends the Disposition and Development Agreement (DDA) between the Urban Renewal Commission of Oregon City ("Commission") and The Cove, LLC ("Developer"), dated November 26, 2018, which contract together with this Amendment shall collectively be called the "Amended Disposition and Development Agreement".

**RECITALS**

A. The Urban Renewal Commission of Oregon City has entered into a DDA with The Cove, LLC for development of a mixed use project within the City's Regional Center. The public benefits from such development would include: turning a blighted, abandoned industrial area into an attractive mixed-use development; a substantial increase in property taxes (after any applicable tax abatement); significant construction and permanent employment; and numerous on-site public amenities; and

B. The Commission and the Developer wish to extend the timeline by an additional 180 days, for a total of 450 days from the effective date of the original DDA, which occurred on November 26, 2018, to meet the preconditions in ***Section 3.1 – Satisfaction or Waiver of Preconditions*** of the DDA; and

C. The Commission and the Developer agree that there will be no additional reimbursement of funds to the Developer, as identified in ***Section 7.2 – Urban Renewal Investment***, until all of the preconditions identified in Section 3.2 of the DDA have been met or waived.

NOW THEREFORE, in consideration of the mutual promises of the parties set forth herein and in the Disposition and Development Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**1. Provisions of Disposition and Development Agreement Amendment No. 1**

*3.1 Satisfaction or Waiver of Preconditions* shall state as follows:

The "Preconditions" described in Section 3.2 must be satisfied or waived by both parties within four hundred fifty (450) days after the Effective Date of this Agreement (November 26, 2018). If all of the Preconditions are not satisfied or waived within four hundred fifty (450) days, then either party may terminate this Agreement by written notice to the other party, which notice shall be effective twenty (20) days after delivery unless the Preconditions are satisfied or waived during such twenty-day period; provided, however, that a party may not terminate this Agreement for failure of a Precondition if that party is responsible for the delay in satisfying the Precondition, unless that Precondition remains unsatisfied for the number of days of delay added to the four hundred fifty (450) day period. If all of the Preconditions are satisfied or waived by both parties as provided herein, the parties shall proceed with their respective obligations set forth in this Agreement.

*7.2 Urban Renewal Investment* shall state as follows:

The Commission recognizes the substantial cost of correcting the defects in the Development Site and the substantial cost to design and build the Infrastructure Work and public amenities

necessary to create an economically viable Project, and recognizes that Developer is willing to pay most of these costs and that these costs will substantially exceed the market value of the Development Site. Accordingly, in order to achieve the public benefits from the Project, the Commission and Developer have negotiated and agreed upon a financial contribution from the Commission to reduce Developer's cost to develop the Project. The Commission agrees to reimburse Developer for Developer's Phase II Environmental Assessment, design and engineering costs for the Infrastructure, and the City land use application fees completed within three hundred fifty (350) days of the Effective Date (November 26, 2018), in the total amount of six hundred ninety-five thousand dollars (\$695,000) and such payment shall occur no later than three hundred sixty (360) days after the Effective Date (November 26, 2018). As of the date of this amendment (August 21, 2019) no additional urban renewal investment of the six hundred ninety-five thousand dollars (\$695,000) identified in this section shall be made to the Developer until all of the preconditions identified in Section 3.2 have been met or waived and, as described above, such payment shall occur no later than three hundred sixty (360) days after the Effective Date (November 26, 2018). In the event that the Developer does not purchase the Phase 2A Private Parcels, pursuant to Section 4.1.1, Developer shall deliver to the Commission the entire work product described above and deliver a bill of sale for ownership of such work product to the Commission.

**2. No Other Modifications**

Except as modified herein, all other terms and conditions of the DDA shall remain in full force and effect. Any conflict between the provisions of this Disposition and Development Agreement Amendment No. 1 and the original Disposition and Development Agreement shall be resolved by reference to and reliance upon this Disposition and Development Agreement Amendment No. 1.

IN WITNESS WHEREOF, Developer and the Commission have executed and delivered this Disposition and Development Agreement Amendment No. 1 to be effective August 21, 2019.

**URBAN RENEWAL COMMISSION OF  
THE CITY OF OREGON**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**THE COVE, LLC.**

By: \_\_\_\_\_

Its: \_\_\_\_\_