

TERM SHEET
OMSI CCMP DISTRICT

This Term Sheet (this “**Term Sheet**”) is dated as of the last signature below (the “**Effective Date**”) by and among **PROSPER PORTLAND** (“**Prosper Portland**”), the economic development and urban renewal agency of the City of Portland, the **CITY OF PORTLAND** (the “**City**”), a municipal corporation of the State of Oregon, and the **OREGON MUSEUM OF SCIENCE AND INDUSTRY** (“**OMSI**”), an Oregon Nonprofit Corporation. Prosper Portland, the City and OMSI may be referred to jointly in this Term Sheet as the “**Parties**” and each, individually, as a “**Party**.”

RECITALS

A. On July 8, 2020, the City adopted its Central City 2035 Plan (“**CC2035**”) through Ordinance No. 190023 to serve as the primary guiding policy document setting forth the goals, policies, and tools to guide growth and development in the Central City. As part of the City’s 2035 Comprehensive Plan, the CC2035 is designed to be used to make land use decisions in the Central City, including decisions about how land is used or developed, as well as the manner and timing of public facility investments that are planned for the area.

B. The CC2035 identified the Central Eastside as a Regional Center district within the Central City and established policies specific to that district related to: economic development; housing and neighborhoods; transportation; riverfront integration; urban design; and, health and environment. The CC2035 also identified the OMSI Station Area (the “**OMSI District**”) within the Central Eastside district as a large potential redevelopment site that must go through a Central City Master Plan review process to identify future development requirements, locations of uses, plans for meeting infrastructure capacity, and the location of open spaces and right-of-way that will connect to the larger surrounding area.

C. On February 16, 2023, in Case Number LU-21-115214, the City’s Design Commission approved the OMSI Central City Master Plan (the “**OMSI CCMP**”) and related Infrastructure Zones, including eight adjustments to the zoning development standards; and imposed land use conditions for development of the area (the “**Land Use Conditions**”), all to guide future development within the OMSI District. The OMSI CCMP is attached to this Term Sheet as Exhibit A.

D. The OMSI District contains approximately 34 acres of property held by seven distinct public and private landowners, including OMSI, Portland Community College (“**PCC**”), Portland Opera, Portland General Electric (“**PGE**”), 1800 Water Avenue Associates, the Tri-County Metropolitan Transportation District of Oregon (“**TriMet**”), and the City, as shown on Exhibit A, page 8.

E. OMSI acknowledges that significant public resources have already been invested by the City and other public agencies within the OMSI District, which have significantly improved public access to, and the general character of, the OMSI District, including such projects as the extension of the Portland Streetcar, the construction of the Tilikum Crossing, and the alignment of Water Avenue.

F. The independent public and private development and infrastructure projects described in this Term Sheet are further described in the OMSI CCMP and include: (i) public infrastructure projects where City investment is anticipated to occur within the OMSI district, independent of any private vertical development projects by OMSI or other property owners (“**Public Infrastructure Projects**”); (ii) private infrastructure projects that are directly linked to vertical development projects on OMSI-owned properties and that are not anticipated to be supported by any Prosper Portland or City funds (“**Private**

Infrastructure Projects"); (iii) vertical development projects that OMSI will pursue on OMSI-owned properties within the district and that are not anticipated to be supported by any Prosper Portland or City funds ("**Private Development Projects**"); and, (iv) one or more vertical affordable housing projects that the Portland Housing Bureau ("**PHB**") will pursue in partnership with OMSI, a nonprofit development partner, and/or a for-profit development partner within the OMSI District ("**Public Development Projects**").

G. OMSI desires to pursue redevelopment on its properties within the OMSI District and is seeking to ensure that its Private Infrastructure Projects and Private Development Projects (the "**Private Projects**") are coordinated with the Public Infrastructure Projects and Public Development Projects (the "**Public Projects**") identified in the OMSI CCMP. The City and Prosper Portland (the "**City Partners**") also desire to see redevelopment occur within the OMSI District and seek to ensure that the Private Projects and the Public Projects are well coordinated.

H. The Parties have developed this Term Sheet for the purpose of describing their mutual understanding of the stand-alone projects that each party is individually undertaking to implement the elements and phasing described in the OMSI CCMP, as well as the timing and anticipated funding sources for each such independent project.

I. OMSI has elected, at its sole discretion and in line with its extensive community engagement process, to voluntarily apply relevant green building policies and construction business and workforce equity policies in its Private Development and Private Infrastructure Projects to advance its own equity and sustainability goals.

TERMS

SECTION 1 PROVISIONS OF GENERAL APPLICABILITY

1.1 STATEMENT OF INTENT. This Term Sheet is a non-binding statement of the Parties' current intent, understandings and assumptions regarding the fundamental framework and structure related to its subject matter, and it may form the basis for negotiating one or more future development agreements related to individual projects. Although some provisions of this Term Sheet contain significant detail and may require relatively little detail to be added to a potential future agreement, other provisions do not contain much or any detail and will require more planning and addition of detail in a future development agreement. Nothing contained in this Term Sheet or any acts of the Parties will be deemed or construed to create the relationship of principal and agent, or of partnership, or of joint venture or of any other association other than that of independent parties seeking to coordinate their separate activities within the OMSI District.

1.2 EFFECTIVE AND TERMINATION DATES. This Term Sheet will be effective as of the Effective Date and, unless otherwise amended or earlier terminated, will terminate on June 30, 2054 (the "**Term**").

1.3 OMSI DISTRICT and CCMP. This Term Sheet describes the mutual interests and anticipated commitments of the Parties to coordinate their independent projects within the OMSI District as described in the OMSI CCMP. OMSI acknowledges that the financial support commitments from the City Partners described in this Term Sheet for any individual project are intended to support the completion of that stand-alone project in the manner described in this Term Sheet and the OMSI CCMP.

OMSI affirms that it will not seek any financial support from the City Partners for any projects identified in the OMSI CCMP, except as expressly described in this Term Sheet or pursuant to a separate agreement between OMSI and Prosper Portland. The City Partners will have no responsibility for fulfilling Land Use Conditions related to the development of any project by OMSI or any third party within the OMSI District, regardless of any funding provided by the City Partners in support of that individual project.

1.4 INTERGOVERNMENTAL AGREEMENTS. Except with respect to PHB, Prosper Portland will act as the coordinator for the actions of the City Partners described in this Term Sheet, subject to the terms of any future Intergovernmental Agreements entered into between Prosper Portland and the appropriate City Bureau(s) necessary to implement the City's Public Infrastructure Projects described in this Term Sheet. It is anticipated that PHB will coordinate directly with OMSI and/or other development partners with respect to the Public Development Projects.

1.5 PROJECT AGREEMENTS. As the independent Private Projects and Public Projects described in this Term Sheet proceed through the planning, design, construction and activation stages of development, the Parties may enter into one or more binding agreements to further describe each Party's obligations related to the development of any given project (each, a "**Project Agreement**"). A Project Agreement may address detailed project elements related to project schedule and coordination of activities, budget and financing including any public investment, permitting, programming, tenanting, dedication of right-of-way, or other matters that further refine and describe a Party's obligation as it relates to that Project.

1.6 PROJECT PHASING. This Term Sheet describes the phases for delivery of projects that are set forth in the OMSI CCMP, and the use of the term "Phase" or "Phasing" in this Term Sheet is intended to refer to the phases and phasing of infrastructure development described in the OMSI CCMP. The use of the terms Phase or Phasing in this Term Sheet is not intended to mean or imply that the individual public and private projects described in this Term Sheet are interdependent projects or that they are phases of a single master project.

SECTION 2 PHASE ONE CCMP PROJECTS

2.1 GENERAL DEVELOPMENT PRINCIPLES AND TIMING. The development of the projects identified in this O as the Tract A Project, Tract C/D Project, Water Avenue Realignment Project, Sewer Systems Project, and Waterfront Education Park Project (collectively the "**Phase One Projects**") will be diligently pursued by each responsible Party, and are identified in greater detail in the OMSI CCMP. The Parties agree to reasonably coordinate and keep each other reasonably informed regarding the timing and progress of all development activities for the Phase One Projects, to ensure that work on the projects is completed efficiently and without undue delay.

2.2 PRIVATE DEVELOPMENT PROJECTS. OMSI and its development partner(s) will deliver a minimum of 250,000 gross square feet (gsf) of development during Phase One on any parcel(s) as identified by OMSI to the reasonable satisfaction of the City Partners and allowable under the CCMP. The OMSI CCMP identifies Phase One parcels to include:

2.2.1 Tract A Project. OMSI has a goal to provide for the development of a minimum of 80 regulated affordable residential units at 0 – 60% AMI together with all utility infrastructure that supports the development of Tract A, as described in the OMSI CCMP (the "**Tract A Private Development Project**"). City Partners will not be responsible for any fees, costs, expenses and

permitting associated with the Tract A Project, and it is anticipated that OMSI will partner with one or more external parties to finance the Tract A Private Development Project. In conjunction with the development of Tract A, OMSI will also develop Open Space Project O-2, as described in the OMSI CCMP.

2.2.2 Tract D Project. OMSI will provide for the development of a mixed-use project for Office, Residential, Retail, Research and/or Hospitality uses on Tract D (the “**Tract D Private Development Project**”), acknowledging foundation and building design will need to take into consideration any Combined Sewer Overflow (“CSO”) tunnel easements and other site conditions. City Partners will not be responsible for any fees, costs, expenses, or permitting associated with the D Project, and it is anticipated that OMSI will partner with one or more external parties to finance the Tract D Project using a combination of conventional debt and private investment monies.

2.3 WATER AVENUE REALIGNMENT PUBLIC INFRASTRUCTURE PROJECT. Prosper Portland will enter into an intergovernmental agreement with the Portland Bureau of Transportation (“**PBOT**”) to provide funding to PBOT to support the design and construction of the realignment of SE Water Avenue (the “**Water Avenue Realignment Public Infrastructure Project**”), as described in the OMSI CCMP (the “**Water Avenue IGA**”). Costs for the acquisition of permanent right-of-way will be considered part of the Water Avenue Realignment Public Infrastructure Project and included in funding from OMSI and other sources. It is anticipated that the Water Avenue Realignment Public Infrastructure Project will be funded through a combination of tax increment bond proceeds (“**TIF**”), system development charges (“**SDCs**”), State grants, and other public or private funding. OMSI commits to invest the \$5M it has received from a State Lottery Fund award to support the design and construction of the Water Avenue Realignment Public Infrastructure Project and to coordinate with PBOT for encumbering and disbursing those resources from design and engineering through to construction. The Water Avenue IGA will provide for Prosper Portland’s transfer of \$10.9M of Central Eastside TIF and \$6M of State Infrastructure Fund award to PBOT for design, permitting, right-of-way acquisition, and construction of the project. Since it is anticipated that additional funding will be needed to complete the project, the Parties are engaged in efforts to secure additional federal, state and local funding, including through the Environmental Protection Agency, the Portland Clean Energy Fund, and a Congressional directed spending request. The Parties jointly acknowledge that if, by June 30, 2025, full funding has not been secured for the Water Avenue Realignment Public Infrastructure Project, then the Parties will undertake the following steps, in order, to reduce the project cost and/or funding gap: (i) mutually agreed upon value engineering ; (ii) mutually agreed upon scope reductions; (iii) mutually agreed upon reduction of contingency based on design and engineering refinements; (iv) pledge of additional private monies necessary to close the funding gap; (v) development of joint strategy between OMSI and PBOT to identify additional funding sources; and/or (vi) PBOT implementation of a privately-petitioned or City Council-directed standalone Local Improvement District (LID) for Water Avenue Realignment or a combined LID to include funding for the Phase Three Private Infrastructure Project related to Loop Road.

2.4 RIGHTS-OF-WAY ACQUISITION. PBOT and the Portland Water Bureau (“**WB**”) will collaborate on and consider jointly pursuing the acquisition(s) of properties serving the shared City need to facilitate the Water Avenue Realignment Public Infrastructure Project and temporary use of any such parcel(s) for the installation of the Willamette River Crossing project (the “**Acquisition Public Infrastructure Project**”). PBOT will include the acquisition of permanent right-of-way in its 30% design project estimate and subsequent project estimates for the Water Avenue Realignment Public Infrastructure Project. State Funding provided from the Oregon Business Development Department may be used for such acquisition.

2.5 AFFORDABLE HOUSING PUBLIC DEVELOPMENT PROJECT. OMSI and PHB have a joint goal to achieve 240 to 300 affordable housing units serving 0 – 80% AMI individuals and families through the implementation of multiple independent development projects within the OMSI District. The parties anticipate that affordable housing units will be delivered through:

- (i) Code-required Inclusionary Housing (“IH”), which could deliver up to 120 units if IH is performed onsite at 10% of units at 60% AMI;
- (ii) The Tract A Private Development Project delivering a minimum of 80 affordable units, which could pursue City funds if necessary to advance the project; and,
- (iii) A potential partnership between OMSI and PHB to develop an affordable housing project consisting of approximately 40 to 100 units, or more if funding allows, as further described below.

OMSI and PHB will continue to coordinate to track performance against these initial goals and update joint goals aligned with funding and the CCMP.

2.6 SEWER SYSTEMS UPGRADES. The Water Avenue Realignment Public Infrastructure Project will include installation of pipes necessary to support a, new, OMSI-provided, third-party sewer collection system described in Section 3.5.1 below.

2.7 WATERFRONT EDUCATION PARK. Open Space area O-1 as described in the CCMP consists of three sections: North; Central; and South. The parties anticipate that OMSI will partner with multiple entities including but not limited to the Bureau of Environmental Services (“BES”), Portland Parks & Recreation (“PP&R”), and Metro to deliver the design and planning of “Waterfront Education Park” (the “WEP”), with construction anticipated to occur in Phase Two of the CCMP. BES, PP&R, and Metro are coordinating project timelines and investments with the desire to deliver the WEP as a complete project. PP&R has reserved \$4M of Parks SDCs in its capital improvement budget for eligible construction improvements related to the WEP. The following subsections describe key activities and timelines for each of the Open Space sections:

2.7.1 North Area Public Infrastructure Project. BES (or another City entity in partnership with BES) will lead the completion of 30% design of the North Area to further the feasibility of developing a mitigation bank by March 2027. The design will be consistent with the goals of the WEP and contribute to a cohesive waterfront design across all three Open Space areas. If BES completes and OMSI approves 30% design of the North Area and commitments for remaining design and construction funding are obtained by spring 2028, then the parties will work in good faith to mutually agree on a conservation easement or other land transfer agreement pursuant to which OMSI will transfer the North Area to the City. The City will pay fair market value for such land, which value will be determined by appraisal. The parties anticipate completing the land transfer by the end of summer 2028. Adjustments to the schedule may be made upon mutual agreement between OMSI and the City. Upon delivery of the conservation easement or other land transfer agreement to the City in a form sufficient to allow for the City’s use of that property for mitigation banking purposes, OMSI will be relieved of its obligation to construct any portion of the North Area identified in the CCMP and the City will proceed with design refinement and construction of the North Area (the “**North Area Public Infrastructure Project**”). Notwithstanding anything to the contrary set forth in this Section 2.7, OMSI shall have no obligation to transfer all or any portion of the land constituting the North Area to the City unless OMSI agrees to such transfer in its sole and absolute discretion.

2.7.2 North Area Private Infrastructure Project. Should a mitigation bank be determined infeasible or if OMSI and the City do not agree on an easement or land transfer agreement by summer of 2028, OMSI will assume the rights and responsibility (including all fees, costs, and expenses) associated with design refinement, permitting, construction, and delivery of the North Area identified in the CCMP and will coordinate this with its work on the Central and South Areas (the “**North Area WEP Private Infrastructure Project**”). OMSI may apply for all or a portion of the \$4 million of Parks SDC funds identified for use on eligible scopes of improvements as part of the North Area Private Infrastructure Project using the City code process (PCC 17.13.030) already established for such transfers.

2.7.3 Central and South Areas Private Infrastructure Project. In collaboration with Metro and PP&R, OMSI will fund and lead the planning, design, and permitting of the Central and South Areas of the WEP pursuant to the CCMP requirements (the “**Central & South Areas Private Infrastructure Project**”). The City Partners will not be responsible for any fees, costs, expenses, or permitting, and it is anticipated that OMSI will partner with Metro to utilize the \$7M Metro awarded grant for the Central and South Areas Private Infrastructure Project. In addition, OMSI may apply for all or a portion of the \$4 million of Parks SDC funds identified for use on eligible scopes of improvements as part of the Central and South Areas Private Infrastructure Project using the City code process (PCC 17.13.030) already established for such transfers

SECTION 3 PHASE TWO CCMP PROJECTS

3.1 GENERAL DEVELOPMENT PRINCIPLES AND TIMING. The individual projects identified in this Section 3 (collectively the “**Phase Two Projects**”) will be diligently pursued by each responsible Party, and the Parties agree to reasonably coordinate and keep each other informed regarding the timing and progress of their respective development activities. Although the parties mutually acknowledge that the City Partners will likely not proceed with their Phase Two Projects until the completion of a minimum of 250,000 gsf of Private Development Projects, as described in Section 2.2 above, this fact alone is not intended to imply any partnership or interdependence between the Phase One and Phase Two projects described in the CCMP. OMSI agrees to provide the City Partners with reasonably sufficient evidence to support the City Partners’ review and determination of each project’s satisfactory completion. The Parties may amend any phasing and fulfillment of obligations via an administrative process as long as there is no material impact to the City’s financial cost and the amendment is in alignment with adopted or amended OMSI CCMP.

3.2 PRIVATE DEVELOPMENT PROJECTS. OMSI will be responsible for and will pay the fees, costs and expenses of obtaining a development feasibility assessment for undeveloped tracts like C, E and F, as identified on the Site Map and the OMSI CCMP. OMSI’s assessment will include an evaluation of market demand, potential affordable housing opportunities to occur via separate Project Agreement with PHB, development financing for private development project(s), and consideration of district parking options.

3.3 DISTRICT PARKING CRITERIA. OMSI and the City recognize the growing need for additional parking capacity to accommodate visitors both to the OMSI District and to the broader Central Eastside SE Water Avenue area. OMSI and the City Partners, together with other Central Eastside partners and property owners connected to the SE Water Avenue area, will jointly explore the feasibility of developing and constructing a publicly available district off-street parking structure(s) that meets the following criteria and could be considered for future Prosper Portland and City investment, including via a new Central Eastside TIF district currently under exploration. The City Partners will undertake a feasibility

analysis with OMSI and other Central Eastside partners and property owners connected to the SE Water Avenue area based on the following criteria:

- (i) pursuit of the most efficient off-street parking solution for the area surrounding OMSI and the broader Central Eastside SE Water Avenue area;
- (ii) location within the district,
- (iii) dimensional feasibility of specific parcels;
- (iv) land use compatibility and urban design;
- (v) attribution of spaces to specific land uses or OMSI-related demand;
- (vi) time-based access;
- (vii) fee structures;
- (viii) design for future conversion to other uses;
- (ix) operations & management;
- (x) joint parking arrangements and alignment with City support or CCMP-required transportation demand management best practices;
- (xi) relationship with on-street parking and the City's SmartPark system; and,
- (xii) any other relevant criteria identified by OMSI and the City Partners together with other Central Eastside partners and property owners connected to the SE Water Avenue area.

3.4 AFFORDABLE HOUSING. The following affordable housing projects and related negotiations and delivery may occur during Phase Two or Phase Three of the CCMP depending on funding availability.

3.4.1 Affordable Housing Public Development Project. OMSI and PHB will negotiate and may enter into a partnership to develop an affordable housing project (the "**Affordable Housing Public Development Project**") that:

- (i) maximizes PHB administered set aside from a new Central Eastside TIF district or other affordable housing funding;
- (ii) minimizes areas of shared costs borne by the affordable housing if within a larger mixed-income Private Development Project and which delivers on regulated affordable housing units above and beyond IH requirements;
- (iii) achieves approximately 40 to 100 affordable housing units at 0 to 60% AMI for rental or 60 to 80% AMI for homeownership units, with a preference to achieve 100 or more units if funding allows;
- (iv) prioritizes more deeply affordable (0 to 50% AMI) units that are family-sized (two or more bedrooms);
- (v) determines any property acquisition or land rights to be negotiated between OMSI and PHB;
- (vi) sets any property acquisition or land rights value to the current 2024 appraised value plus an adjustment based on the Consumer Price Index ("CPI"), as further outlined in section 3.4.2; and
- (vii) prioritizes partnerships with culturally specific nonprofits as project co-sponsors and/or housing service providers.

Should a Project Agreement be entered into between OMSI and PHB, PHB commits to reserve TIF set aside resources, close on any land agreement, and expeditiously invest Affordable Housing Set

Aside or other affordable housing funding to deliver on the Affordable Housing Public Infrastructure Project.

3.4.2 Land Value for Affordable Housing Public Development Project. PHB and OMSI will agree upon the current 2024 land value per square foot based on an appraisal of Tract D or a mutually agreed-upon alternative parcel (the “**Appraised Value**”). Such appraisal shall take into account the site’s existing entitlements. PHB will order the appraisal; OMSI may order a second appraisal, if desired by OMSI. At the time of acquisition or land rights transfer for the Affordable Housing Public Development Project, the land value will be calculated as the Appraised Value plus an adjustment based on the CPI (the “**Affordable Housing Land Price**”). If the Affordable Housing Public Development Project is part of a mixed-use or mixed-income development, the Affordable Housing Land Price will be applied pro rata based on gross square footage to the affordable housing portion only.

3.4.3 Alternative Affordable Housing Site. Alternatively, the parties acknowledge that PHB could pursue development of an affordable housing project in the OMSI CCMP District on a parcel that is not owned by OMSI, which development will satisfy the affordable housing objectives contemplated in this Section 3.4, including the Affordable Housing Public Development Project.

3.5 PRIVATE INFRASTRUCTURE PROJECTS.

3.5.1 Sewer System Upgrades. OMSI will provide a new, third-party sewer collection system owned and operated by OMSI or its agent under New Water Avenue and extending south under Old Water Avenue . In addition, OMSI will provide for the development of a new third-party wastewater treatment plant and associated lift station on Tract A. When the new system is installed, it will tie into a City sewer system east of the Union Pacific line in SE Division Street. OMSI will provide required notification to the City and obtain necessary permits for this connection. The sewer collection system, wastewater treatment plant, and lift station are more specifically set forth in the OMSI CCMP and are referred to in this Term Sheet as the “**Sewer Systems Upgrade Private Infrastructure Project.**” The City Partners will not be responsible for any fees, costs, expenses, or permitting associated with the Sewer Systems Upgrade Private Infrastructure Project, and it is anticipated that OMSI will partner with one or more external parties to finance the project using a combination of conventional debt and private investment and that the project will not be supported by funds of a public agency.

3.5.2 Waterfront Education Park. OMSI will partner with multiple entities to deliver the construction of “Waterfront Education Park” (the “**WEP**”), including but not limited to BES, PP&R, and Metro, which are coordinating project timelines and investments with the desire to deliver the WEP as a complete project. PP&R has reserved \$4M of Parks SDCs in its capital improvement budget for Waterfront Education Park eligible construction improvements.

3.5.2 Frontage Improvements. OMSI will be responsible for the development of frontage improvements required by City Code (as development occurs), programming of activities in the Waterfront Education Park (anticipated to be in partnership with the Columbia River Inter-Tribal Fish Commission (CRITFC)), and the development of Open Space Projects O-1 (Central) and O-4 (anticipated to be in partnership with PPR), as identified on the Site Map and within the CCMP (collectively the “**Phase Two Private Infrastructure Projects**”). City Partners will not be

responsible for any fees, costs, expenses or permitting associated with the Phase Two Private Infrastructure Projects, and it is anticipated that OMSI will partner with one or more entities to secure this funding and that the project will not be supported by funds of a public agency.

SECTION 4 PHASE THREE CCMP PROJECTS

4.1 GENERAL DEVELOPMENT PRINCIPLES AND TIMING. The independent projects identified in this Section 4 (collectively, the “**Phase Three Projects**”) will be diligently pursued by each responsible Party and the Parties agree to reasonably coordinate and keep each other informed regarding the timing and progress of their respective development activities. The fact that the City Partners will likely not proceed with any Phase Three Project until the completion of the Phase Two Private Development and Private Infrastructure Projects (described in Sections 3.2 and 3.5 above) to the reasonable satisfaction of the City Partners is not intended to imply any partnership or interdependence between or among the Phase Two and Phase Three projects. OMSI agrees to provide the City Partners with reasonably sufficient evidence to support the City Partners’ review and determination of each project’s satisfactory completion. The Parties may amend any phasing and fulfillment of obligations via an administrative process as long as there is no material impact to the City’s financial cost and the amendment is in alignment with adopted or amended OMSI CCMP.

4.2 PRIVATE DEVELOPMENT PROJECTS. OMSI, with one or more development partners, will provide for the mixed-use development pursuant to the CCMP of Tract C (Office/Residential/Retail - 169,500 max gsf), Tract E (Office/Residential/Retail – 672,750 max gsf), and Tract F (Office/Residential – 629,850 max gsf), as identified on the Site Map (collectively, the “**Phase Three Private Development Projects**”). The City Partners will have no responsibility for any fees, costs and expenses associated with the Phase Three Private Development Projects. It is anticipated that OMSI will (a) partner with one or more external parties to finance the Phase Three Private Development Projects through a combination of conventional debt, tax credit and private investment monies and (b) enter into separate Project Funding Agreement(s) should OMSI seek public funding for any Phase Three Private Development Project, including TIF, depending on the nature of each development project. Nothing in this Term Sheet will be deemed a commitment or a binding obligation of Prosper Portland to contribute any TIF funds toward the Phase Three Private Development Projects.

4.3 PRIVATE INFRASTRUCTURE PROJECTS. OMSI will provide for the development of Loop Road and all related City infrastructure (to run from Old Water Avenue along the east side of the OMSI museum and existing loading docks, the front entry of Tract C, and the service entries to Tracts E and F and to connect to New Water Avenue just north of the Streetcar bridge abutment) and the development of Open Space Projects O-5 and O-6 (collectively, the “**Phase Three Private Infrastructure Projects**”). The City Partners will have no responsibility for any fees, costs, expenses, or permitting associated with the Phase Three Infrastructure Projects, and it is anticipated that OMSI will partner with one or more entities to secure this funding and may pursue Local Improvement District (“**LID**”) financing for any eligible project elements, and that the projects will not be supported by City funds.

4.4 DISTRICT PARKING. Should the feasibility study conducted under Section 3.3 above demonstrate that a district parking structure is financially viable, the City Partners and OMSI, together with other Central Eastside partners and property owners connected to the SE Water Avenue area, will use those findings to draft a development and funding strategy that shall include set timelines for fundraising, design & construction, roles and responsibilities to advance a district parking garage,

including via separate Project Agreement(s) as part of OMSI's delivery on Phase Three Private Development Projects.

4.5 AFFORDABLE HOUSING. Should any negotiations and delivery be delayed due to funding availability, PHB and OMSI may deliver the Affordable Housing Public Development Project during Phase Three rather than Phase Two.

SECTION 5 MISCELLANEOUS PROVISIONS

5.1 TIF-FUNDED PROJECT REQUIREMENTS. Prosper Portland's funding commitments set forth in this Term Sheet or any Project Agreement that utilize TIF are expressly contingent on:

5.1.1 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.

5.1.2 The successful performance of the applicable TIF District as modeled.

5.1.3 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.

5.2 ADDITIONAL POLICY OBJECTIVES OR REQUIREMENTS. Public investments into Private Infrastructure and Private Development Projects, including the use of funds of a public agency to support such projects, may require compliance by OMSI (including its development partners, contractors, or subcontractors) with the following additional policies, rules and regulations:

5.2.1 **Business and Workforce Equity Policy.** Prosper Portland and the City have 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.

5.2.2 **Green Building Policy.** Prosper Portland and the City have adopted Green Building policies to advance climate action through construction 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.

5.2.3 **City of Portland Business License and EEO Certification.** OMSI 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.

5.2.4 **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).

5.2.5 **2% for the Arts.** The City 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.

5.3 NOTICES AND COMMUNICATIONS. Any notice or communication under this Term Sheet by any Party to any other Party will be deemed given and delivered on the earlier of actual delivery or refusal of a Party to accept delivery thereof if sent, with all applicable postage and delivery charges prepaid, by: (a) registered or certified U.S. mail, return receipt requested; (b) messenger service or personal deliver; (c) nationally-recognized overnight courier service such as Federal Express; or (d) e-mail with receipt of written reply confirmation from the recipient that such transmission has been received, provided, however that any email received after 6 p.m. Pacific Time will be deemed delivered on the next business day:

In the case of a notice or communication to OMSI, addressed as follows:

OMSI
Attn: Erin Graham, President and CEO
1945 SE Water Avenue
Portland, OR 97214
Email: egraham@omsi.edu

With a copy to:

OMSI
Attn: VP of Real Estate
1945 SE Water Avenue
Portland, OR 97214

In the case of a notice or communication to City Partners, addressed as follows:

Prosper Portland
Attn:
220 NW Second Avenue, Suite 200
Portland, OR 97209
Email:

With a copy to:

Prosper Portland
Attn: General Counsel
220 NW Second Avenue, Suite 200
Portland, OR 97209
Email: LegalNotice@ProsperPortland.us

or addressed in such other way in respect to a Party, as that Party may, from time to time, designate in writing dispatched as provided in this Section. Notices may be given by counsel to a Party on behalf of such Party.

5.4 PROJECT MANAGERS. Each of the individuals identified below is the primary point of contact for the applicable Party for purposes of this Term Sheet and has the obligations, if any, expressly set forth in this Term Sheet (each, a “**Project Manager**”). A Party may replace its Project Manager at any time by notice given to the other Parties. No Project Manager will have any personal liability under this Term Sheet for acting as the Project Manager for a Party.

OMSI: Preston Greene, VP of Real Estate and Development
Email: pgreene@omsi.edu

City Partners: Lisa Abuaf, Director of Development and Investment, Prosper
Portland
Email: AbuafL@prosperportland.us

5.5 NON-BINDING. Notwithstanding anything to the contrary set forth in this Term Sheet, including language such as “shall” or “must” or statements purporting to express promises or commitments, except for the terms and conditions contained in Section 5.3, this Section 5.5, and Section 5.6, this Term Sheet is not binding in any manner, and creates no obligations, representations, warranties or covenants (whether express or implied) by either party in favor of either Party in any manner.

5.6 CONFIDENTIALITY/PUBLIC RECORDS. OMSI acknowledges that the City, including Prosper Portland, is a public agency and is subject to the Oregon Public Records Law (ORS 192.311 et seq.), which may require disclosure of records that OMSI considers confidential (“**Protected Information**”) except where legal exemptions apply. The following will not be deemed “Protected Information” for purposes of this Section 5.6: (a) material, data or information that was known to a City Partner prior to its receipt from OMSI; or (b) material, data or information that is generally available to the public or that has been obtained from a third party having the right to disclose the same. The Parties agree to proceed as follows in the event one or more of the City Partners is served with a public records request, subpoena, administrative order, or court order requiring the disclosure of any Protected Information (each a “**Potentially Required Disclosure**”):

5.6.1 The City Partner will promptly notify OMSI in writing of the Potentially Required Disclosure, the information requested, and the time the City Partner believes it has to respond. Following such notification, OMSI may take such actions as it is otherwise permitted to take by law or equity to challenge or intervene in the Potentially Required Disclosure, at no third-party cost or expense to the City Partners. The City Partners are in no way obligated to deny, challenge, object to, or contest any such Potentially Required Disclosure, or to delay their response to the Potentially Required Disclosure beyond what the City Partners in good faith believe to be the legally required deadlines.

5.6.2 In the event OMSI advises the City Partners that it intends to challenge the request, subpoena, or order, or if OMSI requests that the City Partner challenge or object on its behalf and the City Partner agrees (which the City Partners may do, or decline to do, in their sole discretion), OMSI agrees to indemnify the City Partner for all reasonable attorney fees and other out-of-pocket costs and expenses incurred in challenging any request, subpoena, or order seeking

disclosure of Protected Information, or in cooperating with OMSI in so doing. If the City Partner declines to challenge or object on OMSI's behalf, they will nevertheless cooperate with OMSI's efforts and not take or assume a position adverse to OMSI, provided that the City Partners are in no way obligated to delay their response to the Potentially Required Disclosure beyond what the City Partners in good faith believe to be the legally required deadlines.

The duty to indemnify described in this Section 5.6 includes, but is not limited to, the City Partners' costs of record assembly, record reproduction, attorney's fees, penalties, and litigation costs, including any such costs ordered to be paid by the City Partners to any person or entity seeking disclosure of the Protected Information.

City of Portland	Prosper Portland	Oregon Museum of Science and Industry
_____ Ted Wheeler, Mayor	_____ Kimberly Branam, Executive Director	_____ Erin Graham, President
_____ Date	_____ Date	_____ Date
APPROVED AS TO FORM:	APPROVED AS TO FORM:	APPROVED AS TO FORM:
_____ City Attorney	_____ Legal Counsel	_____ Legal Counsel