



August 27, 2007

VIA FAX (503-865-3668) AND U.S. REGULAR MAIL

Mr. Bruce Warner
Executive Director
Portland Development Commission
222 NW Fifth Avenue
Portland, Oregon 97209

Dear Mr. Warner:

During the past year, staff at the Portland Development Commission, Port of Portland and Portland Public Schools have worked extremely diligently and cooperatively with our development consultant, Doug Obletz of Shiels Obletz Johnsen (SOJ), to develop concepts, research, study, analyze and outline proposals to relocate Columbia Sportswear Headquarters to a site in Portland's Central City. After extensive analysis of various site options by SOJ and our company, Columbia has determined that it will not pursue relocation at this time. In the end, there simply proved to be too great a differential between the costs of relocating to the Central City vis `a vis the cost to simply expand our current headquarters facility.

We carefully analyzed several Central City sites, including the site at the Burnside Bridgehead. Last week, we seriously considered a unique proposal for the Portland School District Property near the Rose Quarter. For this site, we recognize that an extraordinary effort was put forth by PDC, the Port and PPS to put together a highly creative proposal that would have also addressed a series of pressing needs of PPS to downsize their operations. This proposal required a lot of 'out-of-the-box' thinking and inter-agency cooperation. I want to personally convey to you the appreciation of Columbia Sportswear Company for the excellent and highly cooperative efforts of your agency's staff, and the extraordinary lengths that the City, PDC, Port and PPS were willing to go to try and make this project a reality.

Thank you again for your interest in bringing Columbia back Portland's Central City.

Warmest regards,

A handwritten signature in black ink, appearing to read "Tim Boyle", is written over a faint, stylized graphic of a diamond shape.

Tim Boyle, CEO

cc: Douglas Obletz