

August 22, 2003. The Original DA has been amended by the First Amendment to the South Waterfront Central District Project Development Agreement, dated February 18, 2004. The Original DA, as amended, is referred to herein as the "DA".

C. The DA provides that the Parties retain the right to terminate the DA unless Basic Contingencies to the Parties' performance are satisfied or waived by March 31, 2004. The Parties recognize that the Schedule for satisfying or waiving all Basic Contingencies is no longer realistic and anticipate developing a revised Schedule that recognizes the significant progress made to date and sets forth new deadlines for items not yet satisfied or waived.

D. The DA also provides that if all of the Basic Contingencies have not been satisfied, waived or otherwise resolved pursuant to the DA by April 30, 2004, the DA will terminate unless the failure of satisfaction of the Basic Contingencies is the result of an Unavoidable Delay. The Parties acknowledge that there has not been an Unavoidable Delay and that it is desirable to revise the Final Termination Date to allow additional time to reach agreement on Schedule revisions.

F. The Parties now desire to make the changes necessary to the DA to implement the above stated concepts.

AGREEMENT

Now, therefore, in consideration of the mutual benefits to be realized by the following amendments to the DA, the following sections and subsections of the DA shall be modified as shown below. Double-underlining indicates added language; ~~stricken~~ words are deleted. Unless otherwise defined herein, capitalized terms in this Agreement have the meanings set forth in the DA.

SECTION 1 REVISED SECTION 5.5.2

5.5.2 Final Termination Date

If all of the Basic Contingencies have not been satisfied, waived or otherwise resolved pursuant to this Agreement by June 30, 2004 ~~April 30, 2004 (which is thirty (30) days after the last date in the Schedule for the satisfaction of a Basic Contingency)~~ (the “Final Termination Date”), then this Agreement shall terminate on that date, unless the failure of satisfaction of the Basic Contingencies is the result of an Unavoidable Delay. If the Final Termination Date is extended for a period of Unavoidable Delay, the maximum cumulative period of Unavoidable Delay(s) shall be no longer than 360 days.

SECTION 2 REVISED EXHIBIT C

“Final Termination Date” means June 30, 2004 ~~April 30, 2004~~.

SECTION 3 GENERAL PROVISIONS

3.1 Effective Date

This Second Amendment is effective on the date first set forth above.

3.2 Complete Agreement

This Second Amendment is the complete agreement among the parties with respect to the subject covered by this Second Amendment and it supersedes any prior oral agreements on the same subjects.

3.3 Effect on DA

Except as amended by this Second Amendment, the DA remains in full force and effect.

IN WITNESS WHEREOF, the Parties have entered into this Second Amendment.

PDC: PORTLAND DEVELOPMENT COMMISSION

By: _____

Its: _____

Approved as to form:

Office of General Counsel

By: _____

Its: _____

OHSU: OREGON HEALTH AND SCIENCE
UNIVERSITY, a public corporation of the State of
Oregon

By: _____

Its: _____

RCI: RIVER CAMPUS INVESTORS LLC, an Oregon
limited liability company

By: Williams & Dame Development, Inc., an
Oregon corporation, as Manager

By: _____

Its: _____

NMI: NORTH MACADAM INVESTORS LLC, an Oregon limited liability company

By: Williams & Dame Development, Inc., an Oregon corporation, as Manager

By: _____
Its: _____

BLOCK 39: BLOCK 39 LLC, an Oregon limited liability company

By: Williams & Dame Development, Inc., an Oregon corporation, as Manager

By: _____
Its: _____