

FIFTH AMENDMENT
TO
SOUTH WATERFRONT CENTRAL DISTRICT PROJECT
DEVELOPMENT AGREEMENT

Dated: November 24, 2004

AMONG: PORTLAND DEVELOPMENT COMMISSION,
in its capacity as the urban renewal agency and as
agent for: Portland Office of Transportation,
Bureau of Environmental Services,
Office of Management and Finance,
and Portland Parks and Recreation ("PDC")

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

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

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

AND : BLOCK 39, LLC,
an Oregon limited liability company ("Block 39")

RECITALS

A. On behalf of the City of Portland, the Portland Development Commission ("PDC") negotiated the South Waterfront Central District Project Development Agreement ("Original DA") with OHSU, RCI, NMI and Block 39. The DA (defined below) provides, among other things, for the development of improvements in a certain project area subject to the South Waterfront Plan of the City of Portland. The DA will facilitate development of the Project Area described therein as a mixed-use neighborhood, including commercial, retail, institutional and housing uses.

B. The Original DA was authorized by PDC on August 14, 2003, approved by the Portland City Council on August 15, 2003, and signed by all Parties on 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 Second Amendment to the South Waterfront Central District Project Development Agreement dated April 1, 2004, the Third Amendment to South Waterfront Central District Project Development Agreement dated June 25, 2004, and by the Fourth Amendment to South Waterfront Central District Project

Development Agreement dated October 29, 2004. The Original DA, as amended by the first, second, third and fourth amendments, is referred to herein as the "DA."

C. The DA will terminate unless certain Basic Contingencies to the Parties' performance are satisfied or waived by November 24, 2004. The Parties recognize that the schedule for satisfying or waiving all Basic Contingencies is no longer realistic and are diligently negotiating a new Schedule that recognizes the significant progress made to date and to be made in the immediate future and sets forth new deadlines for items not yet satisfied or waived. 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 for the remaining Basic Contingencies.

D. The Parties now desire to make the changes necessary to the DA to extend the Final Termination Date, all on the terms and conditions set forth in this Fifth Amendment to South Waterfront Central District Project Development Agreement (this "Amendment").

AGREEMENT

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

1. Section 5.5.2 of the DA is hereby revised as follows:

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 December 17, 2004 ~~November 24, 2004~~ (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.

2. The definition of "Final Termination Date" as set forth in Exhibit C is hereby revised as follows:

"Final Termination Date" means December 17, 2004 ~~November 24, 2004~~.

3. General Provisions.

3.1 Effective Date. This Amendment is effective on the date first set forth above.

3.2 Complete Agreement. This Amendment is the complete agreement among the parties with respect to the subject covered by this Amendment, and it supersedes any prior

agreements on the same subjects.

3.3 Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and when taken together shall constitute one and the same instrument, which instrument will become effective only upon execution of one or more counterparts by each of the parties hereto. Such execution may be evidenced by original or facsimile signatures.

3.4 Effect on DA. Except as modified by this Amendment, the DA remains in full force and effect.

*(Remainder of Page Intentionally Left Blank;
Signatures on Following Pages)*

IN WITNESS WHEREOF, the Parties have entered into this Amendment as of the day and year first set forth above.

PDC:

PORTLAND DEVELOPMENT COMMISSION

By: _____

Print Name: _____

Its: _____

Approved as to form:

Office of General Counsel

By: _____

Print Name: _____

Its: _____

OHSU:

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

By: _____

Print Name: _____

Its: _____

RCI:

RIVER CAMPUS INVESTORS, LLC, an Oregon
limited liability company

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

By: _____

Print Name: _____

Its: _____

NMI:

NORTH MACADAM INVESTORS, LLC, an
Oregon limited liability company

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

By: _____

Print Name: _____

Its: _____

BLOCK 39:

BLOCK 39, LLC, an Oregon limited liability company

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

By: _____

Print Name: _____

Its: _____