

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6764

**AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE
THE FIRST AMENDMENT TO THE FIRST AMENDED AND
RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT
WITH ONE WATERFRONT PLACE LLC AND MADRONA PARK
LLC FOR REAL PROPERTY LOCATED IN THE RIVER
DISTRICT URBAN RENEWAL AREA**

WHEREAS, the Portland Development Commission (“PDC”) entered into a Disposition and Development Agreement with 1201 Building, LLC dated September 13, 2000, that provided for the disposition and redevelopment of certain property in the River District Urban Renewal Area (“URA”);

WHEREAS, the Development and Disposition Agreement was subsequently amended eight times, culminating in the execution of a First Amended and Restated Disposition and Development Agreement dated January 9, 2008 (“the DDA”), which agreement extended certain deadlines, changed the signatories to be One Waterfront Place, LLC and Madrona Park, LLC, and revised certain obligations (hereafter One Waterfront Place, LLC and Madrona Park, LLC shall be referred to as “Redeveloper”);

WHEREAS, the DDA contemplates a project consisting of three components: (1) a 250,000 square foot Class A office building, (2) a minimum 500-space parking garage, and (3) a pedestrian bridge (“the Project”);

WHEREAS, the DDA requires that certain conditions precedent be satisfied by January 15, 2010, including requirements for the Redeveloper to demonstrate financial feasibility of the Project by providing binding commitments letters from private lenders for the construction and permanent financing for the Project and required lease-up as may be required by the private lenders;

WHEREAS, Redeveloper has submitted a request to PDC to amend the DDA timelines and Schedule of Performance due to adverse economic conditions that have hindered the ability of the Redeveloper to meet the obligations to demonstrate financial feasibility of the Project in accordance with the DDA timelines and Schedule of Performance; and

WHEREAS, despite concerns by PDC that the Project has not yet been redeveloped according to the amended terms and timelines of the DDA, PDC believes it is in the best interests of the City to give the Redeveloper reasonable additional time to satisfy the conditions precedent of the DDA.

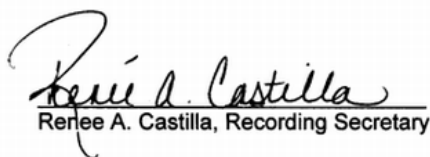
NOW, THEREFORE, BE IT RESOLVED that the PDC Board of Commissioners authorizes the Executive Director to execute the First Amendment to the First Amended and Restated Agreement for Disposition and Development of Property (“the First Amendment”) with One Waterfront Place, LLC, and Madrona Park, LLC substantially in the form of the draft

attached hereto as Exhibit A, granting the Redeveloper an additional 12 months to satisfy the conditions precedent contained in the DDA;

BE IT FURTHER RESOLVED that the Executive Director may approve changes to the First Amendment prior to and subsequent to execution, if such changes, in the opinion of the Executive Director and General Counsel, do not materially change PDC's obligations or risks; and

BE IT FURTHER RESOLVED that this resolution shall become effective 30 days from the date of its adoption.

Adopted by the Portland Development Commission on January 13, 2010.



Renee A. Castilla, Recording Secretary

**FIRST AMENDMENT TO FIRST AMENDED AND RESTATED AGREEMENT FOR
DISPOSITION AND DEVELOPMENT OF PROPERTY**

This First Amendment to the First Amended and Restated Disposition and Development Agreement is made as of _____, 2010 (“First Amendment”) between the City of Portland, a municipal corporation of the State of Oregon, acting by and through the Portland Development Commission, the duly designated urban renewal agency of the City of Portland (“PDC”), and One Waterfront Place, LLC, an Oregon limited liability company and Madrona Park, LLC, an Oregon limited liability company (“Redeveloper”). PDC and Redeveloper are referred to jointly in this First Amendment as “Parties” and individually as a “Party.”

RECITALS

1. PDC and Redeveloper entered into that certain First Amended and Restated Disposition and Development Agreement dated January 9, 2008 (the “DDA”) pursuant to which PDC agreed, under certain terms and conditions, to sell certain real property to Redeveloper and design and construct a Pedestrian Bridge, and Redeveloper agreed, under certain terms and conditions, to purchase the property from PDC, and to construct a commercial, Class “A” office building of approximately 250,000 square feet, an above-grade parking garage containing a minimum of 500 parking spaces, and other related infrastructure and site improvements. A memorandum of the DDA was recorded on May 2, 2008 as Recording No. 2008-067609 in the real property records of Multnomah County.
2. PDC and Redeveloper desire to amend the DDA to modify the timelines and Schedule of Performance pertaining to the Conveyance of the Garage Site, PDC’s obligations relating to the design, permitting, and construction of the Pedestrian Bridge, and quarterly progress reports.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Conveyance of Garage Site. The date “January 15, 2010” set forth in Section 1.2.1 for the Conveyance of Garage Site is hereby deleted and replaced with “January 14, 2011.”
2. Financial Feasibility. Section 1.4.1(a)(vi) is hereby deleted in its entirety and replaced with the following:

Redeveloper has demonstrated financial feasibility for the Project, consistent with the Project Budget, by providing to Agency: (a) copies of binding commitment letters from private lenders for the construction financing for the Project, (b) copies of binding commitment letters from private lenders for the

permanent financing for the Project after completion of construction and required lease-up as may be required by the private lender, (c) commitments from public funding sources, including the approval by the Commission, if necessary, and the Agency Loan Committee of the terms and conditions of the Agency for the construction of the Project, and/or (d) other acceptable financing arrangements.

3. Agency Right of Repurchase if Project is Infeasible. The first sentence in Section 1.4.4 is hereby deleted in its entirety and replaced with the following:

“Prior to or on the Closing Date, Redeveloper may deliver written notice to Agency stating that the Project is not feasible in Redeveloper’s sole judgment.”

4. Pedestrian Bridge. All of PDC’s obligations pertaining to the Pedestrian Bridge contained in the DDA shall not be effective until Redeveloper has demonstrated financial feasibility for the Project as described in Section 1.4.1(a)(vi). PDC shall satisfy its obligations pertaining to the Pedestrian Bridge within 28 months of the Closing date.

5. Schedule of Performance. The Schedule of Performance set forth in Exhibit B of the Original DDA is hereby deleted in its entirety and replaced with the Schedule of Performance for the Project set forth in Exhibit B, attached hereto and incorporated herein by this reference.

6. Quarterly Progress Reports. Section 8 of the Original DDA is hereby amended to add the following new subsection 8.28:

8.28 . Quarterly Progress Reports. Until the Conveyance of the Garage Site, Redeveloper shall submit to PDC written quarterly progress reports on its efforts to tenant, finance, design and obtain necessary entitlements for the Project subject to the terms of non-disclosure agreements. Redeveloper shall submit the quarterly progress reports to PDC no later than 30 days after the end of each calendar quarter.

7. Except as expressly modified by this First Amendment, the Parties agree and acknowledge that the Original DDA is and remains in full force and effect and binding on the Parties.

8. This First Amendment may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this First Amendment so executed shall constitute an original. This First Amendment may not be modified except by a writing signed by the Parties.

9. Capitalized terms used but not defined in this First Amendment shall have the meanings ascribed thereto in the Original DDA.

IN WITNESS WHEREOF, the Parties hereto execute this First Amendment effective as of the date first set forth above.

PDC:

CITY OF PORTLAND, a municipal corporation of the State of Oregon, acting by and through the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland

By: _____
Bruce A. Warner,
Executive Director

DEVELOPER:

ONE WATERFRONT PLACE LLC, an Oregon limited liability company

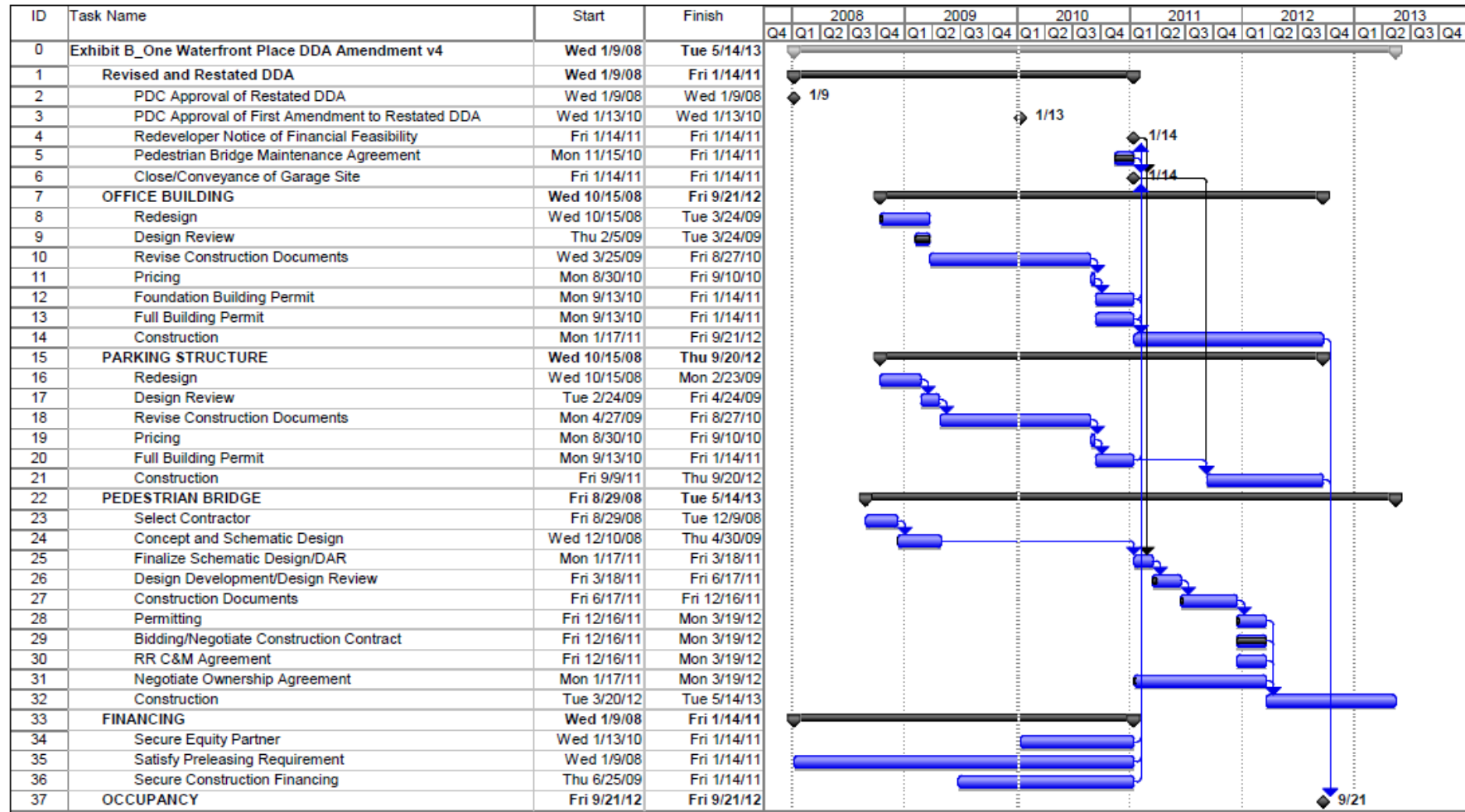
By: _____
James H. Winkler, Co-Managing Member

MADRONA PARK, LLC, joins in the execution of the Agreement solely to evidence its agreement and obligation to comply with of Sections 1.1, 1.4.4, 7.21, 7.32, 8.3, and 8.6 through 8.27 (to the extend applicable to Madrona Park, LLC)

MADRONA PARK, LLC, an Oregon limited liability company

By: _____
James H. Winkler, Managing member

EXHIBIT B
SCHEDULE OF PERFORMANCE
One Waterfront Place



PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6764

Title:

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE FIRST AMENDMENT TO THE FIRST AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT WITH ONE WATERFRONT PLACE LLC AND MADRONA PARK LLC FOR REAL PROPERTY LOCATED IN THE RIVER DISTRICT URBAN RENEWAL AREA

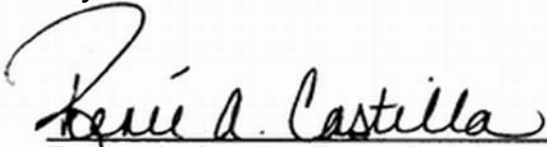
Adopted by the Portland Development Commission on January 13, 2010.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Scott Andrews	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Steven Straus	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Regular Agenda		

Certification

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: January 22, 2010