

ELEVENTH AMENDMENT
TO
SOUTH WATERFRONT CENTRAL DISTRICT PROJECT
DEVELOPMENT AGREEMENT

Dated: March 8TH, 2013 27.

- 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")
- AND: NORTH MACADAM INVESTORS, LLC,
an Oregon limited liability company ("NMI")
- AND: BLOCK 37 INVESTORS, LLC, ("BLOCK 37 INVESTORS")
an Oregon limited liability company

RECITALS

A. On behalf of the City of Portland, PDC negotiated the South Waterfront Central District Project Development Agreement ("Original DA") with OHSU, River Campus Investors LLC, NMI and Block 39, LLC. 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 has facilitated and will continue to facilitate development of the Project Area described in the DA as a mixed-use neighborhood, including commercial, retail, institutional and housing uses.

B. The Original DA was authorized by PDC on August 14, 2003, accepted 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, the Fourth Amendment to South Waterfront Central District Project Development Agreement dated October 29, 2004, the Fifth Amendment to South Waterfront Central District Project Development Agreement dated November 24, 2004, the Sixth Amendment to South Waterfront District Project Development Agreement dated December 17, 2004, the Seventh Amendment to South Waterfront Central District Project Development Agreement dated June 8, 2005, the Eighth Amendment to South Waterfront Central District Project Development Agreement dated November 9, 2006, the Ninth Amendment to South Waterfront Central District Project Development Agreement dated May 28, 2010, and the Tenth Amendment to South Waterfront Central District Project Development Agreement dated April 30, 2012. The Original DA, as amended by the first, second, third, fourth, fifth,

sixth, seventh, eighth, ninth and tenth amendments, and (where the context so requires) this Amendment, is referred to in this Amendment as the "DA."

C. NMI previously transferred Block 37 to NMI/37, LLC. Subsequently, NMI/37, LLC transferred Block 37 to Block 37 Investors. NMI, NMI/37, LLC and Block 37 Investors are managed by Williams & Dame Development, Inc.

D. Pursuant to that certain Assignment and Assumption Agreement dated March 26, 2007 and recorded in the real property records of Multnomah County on April 4, 2007 under document number 2007058809, Block 37 Investors received an assignment of and assumed those portions of the DA applicable to Block 37. Pursuant to that certain Gap Obligation Agreement dated March 26, 2007 and recorded in the real property records of Multnomah County on April 4, 2007 under document number 2007058810, Block 37 Investors assumed certain Gap Payment obligations related to Block 37.

E. Block 37 Investors is under contract to sell Block 37 to Harbor Urban, LLC or an affiliated entity ("Harbor Urban").

F. To encourage Harbor Urban's acquisition and development of Block 37, to memorialize PDC's consent to the transfer of Block 37 to Harbor Urban, to provide certain agreements and confirmations in connection therewith, and to amend and partially terminate the DA consistent with the foregoing decisions, the Parties desire to enter into this Eleventh Amendment to South Waterfront Central District Project Development Agreement (the "Amendment").

G. Capitalized terms used but not defined in this Amendment shall have the meanings set forth in the DA.

AGREEMENT

Now, therefore, in consideration of the mutual benefits to be realized by the Parties following this Amendment, the receipt and adequacy of which are acknowledged, the following sections and subsections of the DA shall be modified and the Parties hereby agree, as shown below. For purposes of paragraphs 3 and 4 below, underlining indicates language added by this Amendment to the existing language in the DA; ~~stricken~~ words indicate text deleted from the DA.

1. Reassignment to NMI. As a condition of PDC's consent to the transfer set forth in Section 2 of this Amendment and of releasing Block 37 Investors from its obligations under the DA, Block 37 Investors hereby assigns all of its rights and obligations under Section 18.2 of the DA to NMI, and NMI hereby assumes such rights and obligations. Notwithstanding the termination of the DA described in this Amendment, the provisions of Section 18.2 of the DA, including those provisions which relate to Block 37, shall be the obligation of NMI.

2. PDC Consent to Transfer. Sections 13.3 and 18.2.6.2 of the DA require PDC to consent to the transfer of Block 37 by Block 37 Investors to Harbor Urban. PDC hereby consents to such transfer. Upon such transfer, Block 37 Investors shall be released from all obligations under the DA which relate to Block 37.

3. Partial Termination of the DA as to NMI and Block 37 Investors.

3.1 Effective as of the date of recordation of the deed from Block 37 Investors to Harbor Urban and except as set forth in Sections 3.2, 3.3 and 3.4 below, the DA is hereby terminated and of no further force or effect with respect to Block 37, Block 37 Investors, and NMI.

3.2 Section 18.2, the definitions of capitalized terms used in Section 18.2, the definition of "Unavoidable Delay," and any and all other terms reasonably necessary to interpret Section 18.2 remain in full force in effect as to NMI. When NMI has no further obligations under Section 18.2 of the DA, Section 18.2 and all related definitions and terms shall be deemed to have automatically terminated.

3.3 Section 18.2.6.3 (as modified below) shall remain in full force and effect with respect to Block 37 until such provision terminates in accordance with its terms.

3.4 Section 9.11 shall remain in full force and effect with respect to Block 37 and Harbor Urban or any other transferee of Block 37 Investors.

3.5 Upon the recordation of the deed from Block 37 Investors to Harbor Urban: (a) Block 37 Investors shall have no further rights or obligations under the DA; (b) except as set forth in Sections 3.2 and 3.3, NMI shall have no further rights or obligations under the DA; and (c) except for PDC's lien rights under Section 18.2.6.3 of the DA and the obligation to comply with Section 9.11 of the DA, neither Block 37 nor Harbor Urban shall be subject to, or have any obligations under the DA.

4. Gap Obligation. The last two sentences of Section 18.2.6.3 are hereby modified to read as follows: "Notwithstanding anything to the contrary contained in this Section 18.2 or in this Agreement, this Section 18.2.6.3 shall no longer apply if Block 37 Investors NMI sells or transfers Block 37 to an entity other than Block 37 Investors NMI for taxable development purposes. In the event of such sale or transfer, this Section 18.2.6.3 shall be deemed inapplicable upon the earlier of (a) the date on which the first permit for construction is received and (b) the close of construction financing for a the taxable development project. The right of PDC to place or approve any lien on Block 37 pursuant to this Section 18.2.6.3 is subject to the prior approval of the City.

5. Gap Credit. The following is added to the end of Section 18.2.7: "As of December 31, 2012, the total amount of Gap Credits is \$10,776,088. There is no Gap Payment owing from NMI to PDC under the Development Agreement in 2013."

6. No Third Party Beneficiaries. Nothing in this Amendment, express or implied, is intended to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies under or by reason of this Amendment.

7. Counterparts. This Amendment may be executed in 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.

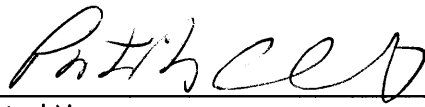
8. Effect of Amendment. The DA is amended as set forth in this Amendment. Except as expressly amended, the DA remains unmodified and in full force and effect. Simultaneously with the execution of this Amendment, the Parties will execute a Memorandum of Eleventh Amendment to the DA in mutually acceptable form, which Memorandum will be promptly recorded against Block 37.

*[Remainder of page intentionally left blank.
Signature page follows.]*

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

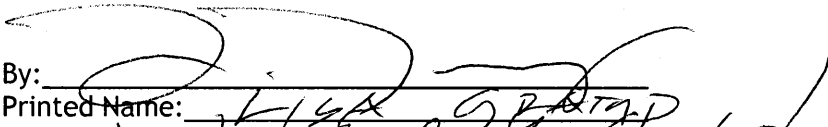
PDC:

PORTLAND DEVELOPMENT COMMISSION

By: 
Printed Name: _____
Title: _____

Approved as to form:

Office of General Counsel

By: 
Printed Name: LISA
Title: ASST. GENERAL COUNSEL

NMI:

NORTH MACADAM INVESTORS, LLC, an Oregon limited liability company

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

By: _____
Printed Name: _____
Title: _____

BLOCK 37 INVESTORS:

BLOCK 37 INVESTORS, LLC, an Oregon limited liability company

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

By: _____
Printed Name: _____
Title: _____

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

PDC: PORTLAND DEVELOPMENT COMMISSION

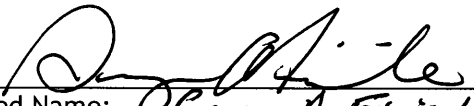
By: _____
Printed Name: _____
Title: _____

Approved as to form:
Office of General Counsel

By: _____
Printed Name: _____
Title: _____


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

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

By: 
Printed Name: Gary A. Finicke
Title: Secretary/Treasurer

BLOCK 37 INVESTORS: BLOCK 37 INVESTORS, LLC, an Oregon limited liability company

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

By: 
Printed Name: Gary A. Finicke
Title: Secretary/Treasurer