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PROJECT FUNDING AGREEMENT

BY AND BETWEEN

THE CITY OF PORTLAND, OREGON,

PEREGRINE SPORTS, LLC,

AND

U.S. BANK NATIONAL ASSOCIATION

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## PROJECT FUNDING AGREEMENT

This Project Funding Agreement (this “*Agreement*”) is made and entered into as of March 10, 2010, by and among the CITY OF PORTLAND, a municipal corporation of the State of Oregon, (the “*City*”), PEREGRINE SPORTS, LLC, a Delaware limited liability company (the “*Company*”), and U.S. BANK NATIONAL ASSOCIATION, as funding agent (the “*Funding Agent*”).

### RECITALS

A. The City and the Company have entered into the Redevelopment Agreement dated March 10, 2010 (the “*Redevelopment Agreement*”) governing the terms pursuant to which PGE Park, located in the City of Portland, Oregon (the “*Stadium*”), will be renovated, and pursuant to which the City has agreed to provide a portion of the funds needed to cover the costs of renovating and improving the Stadium (the “*Renovation Project*”) to be consistent with the requirements of Major League Soccer (“*MLS*”).

B. The City and the Company also have entered into the Stadium Operating Agreement dated March 10, 2010 (the “*Operating Agreement*”) governing the terms pursuant to which the Company will operate the Stadium.

C. The Company is funding a portion of the costs of the Renovation Project in cash, pursuant to the terms of the Redevelopment Agreement.

D. The City will fund its share of the construction costs of the Renovation Project from a line of credit, from spectator facility revenue, or both, and has agreed to obtain and maintain a line of credit as required by the terms of this Agreement. If the City does not timely fund its share of the construction costs of the Renovation Project, the Funding Agent, in

accordance with the terms of this Agreement, may draw upon the Line of Credit to fund such costs.

E. In order to provide for the implementation and timely completion of the Renovation Project, the Company has entered into the Amended and Restated Agreement between Owner and Contractor dated January 21, 2010 (the "*Construction Contract*") and the General Conditions of the Contract for Construction (the "*General Conditions*"), including all exhibits thereto, and the Agreement Between Owner and Architect dated September 11, 2009 between the Company and the Architect (the "*Architect's Agreement*"). Each of the Contractor and the Architect plays a role in providing for the timely payment of Construction Costs.

F. It is a condition to closing of the transactions contemplated in the Redevelopment Agreement that the City, the Company, and the Funding Agent enter into this Agreement for the purposes of providing for: (a) the deposit and disbursement of monies of the Company to fund a portion of the Construction Costs and other payments related to the Renovation Project; (b) the funding by the City of its share of Construction Costs; (c) the establishment, maintenance, and administration of various accounts into which deposits and from which disbursements will be made in order to make timely payment of Construction Costs; (d) the establishment of procedures for disbursements from the accounts established hereunder and the payment of Construction Costs; and (e) the establishment of procedures for draws by the Funding Agent from the Line of Credit in the event the City does not timely fund its share of Construction Costs.

G. Capitalized terms used but not defined herein shall have the meanings set forth in the Redevelopment Agreement.

Accordingly, in consideration of the foregoing and the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## AGREEMENT

### ARTICLE 1. DEFINITIONS

“*Accounts*,” for purposes of this Agreement, means the Company Account and the Project Payment Account.

“*Agreement*” has the meaning specified in the introductory paragraph of this Agreement.

“*Applicable Law*” means any statute, law, regulation, ordinance, rule, judgment, order, decree, permit, approval, concession, grant, franchise, license, agreement, directive, requirement or other governmental restriction or any similar form of decision or determination by any Governmental Authority, whether now or thereafter in effect (including, without limitation, all laws pertaining to land use or zoning restrictions, and building, health, fire, water and land use laws).

“*Architect*” means Ellerbe Becket, Inc., a Delaware corporation doing business as EB Architects.

“*Architect's Certificate*” means the certificate of the Architect, in the form of **Exhibit C** hereto, approving, disapproving, or partially approving the payment of the amounts requested on the Contractor's Draw Request and Certificate, and, if disapproving or partially approving, stating the reason(s) for such disapproval or partial approval, as the case may be.

“*City*” has the meaning specified in the introductory paragraph of this Agreement.

“*City Draw Certificate*” means the certificate of the City, in the form of **Exhibit E** hereto, approving, disapproving, or partially approving the payment of the amounts requested in the Monthly Construction Draw Request, and if disapproving or partially approving,

stating the reason(s) for such disapproval or partial approval, as the case may be, and including an irrevocable draw request submitted to the Line of Credit Provider instructing the Line of Credit Provider to pay directly to the Funding Agent the approved amount by the times required in Section 6.02(h) and authorizing the Funding Agent to demand payment of such amounts by presenting to the Line of Credit Provider a copy of the executed City Draw Certificate.

“*City Representative*” means the person designated by the City as City’s Funding Representative under the Redevelopment Agreement.

“*Closing Date*” has the meaning set forth in the Redevelopment Agreement.

“*Closing Date Draw Request*” means a request submitted by the Company on the Closing Date for payment of Construction Costs in accordance with Section 4.02.

“*Company*” has the meaning specified in the introductory paragraph of this Agreement.

“*Company Account*” means the Account by that name described in Article 3 hereof into which the Company’s funds will be deposited.

“*Company Funds*” means all funds required to be deposited by the Company on the Closing Date pursuant to the Redevelopment Agreement, including the Peregrine Contribution in the amount of \$19,100,000, as reduced pursuant to Section 22.3 of the Redevelopment Agreement, any and all amounts necessary to fund Cost Overruns and all other cash, checks, and other receipts of any kind received by the Funding Agent from the Company.

“*Company Draw Certificate*” means the certificate of the Company, in the form of **Exhibit D** hereto, requesting funds to pay the amount of a Contractor’s Draw Request and Certificate and other Construction Costs incurred by the Company for a month or other period of time (which have not been previously reimbursed to the Company by any prior disbursement).

“*Comptroller of the Currency*” means the Office of the Comptroller of the Currency, a bureau of the United States Department of the Treasury.

“*Confirmation of Permit Fees Payment*” means the certificate of the Company, in the form of **Exhibit F** hereto, confirming the payment of Permit Fees.

“*Construction Budget*” means the budget for all the Construction Costs attached as **Exhibit G** hereto, as the same may be amended from time to time.

“*Construction Completion Date*” means the date on which (i) all conditions precedent to Final Completion under the Redevelopment Agreement have been satisfied and (ii) all conditions precedent in Section 6.04 hereof have been satisfied.

“*Construction Costs*” means the actual Project Costs (as defined in the Redevelopment Agreement) to the extent incurred and required to be paid in connection with, and at any time prior to Final Completion of, the Renovation Project.

“*Construction Payment Confirmation*” is defined in Section 6.02(h).

“*Construction Schedule*” means the construction schedule for the Renovation Project attached as **Exhibit H** hereto, as the same may be amended from time to time in accordance with the terms of the Redevelopment Agreement.

“*Contractor*” means Turner Construction Company, a New York corporation, and any successor thereto.

“*Contractor’s Draw Request and Certificate*” means the monthly requests (unless required more frequently in accordance with the Redevelopment Agreement) of the Contractor to the Company for payment as detailed in the Construction Contract and the General Conditions, which shall meet the requirements of Section 6.02 hereof and be substantially in the form of **Exhibit B** attached hereto.



“*Funding Agent*” has the meaning specified in the introductory paragraph of this Agreement.

“*GMP*” means the Contractor’s Phase One GMP and the Contractor’s Final GMP, as applicable, as defined in the Redevelopment Agreement.

“*Government Approvals*” means all permits, annexation agreements, entitlements, licenses, orders, approvals, exemptions, authorizations, certifications, franchises, building permits, subdivision approvals, site plan reviews, environmental approvals (including an environmental impact statement or report if required under Applicable Law for any operations of the Company), sewer and waste discharge permits, zoning and land use entitlements and other authorizations and all required filings and notices, whether now existing or hereafter issued to or obtained by or on behalf of the Company or any affiliate of the Company, in each case that relate to the Stadium.

“*Governmental Authority*” means any federal, state or local government, department, commission, board, bureau, agency, regulatory authority, instrumentality, judicial or administrative body, or other body having the power to regulate or supervise the Stadium or any part thereof (or any of the uses thereof) or the Company or its subsidiaries.

“*Line of Credit*” means the line of credit provided by the City in accordance with the provisions of Article 5 hereof.

“*Line of Credit Provider*” means the provider of the Line of Credit meeting the requirements specified in Section 5.02. The initial Line of Credit Provider shall be selected by the City prior to the Closing Date. Following such selection, the City will notify the Funding Agent in writing of the name of the entity selected as the Line of Credit Provider.

“*MLS*” has the meaning specified in Recital A of this Agreement.

“*Monthly Construction Draw Request*” means a request meeting the requirements of Section 6.02 hereof for a draw on the Company Account and/or payment by the City or a draw on the Line of Credit to pay Construction Costs and other payments related to the Renovation Project.

“*Monthly Draw Documents*” means the Contractor’s Draw Request and Certificate, the Architect’s Certificate, the Company Draw Certificate, the City Draw Certificate, the Construction Payment Confirmation and any additional documentation required by this Agreement with respect to each Monthly Construction Draw Request.

“*Monthly Draw Schedule*” means the schedule of events specified in **Exhibit A** hereto. In the event of any inconsistency between the Monthly Draw Schedule and the terms of this Agreement, the terms of this Agreement shall control.

“*Officer’s Certificate*” means, with respect to the Company, a certificate signed on behalf of the Company by the Company’s Funding Representative.

“*Operating Agreement*” has the meaning specified in Recital A of this Agreement.

“*Permit Fees*” means permit fees or other governmental fees required to be paid by the Company in connection with the design, construction or occupancy of the Renovation Project or any portion thereof.

“*Permitted Investments*” means the investments set forth in **Exhibit I** hereto.

“*Phase*” means, as applicable, the Phase One Work or the Phase Two Work as defined in the Redevelopment Agreement.

“*Project Payment Account*” means the account into which the Public Contribution monies will be deposited, which funds may be commingled with funds withdrawn from the

Company Account by Funding Agent, all of which funds shall be used to pay Construction Costs.

“*Project Completion Guaranty*” means the Project Completion Guaranty executed in accordance with the Redevelopment Agreement.

“*Project Site*” has the meaning specified in the Redevelopment Agreement.

“*Public Contribution*” means the City’s monetary contribution to the Renovation Project in the amount of not more than \$11,900,000 to fund certain construction costs of the Renovation Project, which payment may come from one or more sources including the Line of Credit, spectator facility revenue, or both.

“*Redevelopment Agreement*” has the meaning specified in Recital A of this Agreement.

“*Renovation Project*” has the meaning specified in the Recital A of this Agreement.

“*Stadium*” has the meaning specified in the Recital A of this Agreement.

“*Termination Date*” has the meaning specified in Section 8.01.

“*Work*” has the meaning specified in the Construction Contract.

**ARTICLE 2.  
[Reserved]**

**ARTICLE 3.  
FUNDING AGENT AND ESTABLISHMENT OF ACCOUNTS**

**Section 3.01 Creation of Company Account and the Project Payment Account.**

(a) The Funding Agent hereby establishes and agrees to maintain the Company Account and the Project Payment Account as special, segregated, and irrevocable cash

collateral accounts, each of which shall be maintained in the State of Oregon, until such time that such Company Account and the Project Payment Account may be closed pursuant to the terms of this Agreement.

(b) The Company shall deposit all Company Funds into the Company Account, and, in accordance with the terms of this Agreement, the Funding Agent shall withdraw funds from the Company Account and deposit such funds into the Project Payment Account to pay the Company's share of Construction Costs. All Public Contribution monies shall be deposited into the Project Payment Account to pay the City's share of Construction Costs.

(c) In addition to the Accounts established hereunder, the Funding Agent may from time to time establish such subaccounts in the Accounts and such other Accounts as may be necessary or appropriate for purposes of carrying out the terms and conditions of this Agreement, including for purposes of holding and administering any cash collateral from time to time deposited with the Funding Agent or cash or other consideration received by the Funding Agent in connection with certain extraordinary events.

(d) All money and any Permitted Investments from time to time in the Company Account shall be held in the name and in the custody of the Funding Agent on the terms and conditions set forth in this Agreement, subject to the respective rights of the City and the Company under the Redevelopment Agreement and the Project Completion Guaranty. Monies in the Project Payment Account shall be held uninvested by the Funding Agent, or shall be invested overnight in Permitted Investments in accordance with the written instructions from the City.

**Section 3.02 Investment of Company Account and Project Payment Account.**

(a) The Funding Agent shall deposit into the Company Account and credit income earned on funds held in the Company Account and the Project Payment Account to the Company.

(b) Funds in the Project Payment Account shall be invested in accordance with Section 3.01 above.

(c) The Funding Agent shall follow the written directions of the Company with respect to the investment of funds held in the Company Account, provided that such investments must be in Permitted Investments.

(d) The City and the Company acknowledge that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Funding Agent the right to receive brokerage confirmations of security transactions as they occur, each of the City and the Company specifically waives receipt of such confirmations to the extent permitted by law. The Funding Agent will furnish the City and the Company periodic cash transaction statements, which include the detail for all investment transactions made by the Funding Agent hereunder.

(e) The Shareholder Communications Act of 1985 and its regulations require that banks and trust companies make an effort to facilitate communication between registrants of U.S. securities and the parties who have the authority to vote or direct the voting of those securities regarding proxy dissemination and other corporate communications. Unless the City or the Company indicates their objection in writing to the Funding Agent, the Funding Agent will provide the obligatory information to the registrant upon request.

**ARTICLE 4.**  
**CLOSING DATE DEPOSITS AND DISBURSEMENTS; PRO-RATA FUNDING OF**  
**CONSTRUCTION COSTS**

**Section 4.01 Delivery of Funds on Closing Date.**

(a) *Deposit of Monies of the Company.* On or before the Closing Date, the Company shall deliver to the Funding Agent for credit to the Company Account moneys of the Company in an aggregate amount of not less than \$19,100,000 less any amounts credited to the Company in accordance with Section 22.3 of the Redevelopment Agreement.

(b) *Establishment of Public Contribution.* On the Closing Date, the City shall provide the Line of Credit in an amount not less than \$11,200,000, in accordance with the provisions of Article 5 hereof.

**Section 4.02 Closing Date Draw.**

(a) At least five (5) Business Days prior to the Closing Date, the Company may submit to the Funding Agent and the City Representative a Closing Date Draw Request showing the respective amounts of the total requested payment amount to be paid by the City, if any, and the amount to be paid from the Company Account, and accompanied by an Officer's Certificate certifying that all conditions to expenditure of the applicable amounts have been satisfied, and including back up documentation that is required with Monthly Construction Draw Requests. If the City approves such Closing Date Draw Request, it shall indicate its approval by countersigning the Closing Date Draw Request and providing the Funding Agent an original countersigned copy of the Closing Date Draw Request and, if there are any amounts in the Closing Date Draw Request to be paid by the City, the City shall either notify the Funding Agent of its intent to provide City funds to the Funding Agent or provide an executed copy of an irrevocable draw request on the Line of Credit instructing the Line of Credit Provider to pay directly to the Funding Agent from such draw the amount shown in the Closing Date Draw Request as the City's share. If the City fails to pay or cause to be paid such amount on the

Closing Date, the Funding Agent promptly shall present a draw request to the Line of Credit Provider in the amount of the unfunded City's share to demand payment, and shall provide notice of the City's failure to pay to the City and the Company by facsimile and email transmission of a copy of the Funding Agent's demand to the Line of Credit Provider. The Funding Agent shall deposit all amounts received under the Line of Credit into the Project Payment Account. The City shall provide a copy of the countersigned Closing Date Draw Request and any Line of Credit draw request to the Company. Upon receipt of such Closing Date Draw Request countersigned by the City, the Funding Agent shall withdraw from the Company Account and deposit into the Project Payment Account the amount shown in the Closing Date Draw Request as being drawn from the Company Account.

(b) From the amounts deposited in the Project Payment Account pursuant to subsection (a) above, the Funding Agent shall pay to the payees listed in the Closing Date Draw Request the respective amounts shown therein.

#### **Section 4.03 Pro-Rata Funding of Construction Costs.**

The Company and the City will fund Construction Costs on a pro-rata basis as set forth in Section 17.2 of the Redevelopment Agreement.

### **ARTICLE 5. CITY LINE OF CREDIT**

#### **Section 5.01 Provision of the City Line of Credit.**

(a) On or before the Closing Date, the City shall obtain and maintain a Line of Credit in form and substance reasonably satisfactory to the Company, in an initial principal amount of not less than \$11,200,000, which amount may be adjusted pursuant to the terms of the Redevelopment Agreement. The Line of Credit shall provide that it may not be terminated by the City prior to the Termination Date of this Agreement, unless the City obtains the prior written consent of the Company. The Line of Credit shall allow the City to request direct

payment of draws thereunder by the Line of Credit Provider to the Funding Agent, and shall allow the Funding Agent to demand payment from the Line of Credit Provider of amounts authorized in a draw request executed by the City but not paid to the Funding Agent by presentation of a copy of the City's executed draw request to the Line of Credit Provider. The Line of Credit shall be drawn upon only to pay Construction Costs related to the Renovation Project in accordance with the procedures described in Article 6 hereof (other than City reimbursements for Project Costs in accordance with the Redevelopment Agreement) and only as permitted under the terms of the Redevelopment Agreement.

(b) The City hereby represents and warrants to the Funding Agent and the Company that, as of the Closing Date, the Line of Credit is valid and enforceable in accordance with the provisions thereof and hereof, and that no further action is necessary for the issuance and effectiveness of the Line of Credit. The City also represents and warrants to the Funding Agent and the Company as of the Closing Date that it will faithfully perform all of its obligations under the Line of Credit documents that are conditions to the Line of Credit Provider honoring draw requests under the Line of Credit, and that the City has made no material misrepresentations in the Line of Credit documents and has not violated any warranties made by the City in such Line of Credit documents.

**Section 5.02 Line of Credit Provider.**

The Line of Credit Provider shall be an FDIC-insured financial institution with total assets in excess of \$500 million.

**ARTICLE 6.  
POST-CLOSING DEPOSITS TO AND DISBURSEMENTS  
FROM COMPANY ACCOUNT**

**Section 6.01 Withdrawals from and Deposits to Company Account.**

If, on the date of the Funding Agent's delivery of a Construction Payment Confirmation in accordance with Section 6.02(h) hereof, the amount then on deposit in the



Company Account is insufficient to pay the full amount shown on such Construction Payment Confirmation as being paid from the Company Account, the Funding Agent shall make written demand for the Company to fund to the Company Account an amount which, when added to any amounts then on deposit in the Company Account, shall be sufficient to pay the amount of the Draw Request in question. If at any time amounts in the Company Account are insufficient to pay all of the Company's share of Construction Costs, including all Cost Overruns, the Company shall deposit the amount of the deficiency into the Company Account. As of the date that is the earlier of (i) thirty (30) days following the Construction Completion Date, or (ii) the date when all amounts due to be paid from amounts in the Company Account to the City under Section 17 of the Redevelopment Agreement have been paid, any funds then remaining on deposit in the Company Account shall be transferred by the Funding Agent to the Company and the Company Account shall be closed.

**Section 6.02 Monthly Construction Draws.**

(a) *Monthly Construction Draw Requests.* Except as otherwise provided in Section 7.01 and Section 8.06 hereof and in the Project Completion Guaranty, prior the Construction Completion Date, the Company shall have the right to submit to the Funding Agent on a monthly basis (or more frequently if required under the Redevelopment Agreement) a Monthly Construction Draw Request satisfying the conditions set forth in this Section 6.02 for payment of Construction Costs. The Company and the City shall use their best efforts to attend the meetings and make the various submittals, approvals, and disbursements on or before the dates set forth on the Monthly Draw Schedule attached hereto as **Exhibit A**.

(b) *Contractor's Draw Request and Certificate.* In accordance with the Monthly Draw Schedule, on or about the 25th day of each month commencing with March 25, 2010, the Contractor shall deliver to the Company (3 copies), the City (3 copies), and the Architect (2 copies) in pencil draft form by hand delivery or overnight delivery service, a

Contractor's Draw Request and Certificate for work which is complete as of the last day of the month to which such Contractor's Draw Request and Certificate relates in accordance with the Monthly Draw Schedule. The Contractor's Draw Request and Certificate shall include the items listed on **Exhibit J** attached hereto.

(c) *Meeting to Review Contractor's Draw Request and Certificate.* On or about the 27th day of each month, but not fewer than two (2) Business Days from receipt of the City of the pencil draft described in subsection (b), appropriate representatives of the Architect and the Contractor and the City's Funding Representative and Peregrine's Funding Representative shall meet in Portland, Oregon to review the pencil draft Contractor's Draw Request and Certificate. All parties shall schedule these meetings according to the Monthly Draw Schedule and shall plan to spend the day reviewing and approving or disapproving the current month's pencil draft Contractor's Draw Request and Certificate. The parties shall raise objections to the pencil draft at or prior to the meeting and, if they do not, objections will be waived except as otherwise provided herein.

Within two (2) Business Days following the meeting to review the pencil draft Contractor's Draw Request and Certificate, in accordance with the Monthly Draw Schedule, the Contractor shall modify the pencil draft Contractor's Draw Request and Certificate to conform to decisions made in the pencil draft meeting and deliver to the Architect executed final copies of the Contractor's Draw Request and Certificate with all required documentation. The Contractor also shall provide the City a complete final copy of the Contractor's Draw Request and Certificate and other documentation provided to the Architect.

(d) *Architect's Approval.* Within five (5) Business Days of the meeting described in subsection (c) above, in accordance with the Monthly Draw Schedule, the Company shall cause the Architect, following its receipt of the Contractor's Draw Request and Certificate in final form, to execute and deliver to the Company nine (9) copies of the Architect's

Certificate. If the Architect believes that Contractor's Draw Request and Certificate is inconsistent with or has items not included in the form agreed upon at the pencil draft meeting, the Company shall cause the Architect to immediately so inform the Contractor, the Company, and the City in writing, and until so amended to the Architect's reasonable satisfaction, no disbursement shall be made from the Project Payment Account to make such payment, and no funds from the City or draw on the City's Line of Credit shall be required to make such payment (except in the case of a partial approval, such payments partially approved may, subject to the satisfaction of the other conditions herein contained, be disbursed from the Project Payment Account, and funds from the City or draws from the Line of Credit may be required to pay the City's share of such partially approved amounts).

(e) *Company's Information.* Within five (5) Business Days of receipt of the Architect's Certificate, the Company shall forward to the City Representative (3 copies), the Contractor (1 copy), and the Architect (1 copy), the following materials:

(i) A draft copy of the Company Draw Certificate approving the Contractor's Draw Request and Certificate for that month, as modified based on the pencil draft meeting.

(ii) A spreadsheet showing the amount of the requested payment to be made to each payee, the total amount of the requested payment, the City's share of such payment (by payee and total), and the balance of the payment to be paid from amounts in the Company Account (by payee and total).

(iii) Invoices from other Retained Parties, including a statement of the fees of the Architect, with appropriate backup documentation.

(iv) Backup documentation for any amounts requested to be paid or reimbursed to the Company.

(v) A Confirmation of Permit Fees Payment in the form attached hereto as **Exhibit F** for all Permit Fees to be paid from amounts drawn under the Monthly Construction Draw Request.

(vi) A copy of the Monthly Construction Draw Request requesting payment to the payees listed according to the Monthly Draw Schedule.

(vii) Wire transfer or other payment information for each payee listed.

(f) *Company's Approval.* Within five (5) Business Days of receipt of the Architect's Certificate, in accordance with the Monthly Draw Schedule, and following the Company's receipt of the final Contractor's Draw Request and Certificate including all other items referred to above in this Section 6.02, the Company shall execute and deliver final, original, executed copies of (i) the Company's Draw Certificate described in subsection (e)(i) above and (ii) the Monthly Construction Draw Request described in subsection (e)(vi) above to each of the City, the Architect, and the Contractor by messenger or overnight delivery service. If the Company disapproves or partially approves the amount of any payments because any of the terms and provisions of this Agreement or the Redevelopment Agreement are not met, satisfied, or waived, then the Company shall, immediately, and in any event within the time period specified in the Monthly Draw Schedule, so inform the Contractor, the City and the Architect in writing of the reasons for disapproval or partial approval, and shall amend the Monthly Draw Documents to provide for satisfaction or waiver of such requirements, and until the Monthly Draw Documents are so amended and approved in the manner specified in this Agreement, no disbursement shall be made from the Project Payment Account to make such payment (except in the case of a partial approval, such payments partially approved may, subject to satisfaction of the other conditions herein contained, be disbursed from the Project Payment Account to make such payment).

(g) *City's Approval.* Within two (2) Business Days after receipt of the Monthly Construction Draw Request in final form (including all of the material identified in subsections (b), (d), (e), and (f) above), the City shall have completed its review and, if the City fully or partially approves the Monthly Construction Draw Request, shall deliver to each of the Contractor, the Architect, the Company and the Funding Agent, an executed copy of the City Draw Certificate indicating such full or partial approval, including approval of payment by the City of all or part of the City's share as indicated in the spreadsheet described in Section 6.02(e)(ii) above. The executed City Draw Certificate indicating the City's full or partial

approval shall indicate whether the City intends to fund the request with City funds or through a draw upon the Line of Credit. If the City does not fund the request with City funds, it shall include with the executed City Draw Certificate an irrevocable draw request submitted to the Line of Credit Provider instructing the Line of Credit Provider to pay directly to the Funding Agent the approved amount by the times required in Section 6.02(h). Notwithstanding anything to the contrary set forth herein, if the City disapproves of all or a portion of the Monthly Construction Draw Request in accordance with Section 18 of the Redevelopment Agreement (which the City is required to do at the pencil draft meeting), or if the Monthly Construction Draw Request is inconsistent with or has items not included in the form agreed upon at the pencil draft meeting, the City immediately shall so inform the Contractor, the Architect, the Company, and the Funding Agent in writing, and until so amended to the City's reasonable satisfaction, the City shall not be required to pay such disapproved costs, and no City funds will be provided, nor any draw be made on the Line of Credit to pay such disapproved costs (except in the case of a partial approval, in which case the City shall pay, and the Line of Credit shall be drawn upon if necessary to pay, the amount approved, subject to the satisfaction of the other conditions herein contained). If the City fails to timely approve or disapprove the Monthly Construction Draw Request, the City shall be deemed to have approved the same, and the Funding Agent may draw from the Line of Credit the City's share of amounts shown on the Monthly Construction Draw Request. Disputes between the City and the Company arising under this Section 6.02(g) shall be subject to Dispute Resolution.

(h) *Payment of Monthly Construction Draw Requests.* On or about the 16th day of each month, in accordance with the Monthly Draw Schedule, the Company shall deliver to the Funding Agent the executed City Draw Certificate and the executed Company Draw Certificate so that the Funding Agent can begin processing payment of amounts to be paid from the Company Account and the Project Payment Account.

On or about the 17th day of each month, in accordance with the Monthly Draw Schedule but not fewer than two (2) Business Days nor more than three (3) Business Days after the Funding Agent's receipt of the executed City Draw Certificate and the executed Company Draw Certificate, the Funding Agent shall send an email to the City and the Company indicating the total amount of the payment to be made for that month, the City's share of such payment as approved in the City's Draw Certificate, the balance of the payment to be paid from amounts in the Company Account, and the list of payees and respective amounts of the total to be paid to each (the "*Construction Payment Confirmation*").

Within two (2) Business Days of the City's receipt of the Construction Payment Confirmation, the City shall pay or cause to be paid directly to the Funding Agent by wire transfer the amount indicated on the Construction Payment Confirmation and on the City Draw Certificate as the City's share of the total payment amount, and the Funding Agent shall deposit such amount in the Project Payment Account. If the City fails to make such payment or cause such payment to be made within two (2) Business Days of receipt of the Construction Payment Confirmation, the Funding Agent shall demand payment from the Line of Credit Provider of the amount of the executed City Draw Certificate by presenting a copy of such request to the Line of Credit Provider, and shall deposit amounts paid by the Line of Credit Provider into the Project Payment Account by the following Business Day. The Funding Agent shall immediately notify the City, the Company, and the Line of Credit Provider of the City's failure to make payment by facsimile or email transmission of the Funding Agent's demand to the Line of Credit Provider. On or about the 19th day of each month, in accordance with the Monthly Draw Schedule, the Funding Agent shall transfer from the Company Account to the Project Payment Account the amounts shown in the Construction Payment Confirmation as being paid from the Company Account.

On or about the 20th day of each month, in accordance with the Monthly Draw Schedule, the Funding Agent shall make payment from the Project Payment Account to the

payees listed in the Construction Payment Confirmation by wire transfer or otherwise according to the instructions given by the Company as described in Section 6.02(e) hereof.

**Section 6.03 Amounts Drawn on the Line of Credit to Pay the City Share.**

The Funding Agent shall deposit all amounts drawn on the Line of Credit or otherwise paid by the City or the Line of Credit Provider or payment of amounts hereunder in the Project Payment Account immediately upon receipt of such amounts, and shall apply such amounts in accordance with Section 6.02, as applicable, except as otherwise required with respect to draws required by Section 4.02 hereof in connection with a Closing Date Draw Request.

**Section 6.04 Disbursement of Funds at Construction Completion Date.**

For purposes of this Agreement, the Construction Completion Date for the Renovation Project or a portion thereof will be deemed to have occurred as of the date that the Funding Agent receives a Certificate of Final Completion that has been executed by the City. Funds shall be disbursed from the Company Account and the Project Payment Account upon the Funding Agent's receipt of all final Monthly Draw Documents, which shall be prepared and submitted in accordance with Section 6.02; provided that the Contractor's Draw Request and Certificate shall include the items listed on **Exhibit J** as required for the final Contractor's Draw Request and Certificate. Following final disbursement from the Project Payment Account to pay Project Costs, funds remaining in the Accounts shall be disbursed in accordance with Section 17.4 of the Redevelopment Agreement.

**ARTICLE 7.  
FUNDING AGENT'S DISBURSEMENT DUTIES, RIGHTS,  
AND OBLIGATIONS**

**Section 7.01 Funding Agent Acceptance.**

Pursuant to this Agreement, the Funding Agent has agreed to act as Funding Agent under this Agreement and to accept all cash, checks, instruments, or other forms of

payment, other money, and Permitted Investments to be delivered to or held by the Funding Agent pursuant to the terms of this Agreement. The Funding Agent shall hold and safeguard the Accounts during the term of this Agreement.

If an Event of Default under the Redevelopment Agreement shall occur, the procedures for draws from the Company Account shall be as described in Section 8.06 hereof and the Project Completion Guaranty. The City or the Company shall notify the Funding Agent if such an Event of Default occurs or if a party alleges that an Event of Default has occurred under the Redevelopment Agreement.

**Section 7.02 Funding Agent's Duty To Send Monthly Statements.**

The Funding Agent shall provide the Company and the City with an annual statement showing all Account balances and disbursements made from each of the Accounts in 2010 and with a closing statement showing all Account balances and disbursements made from January 1, 2011 through the termination of this Agreement. The Company will have online access to monthly statements for the Company Account, and the City will have online access to monthly statements for the Project Payment Account.

**Section 7.03 Written Instructions.**

The Funding Agent shall not be required to act on any verbal or telephonic instructions, and may insist that all instructions, notices, certificates, authorizations, approvals, and the like required or desired hereunder be provided in written form (except that, when expressly provided for herein, the Funding Agent shall act on facsimile or email instructions, to be followed by a courtesy hard copy of the originals).

**Section 7.04 Limitation on Duties.**

(a) Notwithstanding any other provisions of this Agreement to the contrary, the Funding Agent shall have no duties or responsibilities hereunder except those expressly set



forth herein. If at any time the Funding Agent is uncertain as to the amounts to be deposited into or withdrawn from the Company Account, or as to which Account any amounts are to be deposited to or withdrawn from (other than amounts paid by the City or from draws on the Line of Credit into the Project Payment Account), the Funding Agent may request written direction from the Company, and the Funding Agent may conclusively rely on and shall be fully protected in reliance on such directions.

(b) The Funding Agent shall be entitled to rely upon any certificates, notices, instructions, or other communications (including any thereof by telex, telecopy, telegram, email or cable) believed by it to be genuine and to have been signed or delivered by or on behalf of an authorized representative of a party hereto and upon advice and statements of legal counsel, independent accountants, and other experts selected by the Funding Agent. The Funding Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder in accordance with certificates, notices, instructions, and other communications required herein (without substantiation, investigation, or verification of any collateral or supporting documentation), and any action taken or failure to act pursuant thereto, shall be binding on all parties hereto.

#### **Section 7.05 Timing of Requests and Draws.**

In each case that the Funding Agent withdraws from an Account for deposit into another Account, such deposit shall occur promptly after such withdrawal. All actions specified on the Monthly Draw Schedule shall be taken by close of business on the dates shown in such Monthly Draw Schedule unless otherwise provided herein. If any date specified herein for withdrawal or deposit of funds is not a Business Day, the action to be taken on that date shall be taken on the next succeeding Business Day.

**Section 7.06 Successor Funding Agent.**

Any successor Funding Agent shall have all rights, powers, and duties of the Funding Agent under this Agreement.

**ARTICLE 8.  
MISCELLANEOUS**

**Section 8.01 Term and Termination.**

Unless terminated sooner in accordance with Section 8.06, the term of this Agreement shall commence on the Closing Date, and shall terminate on the date (the "*Termination Date*") on which all of the following apply: (a) ninety (90) days have elapsed from the Construction Completion Date; (b) all proper payments in each submitted Monthly Construction Draw Request have been paid to the payees shown therein; (c) the City has issued the Certificate of Final Completion; and (d) the balance in the Project Payment Account is zero. The Company shall notify the City and the Funding Agent in writing of the date on which the Company believes all such conditions have been met, and, if neither the Funding Agent nor the City objects within five (5) Business Days, such date shall be deemed the Termination Date for purposes of this Agreement. Upon the occurrence of the Termination Date, all remaining funds in the Company Account shall be disbursed to the Company, and all obligations of the Company and the City under this Agreement shall cease and be of no further force or effect.

**Section 8.02 Mutual Representations and Warranties; Confirmation.**

Each party hereto hereby represents and warrants to each of the other parties hereto that (a) this Agreement has been duly authorized and executed by such party and (b) no consents are necessary from any third parties for such party's execution, delivery, or performance of this Agreement.

**Section 8.03 Section Headings, Recitals; Exhibits.**

The title and headings that appear in this Agreement have been included solely for ease of reference and shall not be considered in the interpretation or construction of this Agreement. The Recitals set forth herein are hereby incorporated into this Agreement by this reference. All Exhibits attached hereto are also incorporated herein by this reference.

**Section 8.04 Waivers, Amendments.**

No waiver or amendment of any of the provisions hereof shall be effective unless made in a writing and signed by each of the parties hereto.

**Section 8.05 Notices.**

Unless otherwise provided herein, all notices, requests, demands, or other communications called for or contemplated hereunder shall be in writing and shall be deemed to have been duly given on the earlier of actual delivery or refusal of a party to accept delivery if sent by one of the following means with all postage or delivery charges prepaid, to the applicable address set forth below: (a) messenger; (b) overnight delivery service; (c) certified or registered U.S. Mail; or (d) facsimile transmission, if simultaneously transmitted by another means allowed hereunder.

If to the City:

City of Portland  
1120 S.W. Fifth Avenue, 12th Floor  
Portland, OR 97204  
Attn: Chief Administrative Officer  
Telecopy No.: (503) 823-5384  
Email: klrust@ci.portland.or.us

with a copy to:

Office of the City Attorney  
City of Portland, Oregon  
1221 S.W. Fifth Avenue, 4th Floor  
Portland, OR 97204  
Attn: City Attorney  
Telecopy No.: (503) 823-3089  
Email: mmoline@ci.portland.or.us

with a copy to:

Ball Janik LLP  
101 SW Main Street, Suite 1100  
Portland, OR 97204  
Attn: Steve Janik/Dina Alexander  
Telecopy No.: (503) 295-1058  
Email: sjanik@balljanik.com; dalexander@balljanik.com

If to the Company:

Peregrine Sports, LLC  
1844 SW Morrison  
Portland, OR 97205  
Attn: Merritt Paulson  
Telecopy No.: (503) 553-5405  
Email: mpaulson@pgepark.com

with a copy to:

Jeannette Launer, Esq.  
5216 SW Burton Drive  
Portland, OR 97221  
Telecopy: (503) 221-7045  
Email: jmlauner@comcast.net

If to Funding Agent:

U.S. Bank National Association  
555 S.W. Oak Street, PD-OR-P6TD  
Portland, Oregon 97204  
Attn: Cheryl Nelson  
Telecopy No.: (503) 275-5738  
Email: cherylk.nelson@usbank.com

with a copy to:

U.S. Bank National Association  
60 Livingston Ave., EP-MN-WS3T  
St. Paul, MN 55107  
Attn: Erik Magnuson  
Telecopy No.: (651) 495-8111  
Email: erik.magnuson@usbank.com

A party may change its address by written notice in the manner provided in this Section 8.05. Notes may be sent by counsel for a party. Notwithstanding anything to the contrary in this Agreement, the Funding Agent may make written demands under Article 6 by e-mail.

**Section 8.06 Event of Default Under Redevelopment Agreement or Project Completion Guaranty.**

(a) Following any Event of Default by the Company under the Redevelopment Agreement, the Company's right to submit Monthly Construction Draw Requests under this Agreement shall cease. Upon such event and the Funding Agent's receipt of written notification of such event, the Funding Agent and the City agree to work together in good faith to modify this Agreement or to execute a new agreement providing procedures for Monthly Draw Requests. The City will verify for the Funding Agent that the new procedures comply with the terms and provisions of the Redevelopment Agreement and the Project Completion Guaranty, as applicable.

(b) Following any Event of Default by the City under the Redevelopment Agreement and (i) the exhaustion of the Dispute Resolution proceedings set forth in the Redevelopment Agreement with a determination by a Dispute Resolver in favor of the Company or (ii) a court order in favor of the Company, this Agreement shall terminate and the Funding Agent shall act in accordance with written instructions received and signed by the Company or in accordance with the applicable court order or determination of the Dispute Resolver.

**Section 8.07 Counterparts.**

This Agreement may be signed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall be deemed to be one and the same instrument, and may be signed and delivered by facsimile or email, followed by a hard copy of the original.

**Section 8.08 Assignment.**

This Agreement shall be binding upon and inure to the benefit of the successors and permitted transferees and assigns of the parties hereto. No party hereto may transfer or assign its rights or obligations hereunder except in connection with an assignment in whole, but not in part, of its rights or obligations in respect of the Renovation Project to the extent permitted in the Redevelopment Agreement.

**Section 8.09 Third Party Beneficiaries.**

The parties hereto acknowledge and agree that there are no third party beneficiaries to this Agreement.

**Section 8.10 Severability.**

In case any provision in this Agreement shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 8.11 Non-Waiver of Governmental Rights.**

By entering into this Agreement, the City is specifically not obligating itself or any other agency with respect to any discretionary or regulatory action relating to development or operation of the Project Improvements to be constructed on the Project Site, including, but not limited to, rezoning, variances, environmental clearances, regulatory plan reviews, code compliance, or any other governmental agency approvals or regulatory actions which are or may be required or authorized.

**Section 8.12 Governing Law.**

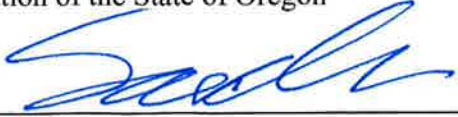
This Agreement shall be governed and construed in accordance with the laws of the State of Oregon, without reference to conflicts of law principles thereunder.

*(Remainder of Page Intentionally Left Blank)*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**City:**

CITY OF PORTLAND, OREGON, a municipal corporation of the State of Oregon

By:   
Its: Mayor

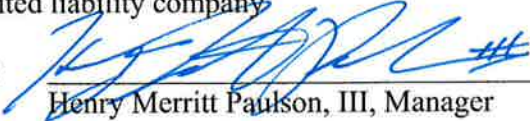
By:   
Its: City Auditor

APPROVED AS TO FORM:

By:   
City Attorney

**Company:**

PEREGRINE SPORTS, LLC, a Delaware limited liability company

By:   
Henry Merritt Paulson, III, Manager

**Funding Agent:**

U.S. BANK NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**City:**

CITY OF PORTLAND, OREGON, a municipal corporation of the State of Oregon

By: \_\_\_\_\_

Its: Mayor

By: \_\_\_\_\_

Its: City Auditor

APPROVED AS TO FORM:

By: \_\_\_\_\_

City Attorney

**Company:**

PEREGRINE SPORTS, LLC, a Delaware limited liability company

By: \_\_\_\_\_

Henry Merritt Paulson, III, Manager

**Funding Agent:**

U.S. BANK NATIONAL ASSOCIATION

By:  \_\_\_\_\_

Name: CHERYL NELSON

Title: VICE PRESIDENT

EXHIBIT A

MONTHLY DRAW SCHEDULE

PGE PARK RENOVATION PROJECT  
 Portland, OR  
 Draw Schedule

	Submit Pencil Draw Application to ICON for Review/Distribution	Pencil Draw Meeting - Monthly Bill Amount Determined and Approved	Architect's Certificate Submitted to ICON (Exhibit C)	*Approved* Draw Application Due to ICON (Exhibit B) w/ All supporting Documentation	*Approved* Retained Parties Applications Due to ICON	Complete/Final/Approved Draw Submitted to Peregrine for Company Draw Certificate	Final/Approved Bill Distributed	City Approval	Fund Transfers	Payments
Billing For Month of										
2010										
January	January 22, 2010	January 27, 2010	February 1, 2010	February 1, 2010	February 1, 2010	February 3, 2010	February 5, 2010	February 12, 2010	Feb 15 thru Feb 18	February 19, 2010
February	February 19, 2010	February 24, 2010	March 1, 2010	March 1, 2010	March 1, 2010	March 3, 2010	March 5, 2010	March 12, 2010	Mar 15 thru Mar 18	March 19, 2010
March	March 26, 2010	March 31, 2010	April 5, 2010	April 5, 2010	April 5, 2010	April 7, 2010	April 9, 2010	April 16, 2010	Apr 19 thru Apr 22	April 23, 2010
April	April 23, 2010	April 28, 2010	May 3, 2010	May 3, 2010	May 3, 2010	May 5, 2010	May 7, 2010	May 14, 2010	May 17 thru May 20	May 21, 2010
May	May 21, 2010	May 26, 2010	May 31, 2010	May 31, 2010	May 31, 2010	June 2, 2010	June 4, 2010	June 11, 2010	Jun 14 thru Jun 17	June 18, 2010
June	June 25, 2010	June 30, 2010	July 5, 2010	July 5, 2010	July 5, 2010	July 7, 2010	July 9, 2010	July 16, 2010	Jul 19 thru Jul 22	July 23, 2010
July	July 23, 2010	July 28, 2010	August 2, 2010	August 2, 2010	August 2, 2010	August 4, 2010	August 6, 2010	August 13, 2010	Aug 16 thru Aug 19	August 20, 2010
August	August 20, 2010	August 25, 2010	August 30, 2010	August 30, 2010	August 30, 2010	September 1, 2010	September 3, 2010	September 10, 2010	Sep 13 thru Sep 16	September 17, 2010
September	September 24, 2010	September 29, 2010	October 1, 2010	October 1, 2010	October 1, 2010	October 6, 2010	October 8, 2010	October 15, 2010	Oct 18 thru Oct 21	October 22, 2010
October	October 22, 2010	October 27, 2010	November 1, 2010	November 1, 2010	November 1, 2010	November 3, 2010	November 5, 2010	November 12, 2010	Nov 15 thru Nov 18	November 19, 2010
November	November 19, 2010	November 24, 2010	November 29, 2010	November 29, 2010	November 29, 2010	December 1, 2010	December 3, 2010	December 10, 2010	Dec 13 thru Dec 16	December 17, 2010
December	December 24, 2010	December 29, 2010	January 3, 2011	January 3, 2011	January 3, 2011	January 5, 2011	January 7, 2011	January 14, 2011	Jan 17 thru Jan 20	January 21, 2011
2011										
January	January 21, 2011	January 26, 2011	January 31, 2011	January 31, 2011	January 31, 2011	February 2, 2011	February 4, 2011	February 11, 2011	Feb 14 thru Feb 17	February 18, 2011
February	February 18, 2011	February 23, 2011	February 28, 2011	February 28, 2011	February 28, 2011	March 2, 2011	March 4, 2011	March 11, 2011	Mar 14 thru Mar 17	March 18, 2011
March	March 25, 2011	March 30, 2011	April 4, 2011	April 4, 2011	April 4, 2011	April 6, 2011	April 8, 2011	April 15, 2011	Apr 18 thru Apr 21	April 22, 2011
April	April 22, 2011	April 27, 2011	May 2, 2011	May 2, 2011	May 2, 2011	May 4, 2011	May 6, 2011	May 13, 2011	May 16 thru May 19	May 20, 2011
May	May 20, 2011	May 25, 2011	May 30, 2011	May 30, 2011	May 30, 2011	June 1, 2011	June 3, 2011	June 10, 2011	Jun 13 thru Jun 16	June 17, 2011
June	June 24, 2011	June 29, 2011	July 4, 2011	July 4, 2011	July 4, 2011	July 5, 2011	July 8, 2011	July 15, 2011	Jul 18 thru Jul 21	July 22, 2011
July	July 22, 2011	July 27, 2011	August 1, 2011	August 1, 2011	August 1, 2011	August 3, 2011	August 5, 2011	August 12, 2011	Aug 15 thru Aug 18	August 19, 2011
August	August 26, 2011	August 31, 2011	September 5, 2011	September 5, 2011	September 5, 2011	September 7, 2011	September 9, 2011	September 16, 2011	Sep 19 thru Sep 22	September 23, 2011
September	September 23, 2011	September 28, 2011	October 3, 2011	October 3, 2011	October 3, 2011	October 5, 2011	October 7, 2011	October 14, 2011	Oct 17 thru Oct 20	October 21, 2011
October	October 21, 2011	October 26, 2011	October 31, 2011	October 31, 2011	October 31, 2011	November 2, 2011	November 4, 2011	November 11, 2011	Nov 14 thru Nov 17	November 18, 2011
November	November 25, 2011	November 30, 2011	December 5, 2011	December 5, 2011	December 5, 2011	December 7, 2011	December 9, 2011	December 16, 2011	Dec 19 thru Dec 22	December 23, 2011
December	December 23, 2011	December 28, 2011	January 2, 2012	January 2, 2012	January 2, 2012	January 4, 2012	January 6, 2012	January 13, 2012	Jan 16 thru Jan 19	January 20, 2012

**APPLICATION AND CERTIFICATE FOR PAYMENT**

AIA DOCUMENT G702

PAGE 1 OF 2 PAGES

TO PEREGRINE (THE "OWNER"):

PROJECT:

APPLICATION #:  
PERIOD TO:  
OWNER PO #:

Distribution to:

FROM CONTRACTOR:

**Turner Construction Company**  
1200 NW Naito Pkwy, Suite 300  
Portland, OR 97209

503-225-9825 Phone  
503-225-9836 Fax

ARCHITECT:

TURNER PROJECT #:  
CONTRACT DATE:

\_\_\_\_ Owner/Peregrine  
\_\_\_\_ ARCHITECT  
\_\_\_\_ CONTRACTOR

CONTRACT FOR:

**CONTRACTOR'S APPLICATION FOR PAYMENT**

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$	-
2. Net change by Change Orders	\$	-
3. CONTRACT SUM TO DATE (Line 1+2)	\$	-
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	-
5. RETAINAGE:		
a. 5 % of Completed Work		
b. 5 % of Stored Materials		
Total Retainage (Total in Column I on G703)	\$	-
6. TOTAL EARNED LESS RETAINAGE	\$	-
7. LESS PREVIOUS CERTIFICATES FOR PMT	\$	-
8. CURRENT PAYMENT DUE	\$	-
9. BALANCE TO FINISH, + RETAINAGE + TAX	\$	-

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	\$0.00
Total approved this Month		
AIA CO #	\$0.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$0.00
<b>TOTALS</b>	<b>\$0.00</b>	<b>\$0.00</b>
NET CHANGES by Change Order		\$0.00

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that correct payment shown herein is now due.

CONTRACTOR: TURNER CONSTRUCTION COMPANY

By: \_\_\_\_\_ Date: 12/2/2009

State of: OREGON  
County of:  
Subscribed and sworn to before me this 2nd day of December 2009

Notary Public:  
My Commission expires:

**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ \_\_\_\_\_

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:

By: \_\_\_\_\_ Date: \_\_\_\_\_

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

**Schedule 1**

**CONDITIONAL WAIVER AND RELEASE  
UPON PAYMENT**

[Form to be attached]

## EXHIBIT C

### ARCHITECT'S CERTIFICATE

The undersigned, Ellerbe Becket, Inc. d/b/a EB Architects (the "*Architect*"), certifies and states that based upon the review by Architect of the Contractor's Draw Request and Certificate No. \_\_\_\_\_ dated \_\_\_\_\_ (the "*Draw Request*") submitted by Turner Construction Company as the general contractor (the "*Contractor*"), including, without limitation, all data and documentation attached thereto (which are incorporated herein by this reference), and based upon on-site observations by the Architect of the Renovation Project in accordance with the terms of the Architect's Agreement, (i) the Work has progressed to the point indicated in the Draw Request, (ii) to the best knowledge, information and belief of the Architect, except for specific qualifications noted below, the Work covered by the Draw Request has been completed and performed in accordance with the Contract Documents (subject to evaluation of the Work for conforming with the Contract Documents upon Substantial Completion, to the results of any subsequent tests required by or performed under the Contract Documents, to minor deviations from the Contract correctable prior to completion, and to any specific qualifications stated herein), and (iii) except as noted below, the amount requested to be paid, in respect of the Work completed to date is appropriate and the Contractor is entitled to payment in the amount certified in the Draw Request.

This Certificate is being made and delivered to, and shall be relied upon by the Funding Agent and the City.

All capitalized terms not otherwise defined herein have the meanings assigned to such terms in the Draw Request, or if not therein defined, in the Architect's Agreement effective as of September 11, 2009 between the Architect and Peregrine Sports, LLC.

Ellerbe Becket, Inc. d/b/a EB Architects

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[IF DRAW REQUEST AND CERTIFICATE DISAPPROVED OR PARTIALLY APPROVED, SPECIFY ALL ITEMS DISAPPROVED OR PARTIALLY APPROVED AND INSERT DESCRIPTION OF REASONS FOR SUCH DISAPPROVAL OR PARTIAL APPROVAL]**

**EXHIBIT D**

**COMPANY DRAW CERTIFICATE**

[Date]

Funding Agent

Re: Renovation Project – Stadium, Certificate No. \_\_\_\_\_  
Dated: \_\_\_\_\_

Capitalized terms herein have the same meaning set forth in the Project Funding Agreement dated as of (the “*Project Funding Agreement*”).

In making the following representations and warranties, the Company relied upon the Contractor’s Draw Request and Certificate and the Architect’s Certificate.

1. The Company approves and authorizes payments as described and itemized on the Contractor’s Draw Request and Certificate Number \_\_\_\_\_, dated \_\_\_\_\_.

2. In addition to the amounts shown in the Contractor’s Draw Request and Certificate, the Company requests payment of the amounts described in Schedule 1 attached hereto.

3. Attached hereto is all backup and supporting documentation supporting payment of the requested amounts as required by Section 6.02(e) of the Project Funding Agreement.

4. The Company certifies that (1) the obligations for which payment is to be made have been incurred for Work completed, and (2) that lien releases substantially in the form of Schedule 1 attached to Exhibit B have been obtained from all contractors, subcontractors and material suppliers with contract values in excess of \$10,000 for that portion of the Work to which those costs relate.

5. The Company certifies that it has received no written claims of liens submitted as of the date hereof, and the Company has no knowledge of any filed liens with respect to the Work. The Company further certifies that all bills due and payable by the Company with respect to the Work have been paid to date or shall be paid from the proceeds of this Draw Request and that there is no known basis for the filing of any liens with respect to the Work.

6. This Draw Certificate is correct, and is conditioned upon approval or partial approval of the same Monthly Draw Request by the City in accordance with Section 6.02(g) of the Project Funding Agreement.

PEREGRINE SPORTS, LLC, a Delaware limited liability company

By: \_\_\_\_\_  
Henry Merritt Paulson, III, Manager



Schedule 1

<b>Payee</b>	<b>Total Amount of Requested Payment</b>	<b>Amount of Requested Payment to be Paid</b>	<b>City's Share of Payment (\$)</b>	<b>Balance of Payment to be Paid from Company Account</b>

**EXHIBIT E**

**CITY DRAW CERTIFICATE**  
**[SUBJECT TO REVIEW AND APPROVAL OF CITY]**

**DRAW CERTIFICATE NO. \_\_\_\_\_**

\_\_\_\_\_ [Date]

The City of Portland, Oregon (the "City") hereby executes this Draw Certificate No. \_\_\_\_\_ in accordance with sections 6.02(g) and (h) of the Project Funding Agreement between the City, Peregrine Sports, LLC ("Peregrine") and U.S. Bank National Association (the "Funding Agent") dated as of March \_\_\_\_\_, 2010 (the "Project Funding Agreement") and in accordance with the Taxable Non-Revolving Credit Facility (PGE Park Renovation Project) between the City and Bank of America, N.A. (the "Line of Credit Provider") dated as of March \_\_\_\_\_, 2010 (the "Line of Credit").

Capitalized terms not defined herein shall have the same meaning set forth in the Project Funding Agreement, unless otherwise indicated.

1. The City hereby approves the Monthly Draw Request for the month of \_\_\_\_\_, 201\_\_ and approves payment by or on behalf of the City to the Funding Agent of [**check one of the following boxes**]:

the City's share reflected on Schedule 1 of the Company Draw Certificate.

the portions of the City's share of amounts reflected on Schedule 1 of the Company Draw Certificate, as specified in the attached Schedule A showing the approved and disapproved amounts and the reasons for any partial approval or disapproval. No draw shall be made under the Line of Credit for any disapproved amounts.

2. The payment amount approved pursuant to paragraph 1 above, shall be paid by the City [**check one of the following boxes**]:

in cash.

by requesting an irrevocable draw on the Line of Credit.

**[Insert paragraphs 3-11 if City does not fund cash. If City is funding in cash, delete these provisions.]**

3. The City hereby requests the Line of Credit Provider to pay directly to the Funding Agent on the date, in the amount, and in the manner provided in paragraph 10 below as a Line of Credit draw request in accordance with Section 6.02(h) of the Project Funding Agreement and as a draw, as defined in the Line of Credit (a “Draw”). This request shall be irrevocable by the City. The City hereby authorizes the Funding Agent to demand payment from the Line of Credit Provider from the Line of Credit of the amount specified above by the date specified above by presentation of a copy of this executed City Draw Certificate, and the City hereby authorizes the Line of Credit Provider to honor such demand from the Line of Credit upon presentation by the Funding Agent of a copy of this executed City Draw Certificate.

4. The Debt Manager of the City is defined in City Ordinance No. 183070 (the “Ordinance”) and has authorized the Line of Credit as “the Debt Manager of the City, the Director of the Bureau of Financial Management of the City, the Chief Administrative Officer of the Office of Management and Finance, or the person designed by the Chief Administrative Officer of the Office of Management and Finance to act as Debt Manager under the Ordinance.” The Debt Manager is authorized to request a Draw under the Line of Credit and to make the representations on behalf of the City set forth herein.

5. The City hereby represents and warrants that it submits this City Draw Certificate, constituting a Draw, to the Line of Credit Provider in full conformity with the requirements and

conditions of the Line of Credit documents, that this executed Draw Certificate constitutes the City's irrevocable authorization to the Line of Credit Provider to pay the amount listed herein directly to the Funding Agent by the date specified below or upon demand of the Funding Agent, that the City does not have any actual knowledge of the existence or occurrence of any events or conditions that would cause the Line of Credit Provider not to honor this executed Draw Certificate, and that the City will not take any action to prevent or delay payment of the amounts specified in this executed Draw Certificate to the Funding Agent as provided in Section 6.02(h) of the Project Funding Agreement.

6. The Draw will be expended for purposes authorized by the Line of Credit and the Ordinance authorizing the Line of Credit.

7. There is no action, suit, proceeding or investigation at law or in equity before or by any court or government, city or body pending or, to the best of the knowledge of the City, threatened against the City to restrain or enjoin the adoption of the Ordinance and the transaction contemplated therein, or the execution and delivery of the Line of Credit, or the collection and application of funds as contemplated by the Line of Credit, which in the reasonable judgment of the City would have a material and adverse effect on the ability of the City to pay the amounts due under the Line of Credit.

8. All representations of the City in the Line of Credit were true and correct when made, and remain true and correct on this date.

9. No event of default, as defined in the Line of Credit, has occurred and is continuing.

10. The City requests a Draw under the Line of Credit in the amount of \$\_\_\_\_\_. The amount of this Draw, plus all previous Draws of the City under the Line of Credit, do not exceed the Maximum Outstanding Facility Amount, as defined in the Line

of Credit. Please disburse the Draw to the Funding Agent on \_\_\_\_\_ [insert date] by wiring funds to the Funding Agent as follows:

U.S. Bank National Association

BBK: U.S. Bank N.A. (ABA #091000022)

BNF: U.S. Bank Trust N.A./AC #180121167365

Ref: Portland/Peregrine Account #

Attn: Erik Magnuson

(651) 495-3784

11. The Draw shall bear interest at [check one of the following boxes]:

the Floating Rate Option (as defined in the Line of Credit), or

the Fixed Rate Option (as defined in the Line of Credit).

If the Fixed Rate Option is indicated above, the Rate Period (as defined in the Line of Credit) shall be: \_\_\_\_\_ [insert 1-12 months].

CITY OF PORTLAND

By: \_\_\_\_\_  
Debt Manager

**[Company Draw Certificate and Schedule 1 to Company Draw Certificate to be attached.]**

**EXHIBIT F**

**CONFIRMATION OF PERMIT FEES PAYMENT**

\_\_\_\_\_ [Date]

City of Portland  
1120 S.W. Fifth Avenue, 2nd Floor  
Portland, OR 97204  
Attn: Auditor

Funding Agent

Capitalized terms used herein shall have the same meaning set forth in the Project Funding Agreement dated as of \_\_\_\_\_.

The undersigned, Peregrine Sports, LLC, a Delaware limited liability company (the "Company"), certifies and states as follows:

1. That it paid the sum of \$ \_\_\_\_\_ to satisfy Permit Fees required to be paid by the Company in connection with the design, construction or occupancy of the Renovation Project.

2. Attached hereto is the following evidence of payment.

\_\_\_\_\_  
\_\_\_\_\_

3. The undersigned hereby acknowledges that the parties to which this Confirmation of Permit Fees Payment is addressed or copied may rely upon the statements contained herein.

PEREGRINE SPORTS, LLC, a Delaware limited liability company

By: \_\_\_\_\_  
Henry Merritt Paulson, III, Manager

EXHIBIT G  
CONSTRUCTION BUDGET



### PGE Park MLS Renovation - Budget Summary

ID #	Group	Budget Estimate 9/1/2009	Client Approved Adjustments	Contingency Allocation/ Budget Transfers	Approved Budget 12/21/2009	Committed	Uncommitted	Potential Exposures	Projected Cost	Variance from Adjusted Costs
<b>Building Design &amp; Construction Budget</b>										
100	START-UP EXPENSES	\$ 100,000		\$ (100,000)						
200	SALES & MARKETING	\$ 100,000		\$ (100,000)						
300	LAND ACQUISITION & SITE DEVELOPMENT		\$ 240,000		\$ 240,000		\$ 240,000		\$ 240,000	
400	DESIGN/ PROFESSIONAL SERVICES	\$ 3,083,100			\$ 3,083,100	\$ 2,458,056	\$ 625,034		\$ 3,083,100	
500	LEGAL & GOVERNMENTAL SERVICES	\$ 100,000		\$ (100,000)						
600	PROJECT ADMINISTRATION	\$ 1,432,860		\$ 50,000	\$ 1,482,860	\$ 995,850	\$ 487,000		\$ 1,482,860	
700	CONSTRUCTION	\$ 19,825,000	\$ (590,000)	\$ 590,100	\$ 19,815,100		\$ 19,815,100		\$ 19,815,100	
750	SYSTEMS & EQUIPMENT	\$ 3,385,000			\$ 3,385,000		\$ 3,385,000		\$ 3,385,000	
800	PERMITS TESTING FEES & SPECIAL TAXES	\$ 150,000	\$ 350,000		\$ 500,000		\$ 500,000		\$ 500,000	
900	INSURANCE FINANCING & TRANSACTION COSTS	\$ 280,100		\$ (280,100)						
	<b>Sub Total</b>	<b>\$ 28,456,060</b>			<b>\$ 28,506,060</b>	<b>\$ 3,453,926</b>	<b>\$ 25,052,134</b>		<b>\$ 28,506,060</b>	
1000	CONTINGENCY	\$ 2,700,000		\$ (50,000)	\$ 2,650,000				\$ 2,650,000	
<b>TOTAL BUDGET</b>		<b>\$ 31,156,060</b>			<b>\$ 31,156,060</b>	<b>\$ 3,453,926</b>	<b>\$ 25,052,134</b>		<b>\$ 31,156,060</b>	



EXHIBIT H

CONSTRUCTION SCHEDULE

Construction Schedule  
PGE Park - MLS Renovation  
1/8/2010 Draft

ID	Task Name	Duration	Start	Finish	2010	2011
1	<b>Sport Milestones</b>	127.4 w	3/27/09	9/2/11		
2	2009 Beavers/Timbers	25.2 w	3/27/09	9/17/09		
3	2009 PSU Vikings	13 w	6/4/09	12/2/09		
4	2010 Timbers	23 w	4/8/10	9/15/10		
5	2010 Beavers	23.6 w	4/8/10	9/20/10		
6	2010 PSU Vikings (NOT @ PGE PARK)	13 w	9/10/10	12/9/10		
7	Date of Substantial Completion / TCO - 2011	0 w	4/8/11	4/8/11		
8	PSU Viking Football - 2011	0 w	9/2/11	9/2/11		
9	<b>Design</b>	64.8 w	4/15/09	7/9/10		
10	PGE Park - Phase I Work (2009/2010)	22.6 w	7/16/09	12/18/09		
18	Pile Testing Program	1.6 w	12/9/09	12/18/09		
23	Phase IA GMP Assembly	6.4 w	12/4/09	1/18/10		
32	Phase IB GMP Assembly	6.4 w	12/4/09	1/18/10		
40	PGE Park - Phase II Work (2010/2011)	48.8 w	7/15/09	6/18/10		
56	Phase II GMP Assembly	13.4 w	2/11/10	5/14/10		
62	Phase III GMP Assembly	21.4 w	2/11/10	7/9/10		
68	Special Studies	38.4 w	4/15/09	1/6/10		
81	Agreements	24.2 w	3/16/09	9/1/09		
92	City Design Review - Alt. Design Rev. process	36.6 w	8/27/09	5/7/10		
103	Permitting Process - Major Projects Group	40 w	11/9/09	8/13/10		
110	MLS Renovation at PGE Park	77.5 w	12/15/09	6/8/11		
111	I. Phase I Work - 2009/2010 Offseason	24.2 w	12/15/09	6/1/10		
177	II. Phase II Work - 2010/2011 Offseason	44.5 w	8/3/10	6/8/11		

GJH 1/21/10

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Draft Summary Schedule

1. Federal Home Loan Bank System  
Senior debt obligations
  2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")  
Participation Certificates  
Senior debt obligations
  3. Federal National Mortgage Association (FNMA or "Fannie Mae")  
Mortgage-backed securities and senior debt obligations
  4. Student Loan Marketing Association (SLMA or "Sallie Mae")  
Senior debt obligations
  5. Resolution Funding Corp. (REFCORP) obligations
  6. Farm Credit System  
Consolidated system wide bonds and notes
- D. Certificates of deposit issued by State of Oregon approved/qualified Depository of Public Funds banking institution and which are secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the Holders must have a perfected first security interest in the collateral. The maturity date of the Certificate of Deposit may not exceed one year from its date of issuance.
- E. Certificates of deposit, savings account, deposit accounts or money market deposits which are fully insured by FDIC
- F. Commercial paper rated, at the time of purchase, "A-1" or better by Fitch, "Prime-1" by Moody's and "A-1" or better by S&P. Maximum maturity of 270 days.
- G. Federal funds or bankers acceptances with a maximum term of six months of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "A-1" or "A" or better by Fitch, "Prime-1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P. Must be issued by State of Oregon approved/qualified Depository of Public Funds banking institution. (Per City investment policy)
- H. Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Funding Agent (buyer/lender), and the transfer of cash from the Funding Agent to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Funding Agent in exchange for the securities at a specified date. Repurchase Agreements for 30 days or less must follow the following criteria.

1. Repurchase Agreements must be between the Funding Agent and a dealer bank or securities firm
  - a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Fitch S&P and Moody's, or (Per City investment policy)
2. The written Repurchase Agreements must include the following:
  - a. Securities which are acceptable for transfer are Direct U.S. government securities
  - b. The term of the repurchase agreement may be up to 30 days
  - c. The collateral must be delivered to the Funding Agent (if Funding Agent is not supplying the collateral) or third party acting as agent for the Funding Agent if the Funding Agent is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
  - d. Valuation of Collateral
    - (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest
      - (a) The value of collateral must be equal to 102% of the amount of cash transferred by the Funding Agent to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the Funding Agent, then additional cash and/or acceptable securities must be transferred.

## EXHIBIT J

### DOCUMENTS TO ACCOMPANY CONTRACTOR'S DRAW REQUEST AND CERTIFICATE

#### **All Contractor's Draw Requests and Certificates must be accompanied by:**

1. A statement of the percentage completion of each portion of the Project as of the end of the period covered by the Application for Payment. The percentage completion shall be the lesser of (1) the percentage of that portion of the Project which has actually been completed or (2) the percentage obtained by dividing (a) the expense which has actually been incurred by the Contractor on account of that portion of the Project Improvements for which the Contractor has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Project Improvements in the Schedule of Values. Applications for Payment shall also set forth the amount of money required to complete the Project Improvements (including all approved Change Orders) and such other information as the Company or the City may reasonably require. All Applications for Payment must contain a certification by the Contractor that the progress of the Project is in accordance with the Construction Documents, all applicable Laws and the Project Schedule, and that the Phase One Work and the Phase Two Work, to the best of the Contractor's knowledge at such time, will be completed on or before the date of Substantial Completion and finally completed on or before the date of Final Completion identified in the Project Schedule;
2. Updated Schedule of Values from the Contractor;
3. A duly executed and acknowledged Contractor's sworn statement showing all subcontractors with whom the Contractor has entered into subcontracts, the amount of each such subcontract, the amount requested for any subcontractor in the Application for Payment and the amount to be paid to each subcontractor from such progress payment, together with similar sworn statements from all subcontractors and, when requested, from Sub-subcontractors;
4. Duly executed waivers of mechanics', materialmen's and construction liens from the Contractor and all subcontractors with a contract value in excess of \$10,000 (each, a "Major Subcontractor"), establishing payment or satisfaction of the payment requested by the Contractor in the Application for Payment, which shall also include unconditional waivers and releases of all claims relating to the Project or the Project Site, including the right to claim against the payment bond for the Project, with respect to the payment requested by the Contractor in the Application for Payment. the Company, at its option, may provide unconditional waivers and releases with respect to the payment for work included in the immediately preceding Application for Payment and conditional waivers and

release with respect to the payment requested by the Contractor in the then-pending Application for Payment;

5. For material stored outside of the Project Site, if any, reasonably adequate evidence that: the stored materials are protected against theft or damage; upon payment of the cost of the stored material, the stored material will be owned by the City free of liens and claims; the aggregate cost of all stored materials for which payment is being requested does not exceed \$3,000,000; and the stored materials are adequately insured;
6. An "Insurance Certificate Log", with attached certificates of insurance from the Contractor and all subcontractors as required by the General Conditions;
7. An updated Project Schedule;
8. Copies of payment requests or billings from subcontractors for work performed during the period covered by and included in the Application for Payment;
9. A Change Order log showing all Change Orders;
10. An "Open Change Requests Log" which lists and identifies any and all claims asserted by each subcontractor against the Contractor which are open and pending; provided however, that such Open Change Requests Log shall not serve as notice of a Change Order Request as required by the Construction Contract; and
11. In each Application for Payment, the Contractor shall certify that the work for which payment is requested has been done, that the information contained in the Application for Payment is true and correct to the best of the Contractor's knowledge, and that all due and payable bills with respect to the Project Improvements have been paid or will be paid from the proceeds received from the Company pursuant to such Application for Payment.

**The final Contractor's Draw Request and Certificate shall be accompanied by all documents required above, plus the following documents:**

1. A final Certificate for Payment issued by the Architect and the Developer's Representative (including the Architect's certification that all Punch List items have been completed);
2. Final and full waivers of lien and claims from the Contractor and all Major Subcontractors;
3. A copy of all required certificates of occupancy for the Project;
4. Two duplicate sets of as-built Drawings and a CD containing the Drawings for submission to the City;

5. An affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Project for which the Company or the City might be responsible or encumbered (less amounts withheld by the Company) have been paid or otherwise satisfied;
6. A certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least thirty (30) days' prior written notice has been given to the Company and the City;
7. A written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents;
8. Consent of surety, if any, to final payment;
9. If required by the Company, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the General Construction Contract, to the extent and in such form as may be designated by the Company;
10. Evidence that all claims of lien, if any, recorded against the Project Site have been discharged;
11. All manuals including equipment operation and maintenance manuals and written warranties required to be provided by the Contractor, subcontractors or sub-subcontractors, and
12. All other deliverables required under the General Construction Contract.