

AFTER RECORDING RETURN TO:
Landye Bennett Blumstein LLP
3500 Wells Fargo Center
1300 SW 5th Avenue
Portland, OR 97201

EASEMENT AGREEMENT

DATED: January 14, 2004

BETWEEN: MCCORMICK PIER, LLC,
an Arizona limited liability company
326 South Wilmot, Suite B230
Tuscon, AZ 85711

("Grantor")

AND: THE CITY OF PORTLAND,
an Oregon municipal corporation
1221 SW 4th Avenue
Portland, OR 97204

(the "City")

Grantor is the owner of variable property at McCormick Pier Condominium, designated as VP-1 and VP-2, which Grantor intends to reclassify as Residential Units and common elements. A walkway has been constructed along the easterly portion of VP-1 and VP-2. This walkway area is described on Exhibit "A" (the "Easement Area"). The City desires to obtain an easement over and across the Easement Area and the walkway constructed thereon (the "Walkway") so as to allow public access over the Easement Area and the Walkway. Grantor is willing to grant such an easement.

NOW, THEREFORE, for the valuable consideration of Ten and No/100 Dollars (\$10.00), the receipt and sufficiency of which is hereby acknowledged, Grantor and the City agree as follows:

1. Grant of Easement

Grantor hereby grants to the City a perpetual, non-exclusive easement over, across and upon the Easement Area and the Walkway allowing all non-motorized forms of individual transportation over the Improvements, on the terms of this Easement Agreement (the "Easement").

2. Maintenance and Repair

Grantor shall be responsible for the maintenance and repair of the Walkway, and the City shall have no responsibility for the repair and maintenance of the Walkway. Grantor shall maintain and repair the Walkway in a sound, safe and usable condition. Grantor may

suspend the Easement and close off public access to the Walkway when reasonably necessary for repair or maintenance work. Grantor will promptly reopen the Easement Area to public access as allowed by this Agreement upon completion of the work described above.

3. Scope of Public Usage

The Easement is subject to the following limitations. The public shall use the Easement for the sole purpose of enjoying the Willamette River and, in furtherance of that purpose, to use all non-motorized forms of individual transportation along the Improvements. The public may so use the Improvements every day between the hours of 6:00 a.m. and 10:00 p.m. Grantor may restrict public access over the Improvements at all other times. No motorized devices, except for electrically powered wheelchairs and similar devices, shall be allowed to use the Easement. Subject to the limitations imposed by law, Grantor may impose reasonable rules for the use of the Easement which are not inconsistent with the above rights. Grantor may remove persons using the Easement in violation of the above restrictions or persons who are creating a nuisance.

4. Grantor's Use

Grantor shall have the right to use the Easement area for all purposes not inconsistent with the exercise by the public of the rights referred to in Section 3. However, Grantor shall not erect any structures in the Easement Area or Walkway that would materially interfere with the public's exercise of the rights set forth in Section 3.

5. Disputes

In the event of a dispute between the Grantor and the City, over the interpretation of, claimed breach of, or enforcement of this Easement Agreement, the dispute shall be resolved by binding arbitration by a qualified arbitrator jointly selected by Grantor and the Director, Portland Parks and Recreation. If the parties cannot agree on the arbitrator, the arbitrator shall be selected by the Multnomah County Circuit Court Presiding Judge from four (4) candidates, with each party proposing two (2) candidates. A qualified arbitrator is a person whose professional skills are commensurate with the resolution of the nature of the dispute. The arbitrator shall establish the procedural rules for the arbitration. The arbitrator's decision shall be final and binding on the parties and not appealable. The parties shall each pay one-half of the arbitrator's fees.

6. General Provisions

6.1 Complete Agreement

This Easement Agreement is the complete agreement between the parties with respect to the subject matter of this Agreement and supersedes and replaces all prior written or oral agreements on the same subject matter. That Willamette River Greenway Trail Easement dated January 20, 1982, recorded at Book 1574, page 1610, Multnomah County Records, between Grantor's predecessor-in-interest, Norcrest China Company, and the City is hereby terminated and is of no further force or effect.

6.2 Binding Effect

This Easement Agreement is binding on the parties and their respective successors-in-interest, assigns, grantees and vendees. The Easement runs with the land, is appurtenant and not in gross and burdens the Easement Area.

6.3 Governing Law

This Easement Agreement shall be governed and interpreted under Oregon law.

6.4 Statutory Protection For Public Use of Lands. The Grantor and its successors in interest, including without limitation, the McCormick Pier Condominium Association and all owners of units at McCormick Pier Condominium, shall be entitled to all of the immunities from liability provided by ORS 105.672 through ORS 105.700.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement to be effective as of the date first set forth above.

Grantor:

MCCORMICK PIER, LLC,
an Arizona limited liability company

By: McCormick Pier I, LLC
an Arizona limited liability company
an authorized signatory

By: PCML
Phil Carroll, Member

City:

CITY OF PORTLAND

By: [Signature]
Its: Commissioner

Approved as to form:

Office of the City Attorney

By: [Signature]
Its: Senior Deputy City Attorney

[NOTARY ACKNOWLEDGMENTS ON NEXT PAGE]

PAGE 3. EASEMENT AGREEMENT

STATE OF OREGON)
)
COUNTY OF _____)

This instrument was acknowledged before me by Phil Carroll, Member of McCormick Pier I, LLC, an Arizona limited liability company, on behalf of and as the act and deed of said company, on this the 14th day of January, 2004.



Brenda L. Michael
NOTARY PUBLIC, STATE OF ARIZONA
Printed Name: Brenda L. Michael
My Commission Expires: 11-4-06

STATE OF OREGON)
)
COUNTY OF _____)

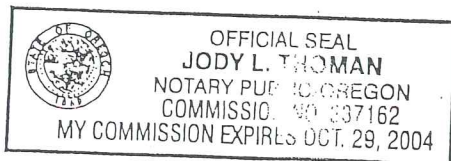
This instrument was acknowledged before me by Jim Francesconi, the Commissioner of the City of Portland, an Oregon municipal corporation, on behalf of and as the act and deed of said municipal corporation, on this the 16th day of January, 2004.



Diana L. Dines
NOTARY PUBLIC, STATE OF OREGON
Printed Name: Diana L. Dines
My Commission Expires: 11/13/04

STATE OF OREGON)
)
COUNTY OF MULTNOMAH)

This instrument was acknowledged before me by HARRY AUERBACH, the SR. DEPUTY CITY ATT of the Office of the City Attorney, City of Portland, a municipal corporation, on behalf of and as the act and deed of said municipal corporation, on this the 16th day of JANUARY, 2004.



Jody L. Thoman
NOTARY PUBLIC, STATE OF OREGON
Printed Name: JODY L. THOMAN
My Commission Expires: 10-29-2004

EXHIBIT "A"

**LEGAL DESCRIPTION
WILLAMETTE RIVER GREENWAY TRAIL
PORTION WITHIN WITHDRAWABLE VARIABLE PARCEL 1 & 2
McCORMICK PIER CONDOMINIUM**

A portion of that property described in deed and recorded January 20, 1982 in Book 1574, Page 1610, Multnomah County Deed Records, situated in Withdrawable Parcels 1 and 2 of McCormick Pier Condominium; a duly recorded plat in Multnomah County in the northwest and northeast one-quarters of Section 34 in Township 1 North and Range 1 East of the Willamette Meridian, in the City of Portland, County of Multnomah and State of Oregon, being more particularly described as follows:

Being a 8-foot-wide strip of land, 4 feet each side of the following described centerline:

Beginning at a point on the south line of said Withdrawable Variable Parcel 2, said point being South 67° 12' 52" East 65.38 feet from the southwest corner of said Withdrawable Variable Parcel 2; and running thence South 83° 26' 09" East 69.13 feet; thence North 51° 33' 51" East 18.57 feet; thence North 6° 33' 51" East 13.97 feet; thence North 37° 47' 19" West 88.53 feet; thence North 7° 01' 43" East 63.69 feet; thence North 38° 35' 53" West 84.83 feet; thence North 1° 07' 18" West 33.79 feet; thence North 38° 26' 09" West 76.92 feet; thence North 0° 27' 46" West 32.31 feet; thence North 39° 07' 29" West 54.89 feet; thence North 0° 45' 22" East 50.45 feet; thence North 38° 01' 05" West 48.33 feet to point "A"; thence North 38° 01' 05" West 97.03 feet; thence North 9° 02' 59" East 17.27 feet; thence North 39° 04' 21" West 81.90 feet; thence North 83° 26' 09" West 35.26 feet; thence North 37° 13' 48" West 86.01 feet; thence North 0° 16' 43" West 17.80 feet; thence North 38° 54' 41" West 130.14 feet; thence North 2° 58' 06" East 18.18 feet; thence North 38° 26' 09" West 105.94 feet; thence North 83° 26' 09" West 30.28 feet; thence North 38° 26' 09" West 74.32 feet; thence North 83° 26' 09" West 37.87 feet; thence North 38° 26' 09" West 46.56 feet; thence North 6° 33' 51" East 23.25 feet; thence North 38° 26' 09" West 116.02 feet; thence North 6° 33' 51" East 26.92 feet to the north line of said Withdrawable Variable Parcel 1 and the terminus of this centerline description.

Containing an area of 12,642 square feet, more or less.

Together with an 8-foot-wide strip of land, 4 feet each side of the following described centerline.

Beginning at said point "A"; and running thence South 52° 01' 51" West 109.21 feet; thence South 54° 22' 45" West 82.10 feet; thence North 75° 14' 54" West 12.57 feet; thence South 51° 41' 15" West 26.49 feet to the east right-of-way line of NW Naito Parkway and the terminus of this centerline description:

Containing an area of 1,843 square feet, more or less.

Based on the plat of McCormick Pier Condominium.