

**REVOCABLE PERMIT OF ENTRY
FOR FOUNDATION CONSTRUCTION**

This Revocable Permit of Entry for Foundation Construction Work ("Permit") is between the **City of Portland**, a municipal corporation (the "City"), by and through its Office of Management and Finance, and **Peregrine Sports, LLC**, a Delaware limited liability company ("Permittee"). Permittee is the company formed by Merritt Paulson to renovate PGE Park (the "Stadium") into a soccer venue consistent with Major League Soccer ("MLS") requirements. Peregrine Sports, LLC will also acquire and operate a MLS franchise in a newly renovated Stadium beginning in 2011.

On February 3, 2010, City Council approved Ordinance No. _____ which approved a series of agreements between the City and Permittee for the renovation and operation of the Stadium for a MLS team, one of which is the Redevelopment Agreement which will govern the Permittee's activities on the Property after Closing (as defined below). The agreements will become effective upon execution not earlier than 30 days after Council approval of Ordinance No. _____, (the "Closing"), which is scheduled to occur in early March 2010. The Permittee must complete the foundation work authorized under this Permit by late March so that the Stadium can be restored and be ready to host baseball and soccer games in the 2010 season. Therefore, this Permit is being issued to allow for the immediate start of foundation construction pending the Closing by early March.

The City and Permittee agree as follows:

1. City Property

The City is the owner of the multi-purpose stadium located at SW 18th Street and SW Morrison and known as PGE Park (the "Property"). Shortstop, LLC currently operates the Stadium on the Property pursuant to an agreement with the City. Permittee and Shortstop, LLC are both managed and partially owned by Merritt Paulson. A major renovation of the Property is planned for 2010 and 2011 that will add permanent seating, concessions, restrooms and other amenities to the east and south sections of the Stadium. The facility needs to be ready for the start of MLS play in April of 2011.

2. Permit Area

Permittee seeks the right to enter upon the Property to install foundation piles, pile caps, grade beams, and associated earthworks for the expansion of the Stadium in the east and southern areas. The portion of the Property that will be utilized for this work will be in accordance with foundation plans and building permits issued for foundation construction by the Bureau of Development Services (BDS) and the Bureau of Environmental Services (BES). This Permit does not grant Permittee any rights to do work in the public rights-of-way or to enter upon or do work on property adjacent to the Property (the "MAC Property") owned by the Multnomah Athletic Club ("MAC"). If the foundation construction approved by BDS and BES includes activities to be conducted on the MAC Property, Permittee shall obtain the MAC's written consent to enter upon the MAC Property to conduct such activities and shall provide a copy of such written consent to the City prior to beginning such activities.

3. Term

The term of this Permit shall be from the date both parties execute this permit (the "Effective Date") to midnight on March 31, 2010 (the "Expiration Date"), unless sooner terminated or revoked pursuant to the terms of this Permit. Request for continued use of the Property is subject to the sole discretion of the City and shall be made in writing at least fifteen (15) days prior to the Expiration Date.

4. Authorized Use and Restrictions

Permittee may enter the Property to construct a foundation system for the renovation of the Property in accordance with foundation plans submitted and approved by BDS and BES. All work under this permit must conform to an approved Pipe Protection Plan for the Tanner Creek sewer approved by BES. Work under this permit can not begin until Permittee has approved building permits and an approved pipe protection plan. The terms and conditions contained in Exhibit B of this Permit are expressly incorporated herein and are binding on Permittee.

Access shall be during reasonable business hours and subject to mutually agreeable arrangements with the City and Shortstop, LLC as the operator of the Stadium with due deference to the operations and event schedule of the facility.

In addition to any limitations or prohibitions stated elsewhere in the Permit or implied under the law, Permittee shall not:

- a) use the Permit Area for any other purpose without the prior written consent of the City;
- b) use the Property or Permit Area for any purposes deemed by City to be a potential fire or other hazard, or store bulk gasoline, petroleum products or explosives;
- c) place, install or maintain unauthorized equipment or materials, including but not limited to flammable or explosive material, waste materials, junk, scrap or vehicles;
- d) construct any improvements or make alterations at the Permit Area without prior written approval of the City, other than those authorized by this Permit;
- e) commit waste or damage real or personal property on the Property or Permit Area;
- f) interfere with any business, administrative or governmental operations of the City;
- g) use electricity, gas, water, sewer or other utilities on the Property, except as allowed by the operating agreement with Shortstop, LLC; or
- h) cause lien(s) of any kind, type or description to be placed or imposed upon the Property or upon any improvements on the Property (if any).

Any authorized agents of Permittee shall carry at least two pieces of photo identification, one of which shall be issued by a federal, state or local governmental entity.

Permittee shall keep the Permit Area in an orderly, clean, safe and sanitary condition during each and every access.

Permittee shall take all steps in the Field Turf warranty document or recommended by Field Turf representatives to insure the remaining field is not damaged due to the work being authorized under this Permit, and the current turf warranty is not affected by the activities being authorized by this Permit.

5. Removal, Restoration and Surrender

If for any reason the Closing does not occur, Permittee shall fully restore the Property and utilities, including subsurface utilities to the same or better condition as existed immediately prior to the start of the work authorized under this Permit, except as may otherwise be allowed by the City. Permittee shall repair any damage to the Permit Area or Property, including the Tanner Creek Sewer, caused by its exercise of its rights under this Permit and shall do so at Permittee's sole expense and to the satisfaction of the City. Sections of the existing field turf removed under a prior Entry Permit must be replaced with new field turf of the same or better quality and must be warranted by Field Turf in accordance with the warranty on the existing Field Turf. Any work done at, on or in the Permit Area or Property shall be performed by Permittee in a careful and workmanlike manner using licensed, insured and bonded contractors.

6. Hazardous Substances

"Hazardous Substances" shall mean any hazardous, toxic, infectious, or radioactive substance, waste or material as defined or listed by any Environmental Law. "Environmental Law" shall mean any federal, state, or local statute, regulation, rule, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety, or the environment.

Permittee shall, at its own expense, comply with all Environmental Laws. Permittee shall not cause or permit to occur: i) any violation of Environmental Laws, in, above, under, from or affecting the Permit Area or Property, or arising from Permittee's use of the Permit Area, including, but not limited to, soil, groundwater, air quality conditions; or ii) the use, generation, release, manufacture, refining, production, handling, processing, storage or disposal of any Hazardous Substance in, above, under, from or affecting the Permit Area or Property, or the transportation to or from the Permit Area or Property of any Hazardous Substance, except for fuel in vehicles, without the City's prior written approval.

Permittee shall immediately notify the City in writing of: i) any material spill, discharge or release of any Hazardous Substance whether or not the release is in quantities that would legally require reporting to a regulatory agency and any spill, discharge or release that must be reported to a regulatory agency; and, ii) any inquiry, investigation, enforcement action, notice of potential violation or other action that is instituted or threatened against Permittee that relates to the spill, release or discharge or Hazardous Substances in, above, under, from or affecting the Permit Area or Property.

Permittee shall, at Permittee's own expense, make all submissions to, provide all information required by, and comply with all requirements of all regulatory authorities. Should any regulatory authority or any third party require that a clean up plan be prepared and that a clean up be undertaken because of any release of Hazardous Substances that occurs as a result of Permittee's use of the Permit Area, Permittee shall, at Permittee's own expense, prepare and implement the required plans and provide all financial assurances in accordance with applicable requirements.

Permittee shall promptly provide all information regarding the use, generation, storage, transportation, release, manufacture, refining, production, handling, processing, or disposal of Hazardous Substances that is requested by the City.

On the expiration or termination of the Permit, Permittee shall, at Permittee's own expense, remove all

Hazardous Substances that it may have brought onto the Property or Permit Area, or caused to be created at the Property or Permit Area. Permittee's obligations and liabilities under this Section shall survive the expiration or termination of this Permit.

7. Indemnification and Limits of Liability

This Permit shall not be effective unless and until Permittee delivers to the City a signed written document from Shortstop, LLC pursuant to which Shortstop, LLC consents to this Permit and the work allowed by this Permit and agrees that Shortstop, LLC shall have no claim against the City in the event that the work allowed by this Permit renders the Stadium unavailable for Portland Timbers soccer games or baseball games to be played by the Triple-A team, both owned and operated by Shortstop, LLC.

Permittee shall indemnify, defend and hold harmless the City, its officers, agents and employees from any and all liability, damage, expenses, attorney's fees, causes of actions, suits, claims or judgments, arising out of or connected with (i) any failure of Permittee to comply with the terms of this Permit and (ii) the acts or omissions of Permittee, its agents, officers, directors, employees, consultants and subcontractors under this Permit.

The City, its officers, agents and employees shall not be liable for any injury to any property of Permittee or to any person in or upon the Property including but not limited to damage by fire, explosion, steam, gas, electricity, rain or water from any source, or any other cause whatsoever, except to the extent caused by the action of the City, its officers, agents or employees. The City makes no representations as to the safety or condition of the Property or Permit Area. Permittee agrees to use and access the Permit Area and Property at its own risk. The City and its officers, agents and employees, shall not be liable for any latent or patent defect in the Permit Area or Property.

Permittee is solely responsible for any theft, damage or destruction to any materials, equipment or any other property of Permittee, or anyone acting on behalf of Permittee in connection with or incidental to this Permit.

Permittee shall keep the Permit Area as secure as possible from the unauthorized entry of other persons during the time of this Permit. Furthermore, the Permittee shall assume all liability related to injury, death or disease to invitees or licensees.

Permittee shall give the City prompt written notice of conditions, disturbances, accidents or casualty on the Permit Area or Property related to this Permit.

In addition to the indemnity provided above, Permittee shall indemnify, defend and hold the City harmless from any claims, judgment, damages, penalties, fines, costs, liabilities or losses (including without limitation, diminution in value of the Property or Permit Area) which arise during and after the Permit term as a result of environmental contamination caused by the acts or omissions of Permittee, its employees and agents. This indemnification of the City by Permittee includes, without limitation, costs incurred in connection with any investigation of site conditions or any environmental cleanup, remedial, removal or restoration work in response to hazardous substances, hazardous materials, pollutants, toxics or regulated environmental contaminants of any kind as a direct or indirect result of Permittee's activities. Permittee shall promptly take all actions at its sole expense as are necessary to return the Permit Area and Property to the condition existing prior to the release of contaminants. Except for immediate initial response action

necessary to protect human health and the environment from substantial imminent harm, Permittee shall obtain the City's approval of all such response action which approval shall not be unreasonably withheld. This environmental indemnity shall survive the expiration or earlier termination of the Permit.

To the extent determined by a court of competent jurisdiction, Permittee shall be liable to the City or third parties for damages, including special, incidental, punitive, exemplary or consequential damages.

8. Insurance

Permittee, through its contractor, if any, shall maintain at Permittee's or contractor's expense and keep in effect during the term of this Permit Commercial General Liability (CGL) Insurance covering damages to property and bodily injury, including death, arising from or incident to this Permit, and shall also maintain business automobile liability coverage or have an automobile endorsement to its CGL policy. The insurance shall be in a form and with coverage that is satisfactory to the City Attorney and shall specifically identify this Permit as a covered project as may be needed. Coverage shall be on an occurrence basis. The insurance shall provide coverage not less than \$2,000,000 per occurrence \$5,000,000 in the aggregate, and an Umbrella Policy with liability limits of not less than \$25,000,000. The insurance shall be without prejudice to coverage otherwise existing and shall name as additional insureds "the City of Portland and its officers, agents, and employees." Notwithstanding the naming of additional insureds, the insurance shall protect each insured in the same manner as though a separate policy had been issued to each. Nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured. The coverage must apply as to claims between insureds on the policy. The insurance shall provide that the insurance shall not terminate or be canceled without thirty (30) days written notice first being given to the City. Permittee shall maintain on file with the City a certificate of insurance certifying the coverage required by this Section.

Permittee and its consultants, contractors, and subcontractors shall comply with the requirements of the Oregon workers' compensation law (Oregon Revised Statutes (ORS) Chapter 656). Permittee and its consultants, contractors, and subcontractors shall maintain workers' compensation insurance coverage for the duration of this Permit and provide proof of insurance. In the event the workers' compensation insurance coverage is due to expire during the term of this Permit, Permittee or its consultants, contractors, and subcontractors shall timely renew its insurance, either as a carrier-insured employer or a self-insured employer, as provided by Oregon law, before its expiration and provide the City with certification of insurance coverage renewal.

9. Other Permits or Licenses

This Permit will not become effective until the Permittee has secured all necessary permits and approvals from BDS and BES, and any licenses, as may be required for the construction activities being authorized under this Permit. The Permittee must show evidence of an approved plan from BES for the protection of the Tanner Creek sewer line prior to the start of work under this Permit. Permittee shall comply with all federal, state and local laws and regulations that may concern, in any way, Permittee's use of Permit Area. Permittee shall provide to the City copies of permits or license issued by other regulatory governmental bodies applicable to any equipment or usage at the Permit Area.

10. Assignment and Corporate Identity

This Permit is not assignable without prior written consent of the City. Assignment of the Permit without the valid consent of the City shall result in immediate termination of this Permit. Permittee is expressly prohibited from charging, assessing or otherwise collecting a fee for use of any portion of the Permit Area. The provisions of this Permit shall be binding upon any assignees of Permittee. Permittee is required to give written notice of changes to Permittee's corporate identity or the transfer of any rights or interest in its equipment at Permit Area to any other party whether voluntary or involuntary. Changes which result in termination of Permittee's present legal corporate status or federal tax identification number shall be construed to be a new party for purposes of this Permit. Upon written request, Permittee shall provide documentation that establishes, to the satisfaction of the City, Permittee's rights and authority over the equipment placed at Permit Area.

11. Right of Entry

The City reserves the right to enter the Permit Area for any purposes including periodic inspection to determine whether Permittee is complying with the provisions of this Permit and to perform acts necessary or proper in connection with public construction or maintenance, provided that the City does not interfere with the Permittee's authorized equipment installed in the Permit Area. In case of national or other emergency, the City further reserves the right to enter and take possession of Permit Area for purposes such as but not limited to preventing and addressing sabotage, casualty or calamity.

12. Termination or Revocation

In addition to any other basis for termination or revocation contained within this Permit, this Permit shall terminate,

- a) At the Closing;
- b) After March 31, 2010 at the sole discretion of the City, and with written notice of termination given not less than ten (10) days before the termination date; or
- c) In the event Permittee defaults in the performance of any of terms of this Permit, without notice or opportunity for cure. Permittee shall be liable to the City for any expenses, including attorney fees, which the City incurs as a result of Permittee's default.

In the event of termination or revocation, regardless of how effected, including termination or revocation for need or failure to comply with any provision of this Permit, Permittee shall, prior to the effective date of termination or revocation, or in the case of immediate termination without notice, as soon as reasonably possible, peaceably and quietly leave, vacate completely and surrender the Permit Area, including those improvements and fixtures placed or made thereon by Permittee that belong to the City, in a good and clean condition. Permittee shall immediately remove its personal property and other appurtenances.

If Permittee fails to remove personal property or other appurtenances from and completely vacate from the Permit Area by the termination or revocation date, or if the Permit Area is not restored to the required condition by that date, the City may proceed to remove the Permittee's personal property and other

appurtenances and restore the Permit Area. Any Permittee property left at the Permit Area shall be deemed abandoned and of inconsequential value. Permittee shall pay the City, upon demand, the reasonable cost for storage and/or removal of property, and for restoration of Permit Area.

In the event of the termination or revocation of this Permit pursuant to this Section 12, then Permittee shall be obligated to commence the restoration work described in Section 5 within five (5) days of the effective date of the City's notice of termination or revocation and must complete that restoration work by April 1, 2010, and this Permit shall continue in force during the performance of that work, but only for purposes of allowing Permittee access to the Stadium to complete the restoration work.

13. Notices

Notice under this Permit shall be deemed properly served if delivered in writing by certified mail with return receipt requested to the following addresses or to such other address(es) as may be specified from time to time by either of the parties in writing:

To City: City of Portland
OMF – Facilities Services
1120 SW 5th Avenue, Room 1204
Portland, Oregon 97204
Telephone: 503-823-6958

To Permittee: Peregrine Sports, LLC
1844 SW Morrison St.
Portland, OR 97209

14. General Provisions

This Permit constitutes the entire agreement between the City and Permittee affecting the permit of entry, and supersedes and cancels all prior negotiations and agreements between the parties, whether written or oral, express or implied, with respect to the permit of entry. If any provision of this Permit is found to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Permit will not be affected or impaired. Amendments, modifications or waiver of any provisions of this Permit shall be in writing signed by the parties.

This Permit will be construed with equal weight for the rights of both parties, the terms and conditions of this Permit having been determined by fair negotiation with due consideration of the rights and requirements of both parties, and any ambiguities shall not be construed for or against either party.

This Permit shall be construed according to the laws of the State of Oregon. Any litigation between the City and Permittee arising under this Permit shall occur in the Multnomah County Circuit Court for the State of Oregon or in the United States District Court for the District of Oregon.

Permittee shall not be liable for failure to perform its obligations under this Permit due to Excused Delays, as that term is defined in the Redevelopment Agreement.

In addition to any specific covenant in the Permit and upon its sole expense, Permittee shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county, and

municipal authorities, now in force or which may hereafter be in force during the term of this Permit. Permittee shall comply with all tax reporting and payment requirements of the Internal Revenue Services, Oregon Department of Revenue, and local taxing authorities, including the City of Portland's Bureau of Revenues (as to Portland Business License Law and Multnomah County Business Income Tax Law).

Permittee shall provide to the City two (2) copies of all surveys, studies, reports, etc that are prepared under this Permit.

The undersigned persons are duly authorized to execute this Revocable Permit of Entry on behalf of the City and the Permittee respectively.

CITY OF PORTLAND, a municipal corporation,

By: _____
 Jeff Baer
 Director
 Bureau of Internal Business Services

PEREGRINE SPORTS, LLC,

By: _____
 Print Name: _____
 Title: _____
 City Business License No.: _____
 Fed. Tax ID No. _____

Date: _____

Approved as to Form

 City Attorney

Exhibit A: Additional terms and conditions related to Tanner Creek Sewer

Exhibit A

1. Defined terms in this Exhibit have the meanings contained in the Redevelopment Agreement and related documents approved by Ordinance No. ____ on _____, 2010.
2. Permittee and the City acknowledge and agree that Tanner Creek, a storm and sanitary sewer line (the "TC Line"), runs through the Project Site and that the new structure to be constructed in the Southeast portion of the Stadium (the "New Structure") will be built above a portion of the TC Line.
3. Permittee shall not commence construction of the foundation for the New Structure until the Bureau of Environmental Services ("BES") has approved Permittee's foundation plans and the Bureau of Development Services ("BDS") has approved the structural elements of Permittee's foundation plans. In addition, neither Permittee nor Permittee's agents, employees, contractors, subcontractors or consultants (collectively, the "Peregrine Related Parties") shall commence any pile work until BDS has approved Permittee's pile plan and BES has approved Permittee's plan for protecting the TC Line during pile work. The City acknowledges that Permittee has commenced preparatory work in accordance with a Revocable Permit of Entry dated January 6, 2010 and that BES has approved Permittee's plans to protect the TC Line during such preparatory work.
4. Permittee shall prepare plans for a freestanding foundation system that can withstand a total failure of the TC Line without material damage to the New Structure. In addition, (a) the New Structure shall be designed and constructed to provide the City with access to the TC Line, with dimensions and specifications as required by BES, to enable the City to repair, replace and maintain the TC Line, or (b) Permittee shall abandon the lamphole that is located in the area where the New Structure will be built by demolishing the lamphole and sealing the opening in the TC Line with a reinforced concrete lid, all in accordance with BES' requirements. Such plans will be prepared by Permittee and submitted together with any required structural reports to BES and BDS for review and approval. The plans and structural reports will be reviewed in accordance with the time periods and process set forth for the City's review and approval of Retained Party Contracts. The processes set forth in this Exhibit are not intended to create processes in addition to BES' and BDS' typical regulatory processes, but are intended to inform and to be a part of such regulatory processes.
5. Permittee acknowledges that the TC Line cannot sustain heavy loads. Thus, Permittee and the Peregrine Related Parties will not drive heavy vehicles or equipment across the TC Line or within ten (10) horizontal feet of the TC Line, or park such vehicles above the TC Line, without first obtaining BES review and approval of a plan, including such geotechnical reports as BES may require, providing for the protection of the TC Line in a manner that is acceptable and determined to be adequate by BES. During all preparatory work and construction of the foundations and structure, and at any time when heavy vehicles or equipment are moving across, within ten (10) horizontal feet of, or parked on top of the TC Line, Permittee shall video monitor the TC Line not less frequently than weekly and shall provide BES with copies of such videos. For purposes of this permit, "heavy vehicles or equipment" shall mean any vehicle or piece of equipment, including cranes and concrete trucks, with a gross weight, including load, of 12,000 pounds or more.
6. No review, approval, deemed approval, objection or failure to object by the City under this permit shall be deemed an approval or determination by the City of the adequacy of Permittee's proposed reports and plans. No approval given by the City under this Permit will be deemed a representation

or warranty by the City of any kind and will not give rise to any liability of the City with respect to the TC Line.

7. If the acts or omissions of Permittee or the Peregrine Related Parties cause damage to the TC Line, Permittee shall be responsible for paying BES' cost to repair the TC Line. If the acts or omissions of the City or the City Related Parties cause damage to the TC Line, the City shall be responsible for paying the cost to repair the TC Line. If the acts or omissions of a party other than Permittee, the Peregrine Related Parties, the City or the City Related Parties cause damage to the TC Line, Permittee shall have no responsibility for the cost of repairing the TC Line.

8. Permittee acknowledges that the TC Line could experience impaired functioning due to age, capacity limitations, natural casualty or other factors. Except for negligence claims asserted by Permittee against the City, Permittee hereby waives any and all claims against the City for consequential damages arising out of or relating to a failure or surcharge of the TC Line, including, without limitation, claims for indirect expenses, loss of use, income, profit, financing, business reputation or loss of services of persons. Permittee shall hold harmless, indemnify and defend the City and the City Indemnitees from and against all Claims arising out of or resulting from the failure of Permittee or the Peregrine Related Parties to strictly comply with this permit. Any claims by Permittee based on the alleged negligent maintenance of the TC Line by the City shall be asserted in tort and not in contract. This Section 8 shall survive the termination of this Permit.