

**AMENDMENT NO. 1 TO THE
DRAWDOWN AGREEMENT**

This Amendment No. 1 to the Drawdown Agreement is dated as of January 6, 2009, by and between the City of Lake Oswego (the "City") and the Lake Oswego Corporation (the "Lake Corp.").

Capitalized terms used herein shall have the meanings given to them in the Drawdown Agreement.

WHEREAS, the City is engaged in a significant public works project (the "Oswego Lake Sewer Upgrade Project" or "OLIS Project") pursuant to a Mutual Agreement and Order with the Oregon Department of Environmental Quality ("DEQ") which will involve the laying, constructing, testing, and making operational sanitary sewer lines and related structures in and around Oswego Lake.

WHEREAS, the City and the Lake Corp. entered into the Drawdown Agreement dated March 4, 2008 to reach agreement on certain terms and ensure cooperation between the City and the Lake Corp. during the OLIS Project.

WHEREAS, in Section II.D of the Drawdown Agreement, the City agreed to convey its fee simple interest in certain property to the Lake Corp. by Bargain and Sale Deed when the project is concluded.

WHEREAS, a legal description of the property to be conveyed by the City to the Lake Corp. was attached to the Drawdown Agreement as Exhibit II.D.

WHEREAS, the design and proposed alignment of the project have been modified in a manner that affects which property will be conveyed to the Lake Corp.

WHEREAS, the revised design and proposed alignment of the project also requires the use of one additional access point.

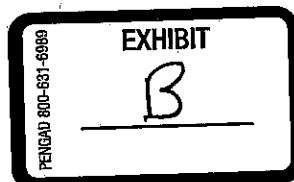
WHEREAS, the City and the Lake Corp. desire to amend the Drawdown Agreement to conform with the design and proposed alignment changes as set forth in this Amendment No. 1 to the Drawdown Agreement ("Amendment No. 1").

NOW, THEREFORE, the City and the Lake Corp. agree as follows:

SECTION 1. "7. McVey Weir" is hereby added to the list of permitted access points in Section II.S of the Drawdown Agreement.

SECTION 2. Exhibit II.D to the Drawdown Agreement is hereby deleted in its entirety and replaced with Exhibit II.D to this Amendment No. 1.

SECTION 3. This Amendment No. 1 may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so



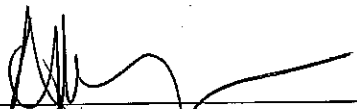
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executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same agreement. Facsimile signatures shall be considered originals for all purposes whatsoever.

SECTION 4. The parties acknowledge that each has sought and received independent outside legal counsel and advice regarding the provisions of this Amendment No. 1 and each is voluntarily and knowingly entering into this Amendment No. 1.

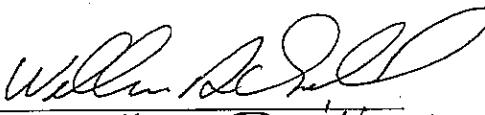
IN WITNESS HEREOF, the parties have caused this instrument to be executed on the date(s) shown below and mutually agree that this instrument will be in full force and effect upon the date that it has been executed by both the City and the Lake Corp. as provided for herein (the "Effective Date").

THE CITY OF LAKE OSWEGO

By: 
Name: Alex McIntyre
Title: City Manager

Dated: January 6, 2009

THE LAKE OSWEGO CORPORATION

By: 
Name: William R. O'NEILL
Title: 1/06/09

Dated: January 6, 2009

Exhibit II.D

By completion of the OLIS Upgrade Project, the City will have conveyed to the Lake Corp. the following described fee title within the Lake. The described fee title that is within Lakewood Bay will be conveyed at the time the new easements are recorded. All other described fee title will be conveyed when the OLIS Upgrade Project is completed and placed in service, including the Closing of the Existing Line, but in any event, fee title will be conveyed to all such property within (6) months after the OLIS Upgraded Pipeline is placed in service.

A tract of land situated in a portion of Sections 8, 9, 10 and 17, Township 2 South, Range 1 East, of the Willamette Meridian, City of Lake Oswego, Clackamas County, Oregon, being more particularly described as follows:

All of that tract of land as conveyed by deed to the City of Lake Oswego, February 20, 1962, in Book 598, Pages 842 through 843, Clackamas County Deed Records.

Except a 25.00 foot wide strip of land being 12.50 feet each side of the following described centerline (MH#9):

Beginning at a point which bears East, 1,823.24 feet and North, 2,910.69 feet from a stone marking the West one quarter corner of Section 17, Township 2 South, Range 1 East, Willamette Meridian, said point being on an existing sanitary sewer line; thence along said sanitary sewer line, North $62^{\circ}22'56''$ West, 25.00 feet to manhole No. 9 (City Hansen No. E08C-090S); thence continuing North $62^{\circ}22'56''$ West, 12.50 feet to the terminus of said centerline.

Except a 25.00 foot wide strip of land being 12.50 feet each side of the following described centerline (MH#10):

Beginning at a point which bears East, 2,291.07 feet and North, 2,682.66 feet from said stone marking the West one quarter corner of Section 17, Township 2 South, Range 1 East, Willamette Meridian, said point being on an existing sanitary sewer line; thence along said sanitary sewer line, South $81^{\circ}14'58''$ West, 25.00 feet to manhole No. 10 (City Hansen No. E08C-096S); thence continuing along said sanitary sewer line, North $62^{\circ}22'56''$ West, 25.00 feet to the terminus of said centerline.

Except a 25.00 foot wide strip of land being 12.50 feet each side of the following described centerline (MH#11):

Beginning at a point which bears East, 3,225.30 feet and North, 2,808.20 feet from said stone marking the West one quarter corner of Section 17, Township 2 South, Range 1 East, Willamette Meridian, said point being on an existing sanitary sewer line; thence along said sanitary sewer line, North $52^{\circ}32'19''$ West, 25.00 feet to manhole No. 11 (City Hansen No. E08D-058S); thence continuing along said sanitary sewer line, South $81^{\circ}14'58''$ West, 25.00 feet to the terminus of said centerline.

And also Beginning at said manhole No. 11; thence North $51^{\circ}16'50''$ East, 25.00 feet to the terminus of said centerline.

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Except a 25.00 foot wide strip of land being 12.50 feet each side of the following described centerline (MH#13):

Beginning at a point which bears East, 3,653.70 feet and North, 2,479.94 feet from said stone marking the West one quarter corner of Section 17, Township 2 South, Range 1 East, Willamette Meridian, said point being on an existing sanitary sewer line; thence along said sanitary sewer line, South $52^{\circ}32'19''$ East, 25.00 feet to manhole No. 13 (City Hansen No. E17A-003S); thence continuing South $52^{\circ}32'19''$ East, 12.50 feet to the terminus of said centerline.

Except a 25.00 foot wide strip of land being 12.50 feet each side of the following described centerline (MH#14):

Beginning at a point which bears East, 5,265.16 feet and North, 4,474.69 feet from said stone marking the West one quarter corner of Section 17, Township 2 South, Range 1 East, Willamette Meridian, said point being on an existing sanitary sewer line; thence along said sanitary sewer line, North $51^{\circ}16'50''$ East, 50.00 feet to manhole No. 14 (City Hansen No. E08D-035S); thence continuing along said sanitary sewer line, North $81^{\circ}07'20''$ East, 25.00 feet to the terminus of said centerline.

Except a 25.00 foot wide strip of land being 12.50 feet each side of the following described centerline (MH#19):

Beginning at a point which bears East, 11,738.76 feet and North, 6,094.05 feet from said stone marking the West one quarter corner of Section 17, Township 2 South, Range 1 East, Willamette Meridian, said point being on an existing sanitary sewer line; thence along said sanitary sewer line, along a 5,729.58 foot radius curve to the left (the center of which bears North $04^{\circ}24'35''$ East), through a central angle of $00^{\circ}15'00''$, chord bears South $85^{\circ}42'55''$ East, 25.00 feet, and an arc length of 25.00 feet to manhole No. 19 (City Hansen No. E10B-073S); thence continuing along said sanitary sewer line, South $41^{\circ}35'26''$ East, 25.00 feet to the terminus of said centerline.

Except a 25.00 foot wide strip of land being 12.50 feet each side of the following described centerline (MH#22):

Beginning at a point which bears East, 12,754.14 feet and North, 6,188.61 feet from said stone marking the West one quarter corner of Section 17, Township 2 South, Range 1 East, Willamette Meridian, said point being on an existing sanitary sewer line; thence along said sanitary sewer line, North $28^{\circ}54'07''$ West, 25.00 feet to manhole No. 22 (City Hansen No. E10B-071S); thence continuing along said sanitary sewer line, South $55^{\circ}44'02''$ West, 25.00 feet to the terminus of said centerline.

Except a 25.00 foot wide strip of land being 12.50 feet each side of the following described centerline (MH#23):

Beginning at a point which bears East, 12,915.09 feet and North, 5,947.59 feet from said stone marking the West one quarter corner of Section 17, Township 2 South, Range 1 East, Willamette Meridian, said point being on an existing sanitary sewer line; thence along said sanitary sewer line, South $73^{\circ}27'15''$ West, 25.00 feet to manhole No. 23 (City Hansen No.

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E10B-074S); thence continuing along said sanitary sewer line, North 28°54'07" West,
25.00 feet to the terminus of said centerline.

And all of that tract of land as conveyed by deed to the City of Lake Oswego, November 27,
1963, in Book 632, Pages 175 through 177, Clackamas County Deed Records.

Except a 25.00 foot wide strip of land being 12.50 feet each side of the following described
centerline (MH#24):

Beginning at a point which bears East, 13,484.65 feet and North, 6,123.34 feet from said
stone marking the West one quarter corner of Section 17, Township 2 South, Range 1 East,
Willamette Meridian, said point being on an existing sanitary sewer line; thence along said
sanitary sewer line, South 58°55'14" West, 25.00 feet to manhole No. 24 (City Hansen No.
E10A-074S); thence continuing along said sanitary sewer line, South 73°27'15" West,
25.00 feet to the terminus of said centerline.

Subject to lengthening and or shortening of sidelines so that they begin and terminate on
the proper boundaries.



6-30-09

RENEWAL DATE

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