

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6580

AUTHORIZE THE EXECUTIVE DIRECTOR TO AMEND THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH PARDEE PARTNERS, LLC, FOR PDC-OWNED PROPERTY AT SE PARDEE ST. AND SE 122ND AVE. TO INCREASE CONSTRUCTION LOAN AMOUNT BY \$200,000 AND EXTEND THE SCHEDULE OF PERFORMANCE

WHEREAS, On November 14, 2007, the Commission authorized the Executive Director to negotiate and enter into a disposition and development agreement with Pardee Partners, LLC, for PDC-owned property at SE Pardee St. and SE 122nd Ave. (Resolution 6534);

WHEREAS, Pardee Partners has diligently pursued the disposition and development agreement's performance obligations including seeking private construction financing for the project;

WHEREAS, the terms of private construction financing have become more demanding due to the present state of the credit markets ;

WHEREAS, Pardee Partners' private construction lender has decreased the amount it will lend by an amount approximately equal to \$200,000;

WHEREAS, negotiations with Pardee Partners' private construction lender has caused the project schedule contained in the disposition and development agreement to be delayed; and

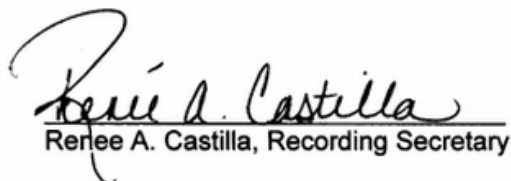
WHEREAS, PDC has a vested interest in seeing the project completed and has the additional funds in the Lents Urban Renewal Area Housing budget;

NOW, THEREFORE, BE IT RESOLVED that the disposition and development agreement between Pardee Partners, LLC and the Portland Development Commission is amended to increase the construction loan amount by \$200,000 to a total of \$700,000 and to extend the schedule of performance as shown in Exhibit A;

BE IT FURTHER RESOLVED that the Executive Director is authorized to make adjustments to the Schedule of Performance by a time period not to exceed 120 days and additional changes if such modifications do not materially alter PDC's obligations or risks; and

BE IT FURTHER RESOLVED that this resolution shall become effective immediately upon its adoption.

Adopted by the Portland Development Commission on May 14, 2008.


Renee A. Castilla, Recording Secretary

AFTER RECORDING RETURN TO:
Portland Development Commission
222 NW Fifth Ave.
Portland, OR 97209
Attn: _____

AMENDMENT NUMBER 1

to

AGREEMENT FOR DISPOSITION AND REDEVELOPMENT OF PROPERTY

between

**THE CITY OF PORTLAND, OREGON, acting by and through the
PORTLAND DEVELOPMENT COMMISSION**

and

PARDEE PARTNERS, LLC, an Oregon limited liability company

Dated _____, 200__

In consideration of the mutual benefits to be realized by the parties to this Amendment Number 1, the **City of Portland**, a municipal corporation of the State of Oregon, acting by and through the **Portland Development Commission**, the duly designated urban renewal agency of the City of Portland (“PDC”), and **Pardee Partners, LLC**, an Oregon limited liability company (“Developer”), hereby amend that certain Agreement for Disposition and Redevelopment of Property entered into on December 18, 2007 (the “Agreement”), as set forth below. The modification to the Agreement made by this Amendment Number 1 requires PDC Board action based on Section 9.15 of the Agreement, which allows the Executive Director to make only minor modifications to the Agreement.

1. The Agreement is hereby amended to [add sections, delete sections, modify...]:

Definition 27: “PDC Project Funds” means \$700,000 contained in PDC’s Lents Town Center Urban Renewal Area budget dedicated to the Pardee Schools/Family Housing project.

Section 3.1: Project Financing. Except as outlined herein, Developer will be responsible for obtaining all financing and equity funds necessary to acquire the Property and develop the Project. The financing shall be obtained from private persons and institutions. It is generally understood by Developer and PDC that the Project will be financially structured such that: (a) prior to construction, PDC may loan Developer up to \$500,000 for the purpose of undertaking pre-development activities (any funds loaned by PDC for pre-development activities will be repaid by financing for the construction phase of the project); (b) during the construction period PDC will make available two cash loans totaling up to \$700,000. Of this amount, \$200,000 will be paid back to PDC during the residential unit sales period. The remaining up to \$500,000 will be forgiven as specified in Section 3.1(d); (c) PDC will accept a promissory note from Developer for the Purchase Price; and (d) after the construction period, the up to \$500,000 cash loan specified in 3.1(b) will be forgiven up to its full amount. In addition, the entire value of the promissory note from the land purchase will be forgiven. Loan and promissory note forgiveness will occur on a per unit basis provided that residential units are sold to a homebuyer at or below

70% MFI and a restrictive covenant is recorded to ensure long term affordability. It is anticipated that all of the units will meet this requirement and the entire loan will be forgiven. If not, Developer shall be responsible for paying any outstanding balance. All PDC financial participation in the project is subject to PDC underwriting, loan committee review and/or approval by PDC's Board of Commissioners

Exhibit B, Schedule of Performance.

Exhibit B
SCHEDULE OF PERFORMANCE

TASK	DUE DATE
1. PDC to provide Preliminary Title Report to Pardee Partners	complete
2. Substantial Draft DDA	complete
3. Pardee Partners to provide Development Program and Concept Documents	complete
4. PDC to complete review of Development Program and Concept Documents	complete
5. Commission Approval of DDA	complete
6. Pardee Partners to provide 50% Schematic Drawings	complete
7. Pardee Partners to provide 90% Schematic Drawings	complete
8. Pardee Partners to provide 90% Design Development Documents & Project Budget	complete
9. Pardee Partners to provide 90% Construction Documents & Project Budget	April 10, 2008
10. Pardee Partners to provide Final Construction Plans and Specifications & Project Budget	May 30, 2008
11. Pardee Partners to provide Articles of Organization, Operating Agreement, Certificate of Good Standing, and Authorizing Resolution	June 2, 2008
12. PDC to provide final form of deed	June 6, 2008
13. Pardee Partners to provide evidence/commitment of construction financing for Project	June 6, 2008
14. Closing/Conveyance of Property to Pardee Partners Properties	June 13, 2008
15. Pardee Partners begins construction	June 26, 2008
16. Final Termination Date (if Closing does not occur by June 13, 2008 or there is no extension)	August 12, 2008
17. Completion of construction/Pardee Partners to secure BDS Final Approval for the Project	February 27, 2009
18. Pardee Partners Properties requests Certificate of Completion from PDC	February 27, 2009

This Amendment Number 1 is effective as of the date of the last signature hereto.

Except as set forth in this Amendment Number 1, all terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, PDC and Developer have each caused this Amendment Number 1 to be duly executed on its behalf as of the day and year indicated.

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6580

TITLE: AUTHORIZE THE EXECUTIVE DIRECTOR TO AMEND THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH PARDEE PARTNERS, LLC, FOR PDC-OWNED PROPERTY AT SE PARDEE ST. AND SE 122ND AVE. TO INCREASE CONSTRUCTION LOAN AMOUNT BY \$200,000 AND EXTEND THE SCHEDULE OF PERFORMANCE

Adopted by the Portland Development Commission on May 14, 2008.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Mark Rosenbaum, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Sal Kadri	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Charles Wilhoite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Regular Agenda		

Certification

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: June 5, 2008