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.

[Signature]
Renee A. Castilla, Recording Secretary
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 it’s 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

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

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.**
CITY OF PORTLAND, a municipal corporation in the State of Oregon, acting by and through the PORTLAND DEVELOPMENT COMMISSION, as the duly designated urban renewal agency of the City of Portland

By: ______________________________
   Bruce A. Warner, Executive Director
Date: _________________, 2008

PARDEE PARTNERS, LLC, an Oregon limited liability company

By: ______________________________
   ______________________________
   Its: ______________________________
Date: _________________, 2008

By: ______________________________
   ______________________________
   Its: ______________________________
Date: _________________, 2008

APPROVED AS TO FORM:

______________________________
PDC Legal Counsel

[Acknowledgments on next page.]

STATE OF OREGON )
   ) ss.
County of Multnomah

This instrument was acknowledged before me on ______________, 2008, by Bruce A. Warner, Executive Director of the PORTLAND DEVELOPMENT COMMISSION, the duly designated urban renewal agency of the City of Portland, Oregon.

Notary Public for Oregon
My commission expires: ______________

STATE OF OREGON

County of Multnomah

The foregoing document was personally acknowledged before me this ___ day of ___________, 2008, by ____________, who, being duly sworn, did say that s/he is a [TITLE] of [Company], LLC, an Oregon limited liability company and that the foregoing instrument was signed on behalf of said company, and acknowledged said instrument to be its voluntary act and deed.

BEFORE ME: ______________________________
Notary Public for Oregon
My Commission Expires: ______________

STATE OF OREGON

County of Multnomah

The foregoing document was personally acknowledged before me this ___ day of ___________, 2008, by ____________, who, being duly sworn, did say that s/he is a [TITLE] of [COMPANY], LLC, an Oregon limited liability company and that the foregoing instrument was signed on behalf of said company, and acknowledged said instrument to be its voluntary act and deed.

BEFORE ME: ______________________________
Notary Public for Oregon
My Commission Expires: ______________
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.

<table>
<thead>
<tr>
<th>PRESENT FOR VOTE</th>
<th>COMMISSIONERS</th>
<th>VOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑</td>
<td>Mark Rosenbaum, Chair</td>
<td>☑</td>
</tr>
<tr>
<td>☑</td>
<td>Sal Kadri</td>
<td>☑</td>
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<tr>
<td>☑</td>
<td>Bertha Ferrán</td>
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<tr>
<td>☑</td>
<td>Charles Wilhoite</td>
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<td>☑</td>
<td>John Mohlis</td>
<td>☑</td>
</tr>
</tbody>
</table>

☑ Consent Agenda  ☐ 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.

[Signature]
Renee A. Castilla, Recording Secretary

Date: June 5, 2008