

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6704

**AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE
THE FIRST AMENDMENT TO THE DISPOSITION AND
DEVELOPMENT AGREEMENT WITH STARTERRA LLC FOR
REAL PROPERTY LOCATED ON BLOCKS 47 AND 49 OF
HOLLADAYS ADDITION IN THE OREGON CONVENTION
CENTER URBAN RENEWAL AREA**

WHEREAS, the Portland Development Commission (“PDC”) has purchased property located at Blocks 47 and 49 of Holladays Addition for redevelopment that is adjacent to and supportive of the Oregon Convention Center facility and fulfills the goals of the Oregon Convention Center Urban Renewal Area adopted in 1989 (Resolution No. 4178 and Resolution No. 5232), the Lloyd District Housing Strategy adopted in 2002 (Resolution No. 5859), and the Development Vision for the Oregon Convention Center Blocks adopted in 2006 (Resolution No. 6355);

WHEREAS, StarTerra LLC (“Developer”) acquired rights to an assemblage of underutilized property adjacent to that owned by PDC;

WHEREAS, PDC has entered into an Agreement for Disposition and Development (“DDA”) of PDC property located at Blocks 47 and 49 with the Developer (Resolution No. 6594) dated August 1, 2008, in order to coordinate the redevelopment of property owned by PDC and the Developer;

WHEREAS, the coordinated redevelopment of the property owned by PDC and the Developer required by the DDA will maximize existing public investment such as the Oregon Convention Center, MAX light rail line, and the planned street car line, as well as provide a mix of uses, including retail, housing and office;

WHEREAS, the DDA states that, subject to certain conditions precedent, including requirements for the Developer to provide 50 percent and final Construction Plans and Specifications, secure land use approvals and building permits, and provide documentation of required financing, the conveyance of the Block 49 parcel from PDC to the Developer for Phase I shall take place no later than December 31, 2009; and

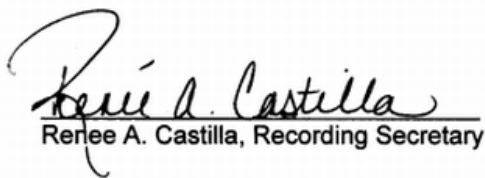
WHEREAS, Developer has submitted a request to PDC to amend the Schedule of Performance for the Phase I component of the project on Block 49 due to adverse economic conditions that have hindered the ability of the Developer to meet the obligations in accordance with the Schedule of Performance.

NOW, THEREFORE, BE IT RESOLVED that the PDC Board of Commissioners authorizes the Executive Director to execute the First Amendment to Agreement for Disposition and Development of Property with StarTerra LLC, substantially in the form of the draft attached hereto as Exhibit A;

BE IT FURTHER RESOLVED that the Executive Director may approve changes to the DDA amendment prior to and subsequent to execution, if such changes, in the opinion of the Executive Director and General Counsel, do not materially change 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, 2009.



Rerlee A. Castilla, Recording Secretary

FIRST AMENDMENT TO AGREEMENT FOR DISPOSITION AND DEVELOPMENT OF PROPERTY

This First Amendment to Disposition and Development of Property is made as of _____, 2009 (“First Amendment”) between 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 Starterra, LLC, an Oregon limited liability company (“Developer”). PDC and Developer are referred to jointly in this First Amendment as “Parties” and individually as a “Party.”

RECITALS

1. PDC and Developer entered into that certain Agreement for Disposition and Development of Property dated August 1, 2008 (the “Original DDA”) pursuant to which PDC agreed, under certain terms and conditions, to sell certain real property to Developer, and Developer agreed, under certain terms and conditions, to purchase the property from PDC, and to construct a phased, mixed use development thereon (the “Original DDA”). A memorandum of the Original DDA was recorded on August 7, 2008 as Recording No. 2008-115859 in the real property records of Multnomah County.
2. PDC and Developer desire to amend the Original DDA to modify the Schedule of Performance and provide for periodic reporting on the status of the Project.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Schedule of Performance. The Schedule of Performance for the Phase I Component, set forth in Exhibit C-1 of the Original DDA, is hereby deleted in its entirety and replaced with the Schedule of Performance for the Phase I Component set forth in Exhibit C-1, attached hereto and incorporated herein by this reference.
2. Quarterly Progress Reports. Section 6 of the Original DDA is hereby amended to add the following new subsection 6.8:

6.8 . Quarterly Progress Reports. Until the later of the Closing of the conveyance of the Block 47 Parcel or the Closing of the conveyance of the Block 49 Parcel, Developer shall submit to PDC written quarterly progress reports on its efforts to tenant, finance, design and obtain necessary entitlements for the Project. Developer shall submit the quarterly progress reports to PDC no later than 30 days after the end of each calendar quarter.

3. Except as expressly modified by this First Amendment, the Parties agree and acknowledge that the Original DDA is and remains in full force and effect and binding on the Parties.
4. This First Amendment may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this First Amendment so executed shall constitute an original. This First Amendment may not be modified except by a writing signed by the Parties.
5. Capitalized terms used but not defined in this First Amendment shall have the meanings ascribed thereto in the Original DDA.

IN WITNESS WHEREOF, the Parties hereto execute this First Amendment effective as of the date first set forth above.

PDC:

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

By: _____
Bruce A. Warner,
Executive Director

DEVELOPER:

STARTERRA, LLC, an Oregon limited liability company

By: BPM Crossing LLC, its manager and member

By: _____
Barry D. Schlesinger, Member

By: Provention, LLC, its Member

By: _____
Wayne C. Rembold, Member

EXHIBIT C-1

**SCHEDULE OF PERFORMANCE
 Phase I Component**

TASK	DUE DATE
1. Developer to submit to the City of Portland Bureau of Development Services, a Design Advice Request (DAR)	Completed
2. Developer to re-submit to the City of Portland Bureau of Development Services, a second Design Advice Request (DAR)	Completed
3. Developer to submit to the City of Portland Bureau of Development Services application for Design Review Approval	Completed
4. Developer to obtain Design Review Approval from City of Portland Bureau of Development Services	Completed
5. Developer to provide 50% Construction Plans and Specifications	6-17-11
6. PDC to complete review of 50% Construction Plans and Specifications	[10 Business Days after Developer submission]
7. Developer to provide to provide final Construction Plans and Specifications	6-20-11
8. PDC to complete review of final Construction Plans and Specifications	[10 Business Days after Developer submission]
9. Developer to secure land use approvals	As Required
10. Developer to secure building permits from BDS necessary for Commencement of Construction of the Phase I Component	6-30-11
11. Developer to provide documentation of required financing	6-17-11
12. PDC to provide final form of Deed	6-15-11
13. Developer to provide Articles of Organization, Operating Agreement, Certificate of Good Standing, and Authorizing Resolution	6-15-11
14. Developer to submit Final Construction Budget	6-11-11
15. PDC to complete review of Final Construction Budget	[10 Business Days after Developer submission]
16. Developer to provide LEED documentation pursuant to Section 1.6.1(c)(5)	6-01-11
17. Closing/Conveyance of Block 49 Parcel to Developer	6-30-11
18. Developer to begin construction	07-01-11
19. Final Termination Date (if Closing does not occur by June 30, 2011)	09-30-11
20. Developer to complete construction and secure Certificate of Occupancy for the Phase I Component (Section 3.4)	07-01-14
21. Developer to provide proof of submittals for LEED Silver certification pursuant to Section 3.8.1	07-01-14
22. Developer to request Certificate of Completion from PDC	07-01-14
23. PDC to issue Certificate of Completion (assuming compliance with DDA)	07-10-14

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6704

Title:

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH STARTERRA LLC FOR REAL PROPERTY LOCATED ON BLOCKS 47 AND 49 OF HOLLADAYS ADDITION IN THE OREGON CONVENTION CENTER URBAN RENEWAL AREA

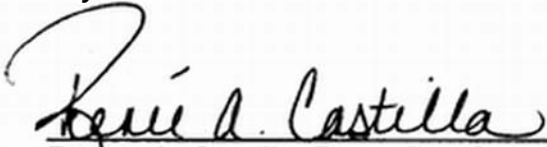
Adopted by the Portland Development Commission on May 14, 2009.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Charles Wilhoite, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Scott Andrews	<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"/>	John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Steven Straus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Consent Agenda		<input checked="" 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 4, 2009