

RESOLUTION NO. 2338

A RESOLUTION OF THE CITY OF WILSONVILLE AUTHORIZING THE CITY MANAGER TO ENTER INTO THE FOLLOWING: A FIRST AMENDMENT TO THE MEDIATED SETTLEMENT AGREEMENT FOR CONSTRUCTION OF THE VILLEBOIS COMMUNITY CENTER WITH ARBOR VILLEBOIS LLC, WEST HILLS DEVELOPMENT COMPANY, VILLEBOIS, LLC AND POLYGON AT VILLEBOIS, LLC ("MEDIATED SETTLEMENT AGREEMENT"); A FIRST AMENDMENT TO ADDENDUM NO. 2 OF THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF WILSONVILLE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE, VILLEBOIS LLC, AND POLYGON AT VILLEBOIS LLC ("ADDENDUM NO. 2"); AND A FIRST AMENDMENT TO ADDENDUM NO. 3 OF THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF WILSONVILLE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE, VILLEBOIS LLC, POLYGON AT VILLEBOIS LLC AND VILLEBOIS VILLAGE CENTER LLC ("ADDENDUM NO. 3")

WHEREAS, in 2004, the City of Wilsonville ("City") and the Urban Renewal Agency of the City of Wilsonville ("URA") entered into a Development Agreement ("Agreement") with Villebois LLC ("Developer") and the State of Oregon for the residential development of certain real property in the community known as Villebois Village ("Villebois Property"), pursuant to the Villebois Master Plan; and

WHEREAS, the Development Agreement has been amended by Contract Addendums Nos. 1, 2 and 3 and by the related Mediated Settlement Agreement; and

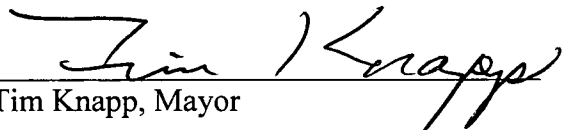
WHEREAS, due to the continued slow recovery of the real estate market, Polygon at Villebois LLC has elected to defer closing on the real property described in the Mediated Settlement Agreement(Exhibit A) and in Addendums 2 (Exhibit B) and 3 (Exhibit C) (collectively the "Agreements") from December 31, 2011 until April 1, 2011 ("Closing Date") but has also agreed to advance the cost of preparation of the plans for the Community Center (as defined in the Mediated Settlement Agreement) so that all other dates provided in all of the foregoing Agreements can remain unchanged and all projects contemplated therein can remain on schedule; and

WHEREAS, all of the parties to the foregoing Agreements have agreed to the foregoing change in the Closing Date, with all other provisions of the Agreements and all dates contained therein remaining as originally written.

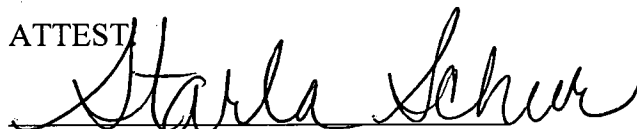
NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. City Council hereby authorizes the City Manager to enter into Amendments to change the Closing Date in the Agreements to April 1, 2012, in substantially the forms attached hereto as **Exhibits A, B, and C**, as approved by the City Attorney.
2. This Resolution is effective upon adoption.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 19th day of December, 2011, and filed with the Wilsonville City Recorder this date.


Tim Knapp, Mayor

ATTEST


Starla Schur, MMC, Deputy City Recorder

SUMMARY OF VOTES:

Mayor Knapp	Yes
Council President Núñez	Yes
Councilor Hurst	Yes
Councilor Goddard	Yes
Councilor Starr	Yes

AMENDMENT TO MEDIATED SETTLEMENT AGREEMENT

This Amendment to Mediated Settlement Agreement (the "Amendment") is made as of December 7, 2011, and is by and among the City of Wilsonville (the "City"), Arbor Villebois, LLC ("Arbor"), West Hills Development Company ("West Hills"), Villebois, LLC ("Villebois"), and Polygon at Villebois, L.L.C. ("Polygon").

Recitals:

The parties to this Amendment are the parties to a Mediated Settlement Agreement dated August 3, 2011 (the "Settlement Agreement"). Due to market conditions, Polygon and Villebois have agreed to extend the deadline for Polygon to purchase the Villebois/Polygon Property, as defined in the Settlement Agreement.

In consideration of the foregoing and the covenants of the parties set forth in this Amendment, the receipt and adequacy of which are acknowledged, the parties agree as follows:

Agreements:

1. Change of Dates. In each place where the date "December 30, 2011" appears in the Settlement Agreement, it is hereby replaced with "April 1, 2012." No other dates in the Settlement Agreement are changed by this Amendment.
2. Advance Funding of Construction Drawings. The parties agree that the \$700,000 deposit required by the Settlement Agreement shall be reduced by the amount of funds paid by Polygon to West Hills' architects, engineers, and other consultants in connection with the design and drawings of the Community Center.
3. Deferral of Permit Fees. The City agrees to defer payment of permit fees for the Community Center until \$700,000 (as such deposit is reduced pursuant to Section 2 of this Amendment) is deposited in escrow pursuant to the Settlement Agreement or, if the Settlement Agreement terminates, until the party responsible for construction of the Community Center is agreed upon or otherwise legally determined.
4. Counterparts; Delivery. This Amendment may be executed in counterparts. Delivery of this executed Amendment by facsimile or e-mail shall be sufficient to form a binding agreement.
5. Effect of Amendment. The parties agree to amend the Settlement Agreement as set forth in this Amendment. Except as set forth herein, all other provisions of the Settlement Agreement remain in full force and effect. The parties ratify and confirm the Settlement Agreement, as amended by this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the date first set forth above.

City: CITY OF WILSONVILLE

By: _____
Name: _____
As Its: _____

Approved as to form for the City of Wilsonville:

By: _____
As Its: _____

Arbor: ARBOR VILLEBOIS, LLC

By: _____
Name: _____
Title: _____

West Hills: WEST HILLS DEVELOPMENT COMPANY

By: _____
Name: _____
Title: _____

Villebois VILLEBOIS, LLC

By: _____
Name: _____
Title: _____

Polygon:

POLYGON AT VILLEBOIS, L.L.C., a Washington limited liability company.

By: PNW HOME BUILDERS SOUTH, L.L.C., a Washington limited liability company, its Manager

By: PNW HOME BUILDERS, L.L.C., a Washington limited liability company, its Sole Member

By: PNW HOME BUILDERS GROUP, INC. a Washington corporation, its Manager

By: _____

Name: _____

Title: _____

AMENDMENT TO DEVELOPMENT AGREEMENT
CONTRACT ADDENDUM NO. 2

This Amendment to Development Agreement Contract Addendum No. 2 (the "Amendment") is made as of November 10, 2011, and is by and among the City of Wilsonville, the Urban Renewal Agency of the City of Wilsonville, Villebois LLC, Polygon at Villebois L.L.C., and Polygon Northwest Company, L.L.C.

Recitals:

The parties to this Amendment are the parties to a Development Agreement Contract Addendum No. 2 with an effective date of September 8, 2011 (the "Agreement"). Due to market conditions, Polygon at Villebois, L.L.C. and Villebois LLC have agreed to extend the deadline for Polygon at Villebois, L.L.C. to purchase the Villebois Property, as defined in the Agreement.

In consideration of the foregoing and the covenants of the parties set forth in this Amendment, the receipt and adequacy of which are acknowledged, the parties agree as follows:

Agreements:

1. Change of Dates. In each place where the date "December 31, 2011" appears in the Agreement, it is hereby replaced with "April 1, 2012."
2. Counterparts; Delivery. This Amendment may be executed in counterparts. Delivery of this executed Amendment by facsimile or e-mail shall be sufficient to form a binding agreement.
3. Effect of Amendment. The parties agree to amend the Agreement as set forth in this Amendment. The parties ratify and confirm the Agreement, as amended by this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the date first set forth above.

Villebois, LLC

By: _____
Print Name: _____
As Its: _____

Polygon at Villebois, L.L.C., a Washington limited liability company

By: PNW Home Builders South, L.L.C., a Washington limited liability company
Its: Manager

By: PNW Home Builders, L.L.C., a Washington limited liability company
Its: Sole Member

By: PNW Home Builders Group, Inc., a Washington corporation
Its: Manager

By: _____
Fred Gast
As Its: _____

Polygon Northwest Company, L.L.C., a Washington limited liability company

By: Brentview, Inc., a Washington corporation,
Its: Manager

By: _____
Print Name: _____
As Its: _____

Villebois Village Center, LLC, an Oregon limited liability company

By: _____
Print Name: Mike McKernan,
Director of Operations, Granite Land Co.
As Its: Managing Member

City of Wilsonville,
an Oregon municipal corporation

By: _____
Bryan Cosgrove
As Its: City Manager

Urban Renewal Agency of the City of Wilsonville

By: _____

Bryan Cosgrove

As Its: Executive Director

ATTESTED TO:

Sandra C. King, MMC, City Recorder

Date: _____

APPROVED AS TO FORM

this ___ day of October, 2011

Barbara A. Jacobson, Assistant City Attorney
City of Wilsonville, Oregon

AMENDMENT TO DEVELOPMENT AGREEMENT
CONTRACT ADDENDUM NO. 3

This Amendment to Development Agreement Contract Addendum No. 3 (the "Amendment") is made as of November 10, 2011, and is by and among the City of Wilsonville, the Urban Renewal Agency of the City of Wilsonville, Villebois LLC, Polygon at Villebois L.L.C., Polygon Northwest Company, L.L.C., and Villebois Village Center, LLC.

Recitals:

The parties to this Amendment are the parties to a Development Agreement Contract Addendum No. 3 with an effective date of October 17, 2011 (the "Agreement"). Due to market conditions, Polygon at Villebois, L.L.C. and Villebois LLC have agreed to extend the deadline for Polygon at Villebois, L.L.C. to purchase the Villebois Property, as defined in the Agreement.

In consideration of the foregoing and the covenants of the parties set forth in this Amendment, the receipt and adequacy of which are acknowledged, the parties agree as follows:

Agreements:

1. Change of Dates. In each place where the date "December 31, 2011" appears in the Agreement, it is hereby replaced with "April 1, 2012."
2. Counterparts; Delivery. This Amendment may be executed in counterparts. Delivery of this executed Amendment by facsimile or e-mail shall be sufficient to form a binding agreement.
3. Effect of Amendment. The parties agree to amend the Agreement as set forth in this Amendment. The parties ratify and confirm the Agreement, as amended by this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment effective as of the date first set forth above.

Villebois, LLC

By: _____
Print Name: _____
As Its: _____

Polygon at Villebois, L.L.C., a Washington limited liability company

By: PNW Home Builders South, L.L.C., a Washington limited liability company
Its: Manager

By: PNW Home Builders, L.L.C., a Washington limited liability company
Its: Sole Member

By: PNW Home Builders Group, Inc., a Washington corporation
Its: Manager

By: _____
Fred Gast
As Its: _____

Polygon Northwest Company, L.L.C., a Washington limited liability company

By: Brentview, Inc., a Washington corporation,
Its: Manager

By: _____
Print Name: _____
As Its: _____

Villebois Village Center, LLC, an Oregon limited liability company

By: _____
Print Name: Mike McKernan,
Director of Operations, Granite Land Co.
As Its: Managing Member

City of Wilsonville, an Oregon municipal corporation

By: _____
Bryan Cosgrove
As Its: City Manager

Urban Renewal Agency of the City of Wilsonville

By: _____
Bryan Cosgrove
As Its: Executive Director

ATTESTED TO:

Sandra C. King, MMC, City Recorder

Date: _____

APPROVED AS TO FORM
this ___ day of October, 2011

Barbara A. Jacobson, Assistant City Attorney
City of Wilsonville, Oregon

