

**RESOLUTION NO. 1935**

**A RESOLUTION OF THE CITY OF WILSONVILLE AUTHORIZING AMENDMENT TO THE PROMISSORY NOTE AND TRUST DEED BY AND BETWEEN VILLAGE AT MAIN STREET AND THE CITY OF WILSONVILLE.**

WHEREAS, on February 20 , 1997, Council approved Resolution No. 1358 authorizing the City Manager to enter into settlement agreements with the HomeBuilders Association of Metropolitan Portland and Matrix Development Corporation and to execute a Settlement Agreement and Development Agreement and associated documents with the Village at Main Street – Phase I LLC and Robert G. Johnson and Associates (Agreement); and

WHEREAS, the Agreement was modified on September 20, 1999 via Resolution No. 1596 which, in part, increased the amount to be paid under the Agreement, added penalty fees for late payments and enhanced the security for the loan; and

WHEREAS, the Agreement was modified on November 6, 2000 via Resolution No. 1680 which, in part, the city agreed to release its re-amortize the loans over an additional ten years and change to a non-foreclosable second lien position in exchange for a payoff of the small note and an accelerated payment on the large note; and

WHEREAS, Village at Main Street has been delinquent in paying scheduled principal and interest on the remaining balance of the large note; and

WHEREAS, Village at Main Street has approached the City with an offer to repay the entire balance due if the City will accept an interest rate of 5.9% rather than 6.9% and a waiver of all penalties retroactive to the beginning of the Agreement; and

WHEREAS, City staff has recomputed the amortization of the small and large notes using an interest rate of 5.9% and applying all payments, including penalties, to accrued interest first and then to principal; and

WHEREAS, total interest reduction is computed to be \$186,823 and penalties to be forgiven total \$178,781 which leaves a principal balance due of \$825,768 and accrued interest due as of May 11, 2005 of \$123,013; and

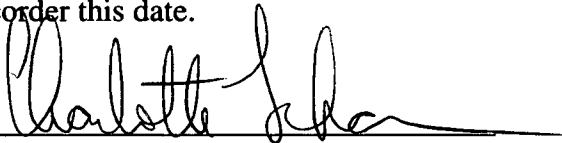
WHEREAS, the City's Finance Director has reviewed the proposal and determined that accepting these terms would be an acceptable and prudent action in order to assure collection of the full amount of principal due and at an interest rate that is comparable or better than would have been available via state eligible investment options; and

WHEREAS, concurrent with the closing of the note Village at Main Street agrees to pay any delinquent balances on city utility accounts, any miscellaneous receivables due to the city and to fund an \$80,000 utility deposit with the City.

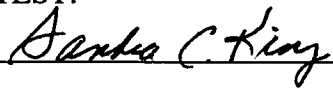
NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The City shall revise the amortization schedule to reflect a reduction in the interest rate from 6.9% to 5.9% retroactive to the beginning of the notes and this is provided in Attachment A.
2. The City shall waive all penalties assessed and shall reapply payments first to accrued interest and then to principal outstanding.
3. In exchange for these concessions the City demands from Village at Main Street concurrent with the repayment of the revised note a full cash payment of the revised note balance, computed to be \$948,781, plus payment of any delinquent utility accounts, estimated at \$73,000, plus payment of \$80,000 into a utility deposit account. The terms of the deposit account are defined in Attachment B.
4. If the financial closing does not occur before June 30, 2005 the revisions to the note shall be terminated as contravening the City's debt collection policy.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 2<sup>nd</sup> day of May, 2005 and filed with the Wilsonville City Recorder this date.

  
\_\_\_\_\_  
CHARLOTTE LEHAN, Mayor

ATTEST:

  
\_\_\_\_\_  
Sandra C. King, CMC  
City Recorder

Summary of Votes:

Mayor Lehan	Yes
Councilor Kirk	Yes
Councilor Holt	Yes
Councilor Scott-Tabb	Yes
Councilor Knapp	Yes

**RESOLUTION NO. 1935**

**ATTACHMENT A**

**Village at Main Street  
Large Note  
Amorization History**

Date	Action	Days	Original				Recast - RJ Proposal			
			Activity	Principal	6.9% Interest	Penalties	Activity	Principal	5.9% Interest	Penalties
2/21/1997	Note Created		1,943,740.00	1,943,740.00			1,943,740.00	1,943,740.00		
11/14/1997	Interest Accrued for payment	266	97,740.83		97,740.83		83,575.49		83,575.49	
11/14/1997	Payment Received		(75,917.38)		(75,917.38)		(75,917.38)		(75,917.38)	
2/21/1998	Note Increased effective 2/21/1998	99	311,377.23	275,000.00	36,377.23		306,105.17	275,000.00	31,105.17	
3/28/1998	Interest Accrued for payment	35	14,680.16		14,680.16		12,552.60		12,552.60	
3/28/1998	Payment Received		(58,200.68)		(58,200.68)		(58,200.68)	(6,884.80)	(51,315.88)	
4/3/1998	Interest Accrued for payment	6	2,516.60		2,516.60		2,145.20		2,145.20	
4/3/1998	Payment Received		(79,699.04)	(62,502.29)	(17,196.75)		(79,699.04)	(77,553.84)	(2,145.20)	
11/20/1998	Interest Accrued for payment	231	94,159.65		94,159.65		79,694.23		79,694.23	
11/20/1998	Payment Received		(167,802.58)	(73,642.93)	(94,159.65)		(167,802.58)	(88,108.35)	(79,694.23)	
5/6/1999	Interest Accrued for payment	167	65,747.23		65,747.23		55,236.00		55,236.00	
5/6/1999	Payment Received		(168,988.85)	(103,241.62)	(65,747.23)		(168,988.85)	(113,752.85)	(55,236.00)	
5/6/1999	Principal Adjustment		(4,201.17)	(4,201.17)			(4,201.17)	(4,201.17)		
11/30/2000	Interest and Penalties Accrued	574	302,039.40		214,322.93	87,716.47	178,908.88		178,908.88	
11/30/2000	Payment Received		(10,000.00)		(10,000.00)		(10,000.00)		(10,000.00)	
12/11/2000	Interest Accrued for payment	11	4,107.23		4,107.23		3,428.57		3,428.57	
12/11/2000	Payment Received		(7,500.00)		(7,500.00)		(7,500.00)		(7,500.00)	
12/21/2000	Interest Accrued for payment	10	3,733.85		3,733.85		3,116.88		3,116.88	
12/21/2000	Payment Received		(1,106,739.90)	(814,359.42)	(204,664.01)	(87,716.47)	(1,106,739.90)	(938,785.57)	(167,954.33)	
6/18/2001	Interest Accrued for payment	179	39,279.31		39,279.31		28,629.09		28,629.09	
6/18/2001	Payment Received		(78,594.34)	(39,315.03)	(39,279.31)		(78,594.34)	(49,965.25)	(28,629.09)	
12/18/2001	Interest Accrued for payment	183	38,796.98		38,796.98		27,790.83		27,790.83	
12/18/2001	Payment Received		(78,594.34)	(39,797.36)	(38,796.98)		(78,594.34)	(50,803.51)	(27,790.83)	
6/18/2002	Interest Accrued for payment	182	37,215.73		37,215.73		26,144.37		26,144.37	
6/18/2002	Payment Received		(78,594.34)	(41,378.61)	(37,215.73)		(78,594.34)	(52,449.97)	(26,144.37)	
8/29/2003	Interest Accrual	437	85,940.31		85,940.31		59,070.24		59,070.24	
8/29/2003	Small Note Adjustment - Pymt						(10,466.48)		(10,466.48)	
1/14/2004	Interest and Penalties Accrued	138	68,791.47		27,139.05	41,652.42	18,653.76		18,653.76	
1/14/2004	Payment Received		(20,000.00)		(20,000.00)		(20,000.00)		(20,000.00)	
5/11/2005	Interest and Penalties Accrued	483	139,351.37		94,986.66	44,364.71	65,288.16		65,288.16	
<b>Total</b>			<b>1,314,384.73</b>	<b>1,040,301.58</b>	<b>188,066.02</b>	<b>86,017.13</b>	<b>948,780.37</b>	<b>836,234.68</b>	<b>112,545.69</b>	<b>-</b>

**RESOLUTION NO. 1935**  
**ATTACHMENT A**

**Village at Main Street**  
**Small Note**  
**Amorization History**

Date	Action	Days	Original				Recast - RJ Proposal			
			Activity	Principal	6.9% Interest	Penalties	Activity	Principal	5.9% Interest	Penalties
11/1/1999	Dr Gardner Balance		19,911.24	19,911.24			19,911.24	19,911.24		
5/1/2000	Interest Accrual	182	685.06		685.06		585.77		585.77	
5/1/2000	Quizno's Adjustment		30,168.60	30,168.60		30,168.30	30,168.30			
12/21/2000	Interest and Penalties accrued	234	3,051.53		2,215.31	836.22	1,894.24		1,894.24	
12/21/2000	Payment Received		(6,039.43)	(2,236.57)	(2,966.64)	(836.22)	(6,039.43)	(3,493.15)	(2,546.28)	
1/1/2001	Quisno's Water SDC Adjustment	11	3,798.49	3,699.00	99.49		3,781.83	3,699.00	82.83	
4/1/2001	Moy's Garden/Allergy Clinic Adj	90	111,562.36	110,685.44	876.92		111,416.99	110,685.44	731.55	
6/18/2001	Interest Accrual	78	2,392.08		2,392.08		2,029.56		2,029.56	
6/19/2001	Payment Received		(11,027.35)	(7,725.13)	(3,302.22)		(11,027.35)	(8,249.68)	(2,777.67)	
9/1/2001	Sign Pro Adjustment	74	11,312.90	9,151.56	2,161.34		10,978.36	9,151.56	1,826.80	
11/1/2001	American Financial Adjustment	61	19,469.70	17,582.52	1,887.18		19,178.63	17,582.52	1,596.11	
12/18/2001	Interest Accrual	47	1,610.28		1,610.28		1,363.37		1,363.37	
12/18/2001	Payment Received		(14,720.63)	(9,061.83)	(5,658.80)		(14,720.63)	(9,934.36)	(4,786.27)	
3/1/2002	Palm Salon and Moy Credit Adj	73	(58,796.49)	(61,172.50)	2,376.01		(59,172.15)	(61,172.50)	2,000.35	
6/18/2002	Interest Accrual	109	2,287.26		2,287.26		1,909.01		1,909.01	
6/18/2002	Payment Received		(10,505.50)	(5,842.23)	(4,663.27)		(10,505.50)	(6,596.14)	(3,909.36)	
7/1/2002	YMCA Daycare Adjustment	13	116,724.43	116,466.00	258.43		116,679.82	116,466.00	213.82	
8/8/2003	Teriyaki Restaurant Adjustment	403	25,279.11	4,184.00	16,884.50	4,210.61	18,399.86	4,184.00	14,215.86	
8/29/2003	Interest Accrual	20	853.75		853.75		719.00		719.00	
8/29/2003	Payment Received		(248,017.39)	(225,810.10)	(17,996.68)	(4,210.61)	(248,017.39)	(232,868.71)	(15,148.68)	
<b>Total</b>			<b>(0.00)</b>	<b>(0.00)</b>	<b>-</b>	<b>-</b>	<b>(10,466.48)</b>	<b>(10,466.48)</b>	<b>-</b>	<b>-</b>

**RESOLUTION NO. 1935  
ATTACHMENT B**

**Village at Main Street  
Utility Deposit Account**

**Deposit amount:** \$80,000.00

**Interest rate:** Based on the average monthly rate posted by the Oregon Local Government Investment Pool.

**Authorized use:** The deposit may be used toward payment of any delinquent utility accounts for which Village at Main Street or Marathon Management is responsible.

Village at Main Street or Marathon Management shall restore the balance of the deposit account within 30 days of notification from the City of the amount used.

**Release of deposit:** \$40,000.00 shall be returned to Village at Main Street at the end of one year (approximately May 2006). The remaining portion plus all accrued interest shall be returned six months later (approximately November 2006).

Release of the deposit shall be conditioned on the account not being used during the period or replenished within the 30 day period noted above. At the City's discretion it may hold the deposit amounts until utility accounts are maintained in a current status for at least a six month period.