

SECOND AMENDMENT TO CONTRACT FOR SALE OF  
PROPERTY AND REDEVELOPMENT  
AND  
AGREEMENT ON RELATED MATTERS

THIS SECOND AMENDMENT TO CONTRACT FOR SALE AND REDEVELOPMENT AND AGREEMENT ON RELATED MATTERS (the "Amendment") is made as of March 6, 1991, between The City of Seattle (the "City"), a municipal corporation of the State of Washington, and The Pike Place Market Preservation and Development Authority, a public corporation chartered by the City (the "Authority") to amend the Contract for Sale of Property and Redevelopment between the City and the Authority dated November 17, 1987 (the "Agreement").

WHEREAS, the Agreement was executed to provide capital funds to construct a public parking facility to serve the Pike Place Market and the central waterfront on property to be sold by the City to the Authority, to provide for the development and operation of such facility, and for certain other matters in connection therewith; and

WHEREAS, pursuant to the Agreement: (1) the Authority issued its Special Obligation Bonds, Series 1987 in the principal amount of \$8,400,000 which were secured by a guarantee of the City; (2) the title to certain city property passed to the Authority; (3) the Authority has completed construction of a 535 space covered parking facility (the "Parking Facility") within the time frame and budget estimated in the Agreement; (4) the Authority constructed a congregate care facility atop the Parking Facility and has sold such facility to the Seattle Housing Authority; and (5) the Authority continues to manage the Parking Facility; and

WHEREAS, neither party is in default with respect to any covenants or warranties contained in the Agreement; and

WHEREAS, the economic performance of the Parking Facility has equalled or exceeded the expectations of the parties as set forth in the Pro Forma Financial Statement attached as Exhibit C to the Agreement; and

WHEREAS, the Authority has the opportunity to refund the Special Obligation Bonds, 1987 and realize significant debt service savings due to favorable interest rates in the bond market; and

WHEREAS, in light of the above, refunding the Special Obligation Bonds, 1987 with City guaranteed refunding bonds of the Authority, authorizing the Authority to borrow additional amounts against the anticipated revenues of the Parking Facilities and permitting the Authority to retain additional parking revenues from other City owned and Authority managed parking facilities, is in the best interest of the City, the Authority and the citizens of Seattle.

NOW, THEREFORE, in consideration of the mutual promises made herein, the City and the Authority hereby agree as follows:

Section 1. Article II of the Agreement entitled Definitions, as last amended pursuant to Amendment to Contract for Sale of Property and Redevelopment dated September 20, 1988, is further amended in items 4, 25, 33 and 44, and new item 45, as follows:

4. "Bonds" means the bonds of the Authority issued pursuant to Section 1 of the Ordinance in the aggregate principal amount of not to exceed \$8,400,000 (the "Series 1987 Bonds") to provide funds to pay a portion of the costs of the Project as provided in this Agreement, but if the Series 1987 Bonds of the Authority have been refunded, then "Bonds" means the refunding bonds issued in the aggregate principal amount of not to exceed \$11,000,000 (the "Refunding Bonds") by the Authority to refund the Series 1987 Bonds in accordance with Ordinance 115524 of the City authorizing the guarantee of Refunding Bonds.

25. "General Reserve Requirement" means for each year that the Bonds are Outstanding, the amount, if any, set forth in the Bond Resolution.

33. "Ordinance" means City Ordinance 11369 authorizing the guarantee of the bond issuance, sale of property for redevelopment and funds for the Project and this Agreement between the City and the Authority, but if the Series 1987 Bonds are refunded, "Ordinance" shall also mean City Ordinance 115524 authorizing the guarantee of the Refunding Bonds.

44. "Resolution" means the Resolution adopted by the Authority, authorizing the issuance and sale of the Series 1987 Bonds, but if the Series 1987 Bonds have been refunded, then "Resolution" means the resolution adopted by the Authority, authorizing the issuance of the Refunding Bonds.

45. "Additional Consideration" means (1) the 1990 present value of parking revenues retained by the Authority pursuant to Section 4 of the Amendment plus (2) the amount of \$62,500 in 1990 present value dollars.

Section 2. Article III, Section 13 of the Agreement is amended as follows:

Section 13. Refinancing. The City reserves the right to request the Authority to redeem or defease the Bonds if the City reasonably determines that in order to provide funds with which to redeem or defease the Bonds, the Authority is able to issue and sell refunding bonds or to obtain other refinancing, which provides a net interest savings (after consideration of the cost of issuance) to the Authority, in either case without the unconditional obligation to make payments similar to those of the City contained in Section 6 hereof. If the City makes such a request, the Authority shall use its best efforts to obtain a contract for the purchase of such bonds or obtain other refinancing, in either case without the unconditional obligation of the City to make payments similar to those contained in Section 6 hereof. If the Authority is able to obtain such a bond purchase contract or other refinancing, the Authority shall issue and sell such refunding bonds or obtain such other refinancing, shall call the Bonds for redemption and shall pay and redeem the bonds.

The parties agree that the Authority shall issue refunding bonds in an aggregate principal amount not to exceed \$11,000,000 (the "Refunding Bonds") in order to provide funds to refund the Series 1987 Bonds presently outstanding in the aggregate principal amount of \$8,400,000, to pay the costs of such refunding, and to make available additional funds for use by the Authority. Prior to the issuance of the Refunding Bonds, the City Attorney shall approve the terms and conditions of the Authority's resolutions authorizing the issuance of the Refunding Bonds, which approval shall not be unreasonably withheld. The Refunding Bonds shall be secured by the Authority's pledge of Net Parking Revenues and by the unconditional obligation of the City to make payments to the Paying Agent for deposit into the Bond Fund with respect to the Refunding Bonds as provided in Section 6 hereof in amounts sufficient together with other funds available therefor, to make scheduled payments of principal of and interest on the Refunding Bonds. The dates, terms, conditions, interest rate or rates and other features of the Refunding Bonds shall initially be determined by

the Authority in its sole discretion; provided, that such features shall be reasonably consistent with the Project's Updated Pro Forma Financial Statements attached hereto as Exhibit C and incorporated herein by this reference and prevailing market conditions, and the DMPAC shall have a reasonable opportunity to review and approve such features. The Authority shall make all changes in the terms, conditions and other features of the Refunding Bonds requested by DMPAC prior to the issuance of the Refunding Bonds. Except as limited by law, the Ordinance and this Agreement, the Authority shall be exclusively responsible for the management of the proceeds of the Refunding Bonds and shall invest such proceeds in such investments as the Authority is legally authorized to make and in such manner as is consistent with Sections 8, 9 and 10 of this Agreement and shall dedicate all such investments and earnings thereon to the refunding of the Series 1987 Bonds and other purposes of the Authority. The Authority shall irrevocably call the Series 1987 Bonds for redemption and set aside proceeds of the Refunding Bonds to cause the Series 1987 Bonds to be defeased.

Section 3. Article IV, Section 28 of the Agreement is amended as follows:

Section 28. Maintenance and Operation of Improvements. The Authority agrees that for the life of the Bonds or for such other period as specified below, it shall:

1. Maintain the Property and Parking Facilities at all times in a reasonably safe and clean condition substantially equivalent to a parking garage in first-class office buildings in downtown Seattle;
2. Operate the Parking Facilities as a public parking garage providing primarily short-term public parking. Additional long-term public parking is permitted when necessary to achieve Project financial performance in the Pro Forma Financial Statement; provided, however, that the provision of such long-term parking in particular, and the operation and management of the Improvements in general, may not adversely affect the exemption from federal income taxation of the interest on the Bonds;
3. Operate the Parking Facilities to provide reasonably safe access from Alaskan Way and Western Avenue, and maintain in good working condition mechanical pedestrian assist system within the Parking Facilities in order to enable pedestrians including the

handicapped, to travel between the level of Alaskan Way and Pike Place;

4. Accommodate to the maximum extent practicable the needs of the Market, Aquarium and related Central Waterfront areas, and periodically consult with representatives of those constituencies concerning marketing and operation of the Parking Facilities in order to meet those needs;

5. Establish and maintain adequate maintenance reserves consistent with the Pro Forma Financial Statement (Exhibit C).

6. Manage the Parking Facilities in a manner likely to produce the financial performance contemplated in the annual operating budget consistent with the Pro Forma Financial Statement (Exhibit C).

7. Commencing in FY 2004 and continuing for the life of the bonds or until the City has been reimbursed for the 1990 present value of the Purchase Price and the Additional Consideration, which ever is later, pay the City thirty percent of the Resulting Revenues.

8. Maintain in full force and effect comprehensive general liability insurance providing a reasonable amount subject to City approval, of coverage on the Parking Facilities. Such insurance shall include coverage for any accident resulting in personal injury to or death of any person and consequential damage owing therefrom, shall include comprehensive property damage insurance, and shall name the City as an additional insured.

Section 4. The City hereby agrees to amend the existing Letter of Agreement between the Authority and the Engineering Department dated February 6, 1986 and the existing Agency Service Agreement between the Authority and the Department of Community Development dated December 7, 1988 to provide that for the calendar years 1990 through 1998, parking revenues up to a total of \$50,000 annually, which would otherwise be paid to the City, shall be retained by the Authority to be used solely for the payment of debt service on the Refunding Bonds. The appropriate officials of these departments are hereby authorized to execute such contract extensions and amendments on behalf of the City.

Section 5. The parties acknowledge that with respect to the Refunding Bonds, there will be no General Reserve Fund Requirement and any funds accumulated in the General Reserve Fund on the date of issuance of the Refunding Bonds may be used by the Authority for any lawful Authority purpose.

Section 6. The parties acknowledge that the new Exhibit C entitled "Updated Pro Forma Financial Statements" shall supersede Exhibit C to the Agreement.

Section 7. The City reserves the right to review the litigation budget of the Authority in relation to King County Cause No. 90-2-06827-7 and all related litigation and, at all reasonable times during business hours, the right to review and audit all accounts and other records of expenditure in connection therewith.

Section 8. All other terms and conditions of the Agreement are hereby ratified and confirmed.

Section 9. This Agreement shall become effective upon execution by the Mayor and the chairman of the Council of the Authority.

IN WITNESS WHEREOF, the City and the Authority have executed this Second Amendment this 6th day of March, 1991.

THE CITY OF SEATTLE

Norman B. Rice  
Mayor

Attest: \_\_\_\_\_

Pursuant to the authority of Ordinance 115524

PIKE PLACE MARKET PRESERVATION AND DEVELOPMENT AUTHORITY

By S. M. Landfield

Its Chairman

Pursuant to Resolution 91-10

-- EXHIBIT C -- UPDATED PROFORMA FINANCIAL STATEMENT, FEBRUARY 1991

Year End	REVENUE escalation 0.05 actual	REVENUE 0.06 actual	REVENUE other parking	REVENUE retail/ food bank	EXPENSE 0.05 actual operations	DEBT SERVICE REFUNDED
APRIL 88	0	30,000	0	0	0	313,000
APRIL 89	0	140,000	0	0	0	719,500
1990	137,595	157,637	50,000	0	(153,000)	719,500
1991	476,070	116,000	50,000	12,000	(324,000)	719,500
1992	704,297	122,960	50,000	30,000	(340,200)	424,059
1993	927,675	130,338	50,000	35,000	(357,210)	565,412
1994	963,591	138,158	50,000	35,700	(375,071)	615,412
1995	963,591	146,447	50,000	36,128	(393,621)	617,287
1996	1,011,771	155,234	50,000	36,734	(413,515)	642,712
1997	1,002,359	164,548	50,000	37,371	(434,191)	660,430
1998	1,115,477	174,421	50,000	38,039	(455,901)	682,367
1999	1,171,251	0	0	38,741	(478,046)	679,617
2000	1,229,613	0	0	39,478	(502,630)	681,075
2001	1,291,304			40,252	(527,662)	680,975
2002	1,355,669			41,065	(554,150)	680,660
2003	1,423,663			41,918	(581,857)	682,140
2004	1,494,846			42,814	(610,950)	683,160
2005	1,569,568			43,754	(641,498)	683,520
2006	1,648,068			44,742	(673,573)	681,545
2007	1,730,471			45,779	(707,251)	667,225
2008	1,816,495			46,868	(742,614)	667,225
2009	1,907,644			48,012	(779,745)	667,225
2010	2,004,236			49,212	(818,732)	667,225
2011	2,103,348			50,473	(859,668)	667,225
2012	2,208,568			51,796	(902,652)	672,225
2013	2,318,997			53,166	(947,784)	672,225
2014	2,434,946			54,646	(995,174)	683,550
2015	2,556,694			56,178	(1,044,932)	681,625
2016	2,684,528			57,767	(1,097,179)	682,100
2017	2,818,755			59,476	(1,152,038)	684,650
2018	2,959,693			61,250	(1,209,640)	683,950
2019	3,107,677			63,112	(1,270,122)	
2020	3,263,061			65,068	(1,333,628)	

PRESENT VALUE  
OF CASH FLOW  
Base 1990      ERR      ERR      ERR  
Cap rate .07

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

