**CITY OF BELLINGHAM**

**CONTRACT**

2003-c185A

<table>
<thead>
<tr>
<th>Contract</th>
<th>eRouter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>COB</td>
</tr>
<tr>
<td>(Assigned by FINANCE)</td>
<td></td>
</tr>
</tbody>
</table>

**Tracking Number**

M4-W-067146

**Type**

Contact

**Dept**

Executive

**Contracting Party**

Bellingham-Wilsonville Public Facilities District

**Original Cont. #**

1995-183

**Name/Project #**

First Amendment to Interlocal Operating Agreement between the City of Bellingham and the Bellingham-Wilsonville Public Facilities District

**Termination Date**

05/31/2010

**Contract is Extended, New Termination Date:**


**Certificates of Insurance**

- Attached
- Waived
- N/A

**Is NADA Required?**

Yes

**P.O. Required?**

No

**Debit Cards Attached?**

- Yes
- No

**Special Instructions:**

Please email signed, scanned original to市面上. Thanks.

**Distribution:**

- Final
- Attach Contract Copy
- Return to Engineering Dept
- Modification of Contract - Attach Copy of Original Contract to Physical document

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**Contract eRouter: In Process**

<table>
<thead>
<tr>
<th>Approver</th>
<th>Title</th>
<th>Assigned</th>
<th>Notified</th>
<th>Email Received</th>
<th>Status Changed</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kerry J. Meuser</td>
<td>Legal Administrative Assistant</td>
<td>10/28/2004</td>
<td>10/28/2004</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kristina J. Bueler</td>
<td>Executive Receptionist/Secretary</td>
<td>10/28/2004</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Marc L. Hagin</td>
<td>Office Technician</td>
<td>10/28/2004</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>-</td>
<td>Office Assistant</td>
<td>10/28/2004</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
</tbody>
</table>

**Approval Cycle Settings**

- Approval Condition:
  - 100% approval
- Routing Method:
  - Serial (one at a time)
- Approver:
  - City eRouter
- Allow Approver Comments:
  - Yes
- Automatically Delegate to Assistant:
  - No
- Automatically Send Approval:
  - Yes
- Days until skipped/delayed:
  - 30 Weekdays
  - 30 Weekdays

**Notification**

- 11/3/04
- 10/28/04

**Access**

- Built-Finance

- User/Password:
  - City eRouter

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FIRST AMENDMENT TO INTERLOCAL OPERATING AGREEMENT BETWEEN THE CITY OF BELLINGHAM AND THE BELLINGHAM-WHATCOM PUBLIC FACILITIES DISTRICT

This FIRST AMENDMENT TO INTERLOCAL OPERATING AGREEMENT (this "Amendment"), is dated as of \textit{July 2nd}, 2004, by and between the CITY OF BELLINGHAM, a Washington Municipal Corporation (the "City"), and BELLINGHAM-WHATCOM PUBLIC FACILITIES DISTRICT, a Washington Municipal Corporation (the "District"), and amends the Interlocal Operating Agreement (the "Original Agreement") between the parties dated as of May 20, 2003.

RECIPIALS

WHEREAS, the City and the District have entered into the Original Agreement to facilitate the financing, design, construction, remodel, operation and maintenance of a Regional Center in the City, with associated improvements including parking facilities ("Regional Center") pursuant to RCW 39.34, RCW 35.57 and RCW 35.59, and

WHEREAS, the City, pursuant to Ordinance No. 2004-10-975 (the "Bond Ordinance"), has authorized the issuance and sale of its $16,375,900 par value limited Tax General Obligation Improvement and Refunding Bonds, 2004 (the "Bonds"), a portion of the proceeds of which will be used to finance the Regional Center; and

WHEREAS, the Bonds are being issued as qualified 301(c)(3) bonds pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), and under the Code the City is required to comply, and has covenant in the Bond Ordinance to comply, with certain requirements after the date of issuance of the Bonds in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, including, without limitation, requirements concerning the qualified use of Bond proceeds and the facilities financed or refinanced with Bond proceeds, limitations on investing gross proceeds of the Bonds in higher yielding investments in certain circumstances and the arbitrage rebate requirement to the extent applicable to the Bonds; and

WHEREAS, the District has agreed to include in the terms of the Original Agreement its covenant to comply with the provisions of the Code to prevent interest on the Bonds and any other tax-exempt obligation of the City issued to finance the Regional Center from being included in gross income for federal income tax purposes;

NOW, THEREFORE, pursuant to RCW 39.34 and in consideration of the mutual understanding, undertaking and promises contained herein including the recitals above, and the benefits to be realized by each party and by the general public from the creation and operation of the Regional Center, the City and the District agree as follows:

\textit{First Amendment to Interlocal Operating Agreement - 1}
Section 4.1 of the Original Agreement is amended to add a new subsection (b) and renumber the subsequent paragraphs, to read as follows:

4.1 District.

a. The District shall, upon collection, pay or cause to be paid all funds collected by or on behalf of the District from the State sales and use tax and admission and parking taxes imposed by the District, and from any other sources, to the City of Bellingham for deposit in the Public Facilities District special revenue fund. Such funds shall be used primarily for the debt service for bonds issued by the City of Bellingham to fund the design, development and construction of the Regional Center inclusive of costs of pre-development and property acquisition. The duration of the District's obligations described above shall be consistent with the duration of the debt obligation of the City for the bonds issued but shall be no longer than the maximum time period allowed by law.

b. The District shall take such action or actions, including being a party to or consenting to such amendments of this Agreement or such other documents pertaining to tax-exempt obligations issued by the City to finance the Regional Center, as may be necessary, in the opinion of bond counsel to the City, to comply fully with all applicable rules, rulings, regulations, policies, procedures or other official statements promulgated or proposed by the Internal Revenue Service pertaining to obligations the interest on which is excludable from gross income under Section 163 of the Code and which pertain to such bonds. In particular, the District shall ensure that any leases or other contracts relating to the improvements financed with tax-exempt obligations (other than contracts entered into by the City pursuant to the Section 112 of this Agreement) comply with the applicable provisions of the Code and such rules, rulings, regulations, policies, procedures or official statements.

c. The District may undertake fundraising from public or private sources to obtain gifts, grants and donations for the purpose of a Regional Center.

d. The District shall have the right, subject to City Council approval, to lease, purchase and own real property to accomplish the purposes of the Public Facilities District.

e. The District shall have the right, for purposes of determining compliance with the Interlocal Operating Agreement, to periodically review documents relative to the expenditure by the City of funds paid by the District to the City for deposit into the Public Facilities District special revenue fund.

f. The District shall have the right, for purposes of determining compliance with this Agreement, to review reports prepared by or on behalf of the City of Bellingham relative to the status of the construction of the Regional Center. Such
The District shall have the right, for purposes of determining compliance with this Agreement, to review annual reports prepared by or on behalf of the City, which pertain to the management and operation of the Regional Center.

The District shall have the right to exercise any of the remedies provided therein in the event of a material breach of this agreement by the City of Bellingham.

**NO OTHER CHANGES**

The Original Agreement shall remain in full force and effect in all other respects.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first written above.

EXECUTED this 2nd day of , 2004.

CITY OF BELLINGHAM, WASHINGTON

Mayor

STATE OF WASHINGTON )
COUNTY OF WHATCOM ) ss.

On this 2nd day of , 2004, before me personally appeared Mark Asmundson, Mayor, to me known to be the person individually or jointly described as and who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

NOTARY PUBLIC in and for the State of Washington, residing at Bellingham.

My commission expires: 10-25-07

First Amendment to Inter-Swal Operating Agreement - 3
Attest:

Finance Director

Approved as to form:

Office of the City Attorney

EXECUTED this 28th day of October, 2004.

BELLINGHAM-WHATCOM
PUBLIC FACILITIES DISTRICT

Dunham Gooding, President

Approved as to form:

Attorney for Bellingham-Whatcom
Public Facilities District

STATE OF WASHINGTON )
COUNTY OF WHATCOM ) ss.

On this 28th day of October, 2004, before me personally appeared Dunham Gooding, to me known to be the person individually or jointly described in and who executed the above instrument and who acknowledged to me the act of signing and sealing thereof.

Kim M. Renshaw
NOTARY PUBLIC in and for the State
of Washington, residing at Bellingham.
My commission expires: 7/19/16

First Amendment to Interlocal
Operating Agreement - 4