

## **RESOLUTION NO. 2010-055**

Adopted by the Sacramento City Council

February 9, 2010

### **THIRD AMENDMENT TO CITY AGREEMENT 97-007 WITH POWERHOUSE SCIENCE CENTER (FORMERLY SACRAMENTO MUSEUM OF HISTORY SCIENCE & TECHNOLOGY)**

#### **BACKGROUND**

- A. In 1997, the City Council approved Agreement 97-007 with the Sacramento Museum of History Science & Technology ("Discovery Museum" or "Museum") to provide a General Fund loan of \$175,000 for development of the Challenger Learning Center on Auburn Boulevard. The loan was due for repayment in 2001.
- B. In 1999, to help the Museum with cash flow issues, the City Council approved the First Amendment to Agreement 97-007 that deferred further interest payments and extended repayment of the loan until 2009.
- C. In January 2008, the City deferred the final two loan repayments for one year through the Second Amendment to Agreement 97-007 due to uncertainties in cash flow resulting from the split of the Discovery Museum into separate History Museum and Science Center operations.
- D. In December 2009 the Discovery Museum requested another deferment of the last two repayments over the next four years. It also changed its name to the "Powerhouse Science Center".

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The Third Amendment to City Agreement number 97-007 with the Sacramento Museum of History, Science and Technology is approved and the City Manager or his designee is authorized to execute the Amendment.
- Section 2. Exhibit A is part of this Resolution.

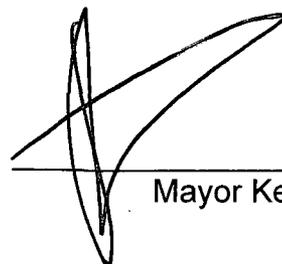
Adopted by the City of Sacramento City Council on February 9, 2010 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy,  
Tretheway, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



Mayor Kevin Johnson

Attest:

  
Shirley Concolino, City Clerk

**THIRD AMENDMENT TO PROMISSORY NOTE**

This Third Amendment to the Promissory Note, City Agreement number 1997-007-1, dated on or about July 30, 1997, is entered into by and between the Powerhouse Science Center (formerly the Sacramento Museum of History, Science and Technology), a California non-profit corporation ("Payor"), and the CITY OF SACRAMENTO ("Payee" or "City").

- A. On or about July 30, 1997, Payor executed a loan agreement with Payee identified as City Agreement Number 97-007, ("Loan Agreement") and a promissory note payable to Payee in the amount of \$175,000.00, identified as City Agreement 97-007-1 ("Note"). The terms of the Note were incorporated by reference into the Loan Agreement.
- B. On or about November 16, 1999, the parties amended the terms of the Note (identified as City Agreement number 97-001-1) to provide that effective April 1, 1999, Payor would no longer be required to pay interest on the outstanding Note principal and that repayment of the remaining principal would be made in ten annual payments of \$12,029.93 each, beginning on April 1, 2000 and continuing through April 1, 2009.
- C. On July 28, 2008, the parties amended the terms of the Note (identified as City Agreement number 97-001-2), to provide that the last two remaining payments due on April 1, 2008 and April 1, 2009 would be deferred to April 1, 2009 and April 1, 2010 and interest would be added to the principal balance during the period of deferment.
- D. In December 2009, the Discovery Museum requested another deferment of the last two payments over the next four years. It also changed its name to the Powerhouse Science Center.
- E. Payee is willing to agree to this deferment, provided that each payment by Payor include an interest payment equal to the value of the interest that the City would have received if the last two payments had been made when due.
- F. The parties intend that in lieu of payments by Payor, Payee will deduct payments owed by Payor from the City's annual contribution to the Discovery Museum Science & Space Center; and that if City's annual contribution is less than the payment amount, the Payor will pay the difference on the corresponding payment date.

NOW, THEREFORE, Payor and Payee agree as follows:

1. Payor shall pay to Payee principle and interest payments as follows:

## PAYMENT SCHEDULE

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Total Payment	Principal	Interest	Ending Balance
1	4/1/2010	\$24,709.68	\$ 6,547.72	\$6,547.72	\$ 5,962.10	\$ 585.62	\$18,747.58
2	4/1/2011	18,747.58	6,547.72	6,547.72	6,103.40	444.32	12,644.18
3	4/1/2012	12,644.18	6,547.72	6,547.72	6,248.05	299.67	6,396.13
4	4/1/2013	6,396.13	6,547.72	6,396.13	6,244.54	151.59	0.00

2. In lieu of payments by Payor, City may deduct payments owed by Payor from the City's annual contribution to Payor. In the event City's annual contribution is less than the payment owed by Payor, Payor shall pay the difference on or before the corresponding payment due date.
3. All other terms and conditions of the Note not inconsistent with this Third Amendment to Note shall remain in full force and effect, including all provisions with respect to security provided to Payee in connection with the Note. This Third Amendment to Note shall not affect City's priority status as a secured party with a security interest in those assets of Payor described in the UCC-1 financing statement executed by Payor and filed with the Secretary of State on August 27, 1997.
4. Payee agrees that it shall not transfer or assign the Note to any third party, because the Note does not reflect the amended terms set forth in this Third Amendment to Note.

DATED: \_\_\_\_\_

CITY OF SACRAMENTO

By: \_\_\_\_\_  
Ray Kerridge, City Manager

DATED: \_\_\_\_\_

POWERHOUSE SCIENCE CENTER

By: \_\_\_\_\_  
Chairman, Board of Directors

By: \_\_\_\_\_  
Secretary, Board of Directors

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
Dated

APPROVED AS TO FORM:

\_\_\_\_\_  
DEPUTY CITY ATTORNEY

\_\_\_\_\_  
Dated