

CITY OF NORTH BEND, WASHINGTON

ORDINANCE NO. 1693

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AMENDING ORDINANCE NO. 1593 AUTHORIZING THE ISSUANCE AND SALE OF A LIMITED TAX GENERAL OBLIGATION BOND (REVOLVING LINE OF CREDIT) OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,500,000; AND APPROVING CERTAIN MATTERS RELATED THERETO.

WHEREAS, the City Council (the "Council") of the City of North Bend, Washington (the "City"), adopted Ordinance No. 1593 on July 19, 2016 (the "Original Ordinance"), authorizing the issuance and sale of the City's Limited Tax General Obligation Bond, 2016 (Revolving Line of Credit) in the aggregate principal amount of not to exceed \$3,500,000 (the "Bond"); and

WHEREAS, the Bond is scheduled to mature on August 10, 2019, and at such time all accrued interest and principal on the Bond shall become due; provided, however, that under the terms of the Original Ordinance, at the option of the Council and with the consent of KeyBank National Association, as purchaser (the "Bank" or "Registered Owner"), the maturity date may be extended; and

WHEREAS, the Bank has agreed to extend the maturity date for approximately three additional months; and

WHEREAS, it is deemed necessary and advisable that the City extend the maturity date as set forth herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Definitions. Terms not otherwise defined herein, including in the recitals set forth above, shall have the meanings set forth in the Original Ordinance.

Section 2. Amendments to the Original Ordinance.

(a) *Section 1 (Definitions).* Section 1 (Definitions) of the Original Ordinance is hereby amended as follows (deletions are ~~stricken~~, additions are double underlined):

Commitment Expiration Date means the later of (a) 5:00 p.m. eastern time on November 8, 2019 ~~the date that is three (3) years from the Date of Issue~~, and (b) 5:00 p.m. eastern time on the last day of any extension of such date pursuant to Section 14, hereof, or, if such last day is not a LIBOR Business Day, the LIBOR Business Day next preceding such day.

(b) *Section 8 (Form of Bond)*. Section 8 (Form of Bond) of the Original Ordinance is hereby replaced in its entirety with the form of Bond attached hereto in Exhibit A.

Section 3. Representations. Pursuant to Section 14 of the Original Ordinance, the City hereby represents that (a) no Event of Default has occurred and is continuing, (b) no event has occurred and is continuing that is reasonably likely to result in a Material Adverse Effect, and (c) all representations of the City made in the Original Ordinance, including in closing certificates referenced therein, are true and correct as of the date hereof and will be true and correct as of the date of the extension.

Section 4. Delivery of Replacement Bond. The City is hereby authorized to authenticate and deliver a replacement Bond to the Registered Owner. The replacement Bond shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon. The Finance Director, as Bond Registrar, is hereby authorized to authenticate the replacement Bond on behalf of the City. The City is authorized to pay fees and costs associated with the extension.

In case either of the officers who shall have executed the Bond shall cease to be an officer or officers of the City before the Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. The Bond may also be signed and attested on behalf of the City by such persons who at the date of the actual execution of the Bond, are the proper officers of the City, although at the original date of such Bond any such person shall not have been such officer of the City.

Section 5. Further Acts; Ratification and Confirmation. The appropriate City officials are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the replacement Bond to the Registered Owner and to carry out the terms of this ordinance.

Except as provided herein, the remaining terms and conditions of Ordinance No. 1593 are hereby ratified and confirmed in all respects. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 6. Effective Date of Ordinance. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 16th DAY OF JULY, 2019.

CITY OF NORTH BEND:

APPROVED AS TO FORM:

Kenneth G. Hearing, Mayor

Pacifica Law Group LLP, Bond Counsel

ATTEST/AUTHENTICATED:

Published: July 26, 2019
Effective: July 31, 2019

Susie Oppedal, City Clerk

EXHIBIT A

Form of Bond

The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION, THIS BOND IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS PROVIDED IN THE BOND ORDINANCE DESCRIBED BELOW AND MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO THE TERMS THEREOF.

NO. R-1

Not to exceed
\$3,500,000
(or as much thereof
as is shown on the
attached Loan
Draw Record)

STATE OF WASHINGTON

CITY OF NORTH BEND
LIMITED TAX GENERAL OBLIGATION BOND, 2016
(REVOLVING LINE OF CREDIT)
(extended on _____, 2019)

INTEREST RATE: Variable, as provided in the Bond Ordinance

MATURITY DATE: November 8, 2019

REGISTERED OWNER: KEYBANK, NATIONAL ASSOCIATION
WA-31-13-2548
1301 5th Avenue
Seattle, WA 98101

TAX IDENTIFICATION #: 34-0797057

PRINCIPAL AMOUNT: NOT TO EXCEED THREE MILLION FIVE HUNDRED THOUSAND
DOLLARS (or as much thereof as is shown on the Loan Draw Record)

The City of North Bend, Washington, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "City"), hereby acknowledges itself to owe and for value received, promises to pay to the Registered Owner identified above, or registered assigns, an amount equal to the total outstanding incremental loan draws (the "Draws") made in accordance with the terms of this bond and the hereinafter defined Bond Ordinance.

This bond is issued pursuant to City Ordinance No. 1593 adopted on July 19, 2016 and Ordinance No. ____ adopted on July 16, 2019 (together, the "Bond Ordinance"), to finance the costs of capital improvements to City facilities. Capitalized terms appearing on this bond and not otherwise defined herein have the meanings given those terms in the Bond Ordinance.

Reference is made to the Bond Ordinance for other covenants and declarations of the City and other terms and conditions upon which this bond has been issued, which terms and conditions are made a part hereof by this reference.

The City irrevocably and unconditionally covenants to the holder of this bond that it will keep and perform all of the covenants of this bond and the Bond Ordinance.

This bond and the Bond Ordinance may not be revised, amended or rescinded without the prior written consent of the owner of this bond.

The City may request Draws upon this bond in any amount on any LIBOR Business Day during the term of this bond subject to the terms of the Bond Ordinance. The terms of the Bond Ordinance are hereby incorporated by reference. No Draw may exceed the total amount of the costs to be paid from such Draw, and the proceeds of each Draw shall be used immediately to pay those costs, or to reimburse the City for such costs paid by the City. **The aggregate principal amount of outstanding Draws on this bond at any one time shall not exceed \$3,500,000.**

Both principal of and interest on this bond are payable in lawful money of the United States of America. Upon the final payment of principal and interest of this bond, the Registered Owner shall present and surrender this bond to the Finance Director of the City, as "Bond Registrar."

Draws on this bond shall bear interest at the LIBOR Index Rate as defined and in accordance with the additional terms as set forth in the Bond Ordinance. Interest on each Draw shall accrue from the date of that Draw and shall be computed in accordance and paid in accordance with the terms of the Bond Ordinance. Principal of this bond, together with all accrued and unpaid interest thereon, shall be payable on the Commitment Expiration Date, as defined in the Bond Ordinance (the "Maturity Date"), if not sooner paid.

If this bond is not paid when properly presented at the Maturity Date, the City shall be obligated to pay interest on this bond at the applicable rate of interest thereon from and after the Maturity Date until both principal and interest are paid in full.

The City has reserved the right and option to prepay this bond, in whole or in part, at any time prior to the Maturity Date as provided in the Bond Ordinance.

This bond is a general obligation of the City. The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

This bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and ordinances of the City, including the Bond Ordinance.

This bond is not transferable without the consent of the City except as provided in the Bond Ordinance.

This bond has not been designated as a "qualified tax-exempt obligation" for investment by financial institutions under Section 265(b) of the Internal Revenue Code of 1986, as amended.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and ordinances duly adopted by the City Council including the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, the City of North Bend, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City imprinted, impressed or otherwise reproduced hereon as of this 10th day of August, 2016 (as extended on _____, 2019).

CITY OF NORTH BEND, WASHINGTON

By _____
Mayor

ATTEST:

City Clerk

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the City, in the office of the Bond Registrar, as to both principal and interest, as noted in the registration blank below. All payments of principal of and interest on this bond shall be made by the City from the Bond Fund.

Date of Registration	Name and Address of Registered Owner	Signature of Bond Registrar
August 10, 2016 (as extended on _____, 2019)	KeyBank, National Association WA-31-13-2548 1301 5th Avenue Seattle, WA 98101	_____

LOAN DRAW RECORD

Date	Amount	Total
[Draw][Repayment]		
[Draw][Repayment]		
[Draw][Repayment]		
[Draw][Repayment]		
Repayment		