

CITY OF NORTH BEND, WASHINGTON
WATER AND SEWER REVENUE NOTE (TAXABLE)
(UTILITY LOCAL IMPROVEMENT DISTRICT NO. 7 (MEADOWBROOK))
(AMENDMENT AND REISSUANCE)

ORDINANCE NO. 1817

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NORTH BEND, WASHINGTON, AMENDING ORDINANCE NO. 1789 AUTHORIZING THE ISSUANCE AND SALE OF A WATER AND SEWER REVENUE NOTE (UTILITY LOCAL IMPROVEMENT DISTRICT NO. 7 (MEADOWBROOK)) OF THE CITY IN THE PRINCIPAL AMOUNT OF \$1,200,000; AUTHORIZING THE EXTENSION OF MATURITY AND REFINANCING OF THE NOTE; AUTHORIZING AN AMENDMENT TO THE NOTE PURCHASE CONTRACT; AND AUTHORIZING OTHER MATTERS RELATED THERETO.

WHEREAS, the City of North Bend, Washington (the “City”), adopted Ordinance No. 1789 on December 6, 2022 (the “Original Ordinance”), authorizing the issuance and sale of the City’s Water and Sewer Revenue Note, 2022 (Taxable) (Utility Local Improvement District No. 7 (Meadowbrook)) in the principal amount of \$1,200,000 (the “Note”); and

WHEREAS, proceeds of the Note were used to finance a portion of the engineering and design phase of sewer improvements within Utility Local Improvement District No. 7 (Meadowbrook) (the “Project”); and

WHEREAS, the Note is scheduled to mature on December 22, 2024 (the “Maturity Date”), and pursuant to the Original Ordinance and the Note Purchase Contract (the “Note Purchase Contract”) between the City and Key Government Finance, Inc., as purchaser (the “Purchaser”), at such time all accrued interest and principal on the Note shall become due; and

WHEREAS, upon completion of the Project, the City expects to issue bonds in order to refinance the Note and provide long-term financing for the Project; and

WHEREAS, the Purchaser has agreed to extend the Maturity Date of the Note in order to provide the City additional time for completion of the Project, and to revise the interest rate on the Note; and

WHEREAS, the City now deems it necessary and advisable to amend the Original Ordinance to extend the Maturity Date and to adjust the interest rate on the Note as provided herein; and

WHEREAS, such extension and adjustment shall effectively refinance and reissue the Note and therefore will be considered issuance of a “Future Parity Bond” for purposes of the Original Ordinance;

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. Parity Requirements. In accordance with the Outstanding Parity Bond Ordinances, which permit the issuance of additional Parity Bonds upon compliance with the conditions set forth therein, the City hereby finds and determines, as follows:

(a) Proceeds of the Note have been used for lawful purposes of the City related to the System.

(b) There is not now and at the time of reissuance of the Note there shall not be any deficiency in the Bond Fund, the Principal and Interest Account or the Reserve Account.

The applicable conditions of the Outstanding Parity Bond Ordinances having been or to be complied with, the pledge of Net Revenue and ULID Assessments to pay and secure the payment of the Note shall be extended and shall continue to constitute a lien and charge upon such Net Revenue and ULID Assessments equal in rank with the lien and charge upon the Net Revenue and ULID Assessments to pay and secure the payment of the Outstanding Parity Bonds.

Section 3. Amendment to Section 16(a) (Sale of Note). Section 16(a) (Sale of Note) of the Original Ordinance is hereby amended as follows (deletions are ~~stricken~~, additions are double underlined):

Section 16. Sale of Note.

(a) *Note Sale.* The Council has determined that it would be in the best interest of the City to delegate for a limited time the authority to approve the final terms of the Note. Subject to the terms and conditions set forth in this Section 16, each Designated Representative is hereby authorized (i) to approve the principal payment date(s), dated date, denomination, interest payment date(s), redemption/prepayment provisions and interest rate or rates for the Note issued under the terms of this ordinance, (ii) to execute the Note Purchase Contract and/or other documents necessary for the sale of the Note to the Purchaser (including but not limited to a rate lock agreement); (iii) to agree to any additional terms and covenants that are in the best interest of the City and consistent with this ordinance; and (iv) to execute the sale of the Note to the Purchaser. Notwithstanding the foregoing, the sale of the Note to the Purchaser shall be subject to the following conditions:

- (1) the principal amount of the Note does not exceed \$1,200,000,

(2) the final maturity of the Note is no later than ~~three~~ six years from the Closing (December 22, 2022),

(3) the interest rate on the Note does not exceed ~~6.5%~~ 6.32%, subject to the Default Rate;

(4) the Default Rate does not exceed the interest rate on the Note by more than 4% (400 basis points), and

(5) the Note otherwise conforms to all other terms of this ordinance.

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Section 4. Amendment to the Note and Note Purchase Contract. Each Designated Representative is authorized to negotiate the final terms of the reissued Note and the terms of a first amendment to the Note Purchase Contract so long as (a) the final maturity of the reissued Note is no later than six years from its original Closing date (December 22, 2022), (b) the adjusted interest rate on the Note does not exceed 6.32%, and (c) the terms of the reissued Note otherwise conform to all other terms of the Original Ordinance as authorized herein. Each Designated Representative is further authorized to execute such first amendment to the Note Purchase Contract and other documents necessary for the reissuance of the Note to the Purchaser. The signature of one Designated Representative shall be sufficient to bind the City.

Section 5. Delivery of Replacement Note; Further Acts. The City is hereby authorized to authenticate and deliver a replacement Note to the Registered Owner, which shall include the extended Maturity Date and adjusted interest rate as provided in Sections 3 and 4 of this ordinance.

The replacement Note 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 Note Registrar, is hereby authorized to authenticate the replacement Note on behalf of the City.

In case either of the officers who shall have executed the Note shall cease to be an officer or officers of the City before the Note so signed shall have been authenticated or delivered by the Note Registrar, or issued by the City, such Note 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 Note may also be signed and attested on behalf of the City by such persons who at the date of the actual execution of the Note, are the proper officers of the City, although at the original date of such Note any such person shall not have been such officer of the City.

The appropriate City officials are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the replacement Note to the Registered Owner and to carry out the terms of this ordinance.

Section 6. Ratification and Confirmation. Except as hereby amended, the remaining terms and conditions of Ordinance No. 1789, 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 7. 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 1st DAY OF October, 2024.

CITY OF NORTH BEND:

APPROVED AS TO FORM:

Mary Miller, Mayor

Pacifica Law Group LLP, Note Counsel

ATTEST/AUTHENTICATED:

Published: October 11, 2024

Effective: October 16, 2024

Susie Oppedal, City Clerk

CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of North Bend, Washington (the “City”), DO HEREBY CERTIFY:

1. The attached copy of Ordinance No. 1817 (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on October 1, 2024; and

2. That said meeting was duly convened and held in all respects in accordance with law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of October, 2024.

Susie Oppedal, City Clerk