

CITY OF CAMAS, WASHINGTON

ORDINANCE NO. 16-013

AN ORDINANCE of the City of Camas, Washington, amending Ordinance No. 2706 to extend the term and change the interest rates on the City's Limited Tax General Obligation Bond Anticipation Note, 2014.

WHEREAS, the City Council of the City of Camas, Washington (the "City") passed Ordinance No. 2706, establishing a revolving line of credit in the aggregate principal amount of not to exceed \$7,000,000 to provide financing for street design, right of way acquisition and construction, liquidity for the Camas-Washougal Fire Department consolidation, large equipment and vehicle purchases, and general City liquidity and other capital improvements (collectively, the "Projects"); and

WHEREAS, the City issued its Limited Tax General Obligation Bond Anticipation Note, 2014 (the "Note") to Bank of America, N.A. (the "Bank") to evidence the line of credit; and

WHEREAS, it is in the best interest of the City to extend the term and change the interest rates of the Note, all pursuant to the proposal of the Bank dated June 30, 2016, incorporated herein by reference (the "Proposal");

THE CITY COUNCIL OF THE CITY OF CAMAS, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Extension of Term. The maturity date of the Note shall be extended from August 6, 2016 to August 6, 2018.

Section 2. Changes to Interest Rates. Pursuant to the Proposal, this ordinance shall amend Ordinance No. 2706, as appropriate, to change the interest rates on the Note. In connection, Sections 1(h), (q), (r), (s) and (t) and Section 3 of Ordinance No. 2706 shall be amended as follows (with additions underlined and deletions stricken):

(h) "*LIBOR Fixed Rate*" means the interest rate determined by the following formula. (All amounts in the calculation will be determined by the Bank as of the first day of the interest period)

$$\text{LIBOR Fixed Rate} = \text{LIBOR} / (1.00 - \text{Reserve Percentage}).$$

LIBOR means, for any applicable interest period, the rate per annum equal to the London Interbank Offered Rate (or a comparable or successor rate which is approved by the Bank), as published by Bloomberg (or other commercially available source providing quotations of such rate as selected by the Bank from time to time) at approximately 11:00 a.m. London time two London Banking Days before the commencement of the interest period, for U.S. Dollar deposits (for

delivery on the first day of such interest period) with a term equivalent to such interest period; provided that (i) to the extent a comparable or successor rate is approved by the Bank, in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Bank, such approved rate shall be applied in a manner otherwise reasonably determined by the Bank, and (ii) if LIBOR shall be less than zero, LIBOR shall be deemed to be zero for purposes of this ordinance.

(q) “*Tax-Exempt LIBOR Daily Floating Rate Option*” means a rate per year equal to 70% of the LIBOR Daily Floating Rate, plus 0.60%.

(r) “*Tax-Exempt LIBOR Fixed Rate Option*” means a rate per year equal to 70% of the LIBOR Fixed Rate, plus 0.60%. All draws made at the Tax-Exempt LIBOR Fixed Rate Option must be in a minimum amount of \$250,000 and must have an interest rate period of one, two, three or six months; and no more than three draws bearing interest at either the Tax-Exempt LIBOR Fixed Rate Option or Taxable LIBOR Fixed Rate Option may be outstanding at any one time.

(s) “*Taxable LIBOR Daily Floating Rate Option*” means a rate per year equal to the LIBOR Daily Floating Rate plus 0.95%.

(t) “*Taxable LIBOR Fixed Rate Option*” means a rate per year equal to the LIBOR Fixed Rate plus 0.95%. All draws made at the Taxable LIBOR Fixed Rate Option must be in a minimum amount of \$250,000 and must have an interest rate period of one, two, three or six months; and no more than three draws bearing interest at either the Tax-Exempt LIBOR Fixed Rate Option or Taxable LIBOR Fixed Rate Option may be outstanding at any one time.

(u) “*Reserve Percentage*” means the total of the maximum reserve percentages for determining the reserves to be maintained by member banks of the Federal Reserve System for Eurocurrency Liabilities, as defined in the Federal Reserve Board Regulation D, rounded upward to the nearest 1/100 of one percent. The percentage will be expressed as a decimal, and will include, but not be limited to, marginal, emergency, supplemental, special and other reserve percentages.

Section 3. Authorization of the Note; Payment, Registration and Transfer. In order to finance capital expenditures and general City liquidity needs, the City shall establish a revolving line of credit and issue and sell a note to evidence such line. The Note shall be designated the “City of Camas, Washington Limited Tax General Obligation Bond Anticipation Note, 2014” and issued in the denomination of not to exceed \$7,000,000 (the “Note”). The Note shall be dated the date of delivery to the Bank (the “Date of Delivery”).

Interest on the outstanding principal balance of the Note shall be payable quarterly, on each January 1, April 1, July 1 and October 1, commencing October 1, 2014, calculated on the basis of a 360-day year and the actual number of days

elapsed. The Note matures on, and all outstanding principal and interest on the Note must be paid by, a date that is two years from the dated date of the Note (the "Maturity Date"). The Note is a revolving line of credit, so that principal amounts previously advanced and repaid may be drawn again; provided that the aggregate principal amount of all draws under the Note that have not been repaid may at no time exceed \$7,000,000. Each draw pursuant to a Request for Draw for any portion of proceeds to be used for a permitted tax-exempt purpose under the Code and satisfying the conditions set forth in Section 8(c) of this ordinance regarding conditions for the initial tax-exempt draw, shall bear interest at the Tax-Exempt LIBOR Daily Floating Rate Option or the Tax-Exempt LIBOR Fixed Rate Option. Each draw pursuant to a Request for Draw for any portion of proceeds that is not used for a permitted tax exempt-purpose under the Code shall bear interest at the Taxable LIBOR Daily Floating Rate Option or the Taxable LIBOR Fixed Rate Option. Interest on each draw shall accrue from its date until paid and such interest shall be computed on the principal amount outstanding on each day and at the applicable interest rate for that day during the applicable interest period on the basis of a 360-day year and the actual days elapsed. Interest payable on the Note on each interest payment date shall be the sum of interest accruing on all the outstanding draws during the interest period.

Any Request for a Draw shall be in the updated form of Exhibit A attached. Each Authorized Officer is hereby authorized to review and determine whether the draw is for a permitted tax-exempt purpose select either the Tax-Exempt LIBOR Daily Floating Rate Option or the Tax-Exempt LIBOR Fixed Rate Option or that it is not for a permitted tax-exempt purpose and select either the Taxable LIBOR Daily Floating Rate Option or the Taxable LIBOR Fixed Rate Option that such Authorized Officer finds in the best interest of the City for each draw on the Note.

Notwithstanding the foregoing, so long as an event of default (as defined in Section 11) has occurred and is continuing hereunder, outstanding principal amounts will bear interest at a default rate 8.05% in excess of the interest rate otherwise applicable under the Note.

The Note shall be issued in fully registered form. Both principal of and interest on the Note shall be payable in lawful money of the United States of America by check, warrant, wire transfer or automatic clearinghouse funds. The Bank will give 10 days' prior notice to the City of the approximate amount (depending on changes in the interest rate occurring after the date of such notice) to be debited. Principal and interest shall be an obligation only of the Note Fund. The City Finance Director shall act as Note Registrar.

The outstanding principal balance of the Note on any particular day shall be the aggregate of all funds which the City has drawn from the date of the Note to that day less the aggregate of all principal payments made by the City on or before that day. Interest on a particular principal amount so advanced shall be determined from the date of the advance of Note proceeds pursuant to a Request for Draw by the City.

A Request for Draw pursuant to the Note may be made by an Authorized Officer in writing at any time prior to the Maturity Date, so long as no event of default (as defined in Section 11) has occurred and is continuing. Requests for Draw shall include requests by email or fax bearing a facsimile signature of an Authorized Officer. The City hereby delegates to the Authorized Officers authority to make a Request for Draw, and determining the tax status of the draw and setting the interest rate, pursuant to this ordinance.

The Bank shall incur no liability to the City or to any other person in acting upon any notice or other communication which the Bank believes in good faith to have been given by an official or other person authorized to borrow on behalf of the City, or otherwise acting in good faith in making advances pursuant to this ordinance.

The Note may be assigned or transferred only in whole and only if endorsed in the manner provided thereon and surrendered to the Note Registrar, subject to the Bank's representations in a certificate to be provided on the Date of Delivery. Any such transfer shall be without cost to the owner or transferee and shall be noted in the Note Register. The Note may only be assigned by the Bank to another qualified investor satisfying the requirements set forth in the certificate to be signed by the Bank on the Date of Delivery.

All other provisions of Ordinance No. 2706 shall remain unchanged.

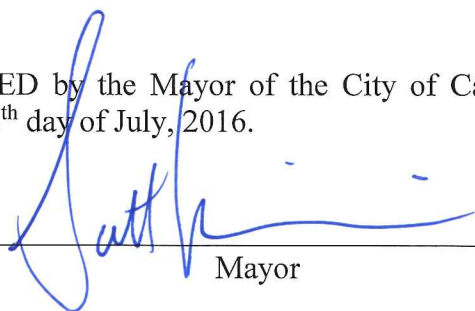
Section 3. Expenses. The City shall pay (a) the Bank a renewal fee of \$7,000 in connection with the extension of the Note, (b) reimburse the Bank for its legal fees in the amount of not to exceed \$3,000; and (c) pay to the Bank, quarterly in arrears, a fee for the unused portion of the Bank's commitment, which fee shall equal 0.275% per annum and calculated on the difference between \$7,000,000 and the average Outstanding Principal Balance of the Note for the preceding quarterly period, beginning on October 1, 2014, on the basis of actual number days elapsed in a 360-day year. Payments of such fees shall be made by check, wire transfer or other mutually acceptable means to the Bank or to its designated payee.

Section 4. OFAC Representations. The City warrants that the representations made in Section 10(c) of Ordinance No. 2706 remain true and correct as of the date of this Ordinance.

Section 5. General Authorization and Ratification. The Mayor, City Administrator, Finance Director and other appropriate officers of the City are authorized to take any action necessary to implement this ordinance and the terms of the Proposal.

Section 6. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council and APPROVED by the Mayor of the City of Camas, Washington, at an open public meeting thereof, this 18th day of July, 2016.



Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



Bond Counsel

EXHIBIT A

**CITY OF CAMAS, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTE, 2014
REQUEST FOR DRAW NO. _____**

TO: _____

On behalf of the City of Camas, Washington (the "City"), I hereby certify that:

1. I am an Authorized Officer of the City, authorized by Ordinance No. 2706 of the City Council of the City passed on June 16, 2014, as amended by Ordinance No. _____ (together, the "Note Ordinance") to request this draw under the City's Limited Tax General Obligation Bond Anticipation Note, 2014 (the "Note") and to make the representations on behalf the City set forth herein. Capitalized terms used herein shall have the meanings given in the Note Ordinance.
2. The City requests a draw under the Note in the amount of: \$ _____.

The aggregate outstanding amount of draws requested under the Note, including this draw, do not exceed \$7,000,000. Please disburse the draw to the City on _____, 201____, by depositing funds to the City's account at [insert account information].
3. This draw shall bear interest in (check one of the following):
 - ☐ the Tax-Exempt LIBOR Daily Floating Rate Option.
 - ☐ the Tax-Exempt LIBOR Fixed Rate Option for a _____-month interest period (one, two, three or six months permitted, may not extend beyond the Maturity Date).
 - ☐ the Taxable LIBOR Daily Floating Rate Option.
 - ☐ the Taxable LIBOR Fixed Rate Option for a _____-month interest period (one, two, three or six months permitted, may not extend beyond the Maturity Date).
4. The draw will be expended for purposes authorized by the Note Ordinance.
5. Except as previously disclosed to the Bank, there is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental body pending or, to the best of the knowledge of the City, threatened against the City that, in the reasonable judgment of the City, would have a material and adverse effect on the ability of the City to pay the amounts due under the Note Ordinance and the Note.

6. All representations of the City in the Note Ordinance were true and correct when made, and remain true and correct on this date.
7. If the draw shall bear interest under the Tax-Exempt LIBOR Fixed Rate Option or Taxable LIBOR Fixed Rate Option, the City hereby certifies (a) that the amount of the draw equals or exceeds \$250,000, (b) that after such draw is made there shall be no more than three draws outstanding that are bearing interest at either the Tax-Exempt LIBOR Fixed Rate Option or Taxable LIBOR Fixed Rate Option, and (c) that the date designated in paragraph 2 above for disbursement is at least three London Banking Days after the delivery of this request for draw.

Dated as of this ____ day of _____, 201_.

CITY OF CAMAS, WASHINGTON

By: _____
Authorized Officer

CERTIFICATION

I, the undersigned, City Clerk of the City of Camas, Washington (the "City"), hereby certify as follows:

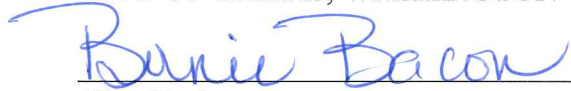
1. The attached copy of Ordinance No. 16.013 (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on July 18, 2016, as that ordinance appears on the minute book of the City.

2. The Ordinance will be in full force and effect five days after publication in the City's official newspaper, which publication date is July 28, 2016.

3. A quorum of the members of the City Council was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Ordinance.

Dated: July 18, 2016.

CITY OF CAMAS, WASHINGTON



City Clerk