

CITY OF CAMAS, WASHINGTON

ORDINANCE NO. 18-011

AN ORDINANCE of the City of Camas, Washington, amending Ordinance No. 2706 and Ordinance No. 16-013, 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, the City Council passed Ordinance No. 16-013, which amended Ordinance No. 2706, to extend the term to August 6, 2018, and change the interest rate on the Note; and

WHEREAS, the City and the Bank agree for clerical purposes to change the maturity date of the current Note to August 8, 2018; 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 July 19, 2018, which is attached as Exhibit A and 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 8, 2018 to August 6, 2020.

Section 2. Changes to Interest Rates. Pursuant to the Proposal, this ordinance shall amend Ordinance No. 16-013, as appropriate, to change the interest rates on the Note. Effective on August 8, 2018, the following defined terms in Ordinance No. 16-013 shall be amended as follows and the rates of interest on the Note shall be calculated as follows:

"Tax-Exempt LIBOR Daily Floating Rate Option" means a rate per year equal to 80% of the LIBOR Daily Floating Rate, plus 0.60%.

"Tax-Exempt LIBOR Fixed Rate Option" means a rate per year equal to 80% 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.

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

“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.

All other provisions of Ordinance Nos. 2706 and 16-013 shall remain unchanged.

The representations made in Section 10(c) of Ordinance No. 2706 remain true and correct as of the date of this ordinance

Section 3. Expenses. The City shall pay (a) the Bank a renewal fee of \$7,000 in connection with the extension of the Note, and (b) reimburse the Bank for its legal fees in the amount of not to exceed \$5,000.

Section 4. 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 5. 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 6th day of August, 2018.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Bond Counsel

EXHIBIT A

Bank Term Sheet Proposal

TERM SHEET PROPOSAL
City of Camas, Washington
July 19, 2018

This Term Sheet Proposal is presented for discussion purposes only. It is not a commitment to lend by Bank of America or any of its affiliates. Bank of America may withdraw or amend it at any time in its sole discretion. If Bank of America does extend a loan commitment, the actual terms and conditions (including pricing and financial covenants) will be subject to completion of due diligence, Bank of America's credit and documentation standards, necessary credit approval, market conditions and other considerations determined by Bank of America in its sole discretion. If selected, credit approval would be available within ten business days.

Borrower:	City of Camas, Washington (the "City" or "Borrower").
Lender:	Bank of America, N.A. (the "Bank").
Credit Facility:	Extension of the 2014 Limited Tax General Obligation Bond Anticipation Note in the amount of \$7,000,000 dated August 6, 2014 (the "Facility").
Purpose:	Proceeds of the Facility shall be used for capital expenditures. Borrower will indicate to the Bank whether each draw is taxable or tax-exempt.
Interest Rate:	<p>Tax-Exempt: LIBOR Daily Floating Rate Option: 80% of LIBOR Daily Floating Rate, plus 0.60%.</p> <p>LIBOR Daily Fixed Rate Option: 80% of LIBOR Fixed Rate, plus 0.60%, for interest periods of one, two, three or six months. Draws must be for minimum amounts of \$250,000 with no more than three draws bearing interest at either the Tax-Exempt LIBOR Fixed Rate Option or Taxable LIBOR Fixed Rate Option outstanding at any one time.</p> <p>Taxable: LIBOR Daily Floating Rate Option: LIBOR Daily Floating Rate, plus 0.95%.</p> <p>LIBOR Daily Fixed Rate Option: LIBOR Fixed Rate, plus 0.95%, for interest periods of one, two, three or six months. Draws must be for minimum amounts of \$250,000 with no more than three draws bearing interest at either the Tax-Exempt LIBOR Fixed Rate Option or Taxable LIBOR Fixed Rate Option outstanding at any one time</p>
Upfront Fee:	\$7,000
Unused Commitment Fee:	No change to the existing unused commitment fee as provided in the Facility.
Repayment:	No change to the existing interest payment schedule as provided in the Bond Anticipation Note. The City shall pay all accrued interest and outstanding principal on the updated Maturity Date set forth below.
Maturity Date:	August 6, 2020 (the "Maturity Date").
Legal Opinion:	Borrower to provide a legal opinion of nationally recognized bond counsel, in form and substance acceptable to Bank and its legal counsel, that the resolution and all documents related to renewal of the Facility have been properly adopted, authorized and executed.

Expenses: Borrower will pay all reasonable costs and expenses associated with the preparation, due diligence, administration and enforcement of all documentation executed in connection with the renewal of the Facility, including the Bank attorney's fees. The Bank will utilize Rudy Salo of Nixon Peabody LLP as its legal counsel. Attorney fees for initial review and approval of documentation are \$5,000.

Other Terms and Conditions: All other terms and conditions remain unchanged.

This Term Sheet Proposal contains confidential and proprietary loan structuring and pricing information. Except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with the credit facilities contained in this Term Sheet Proposal or as may be required by law, the contents of the Term Sheet Proposal may not be disclosed in whole or in part to any other person or entity without consent, provided that nothing herein shall restrict disclosure of information relating to the tax structure or tax treatment of the proposed credit facility.

No Advisory or Fiduciary Role:

The City acknowledges and agrees that: (i) the transaction contemplated by this Summary of Terms and Conditions is an arm's length, commercial transaction between the City and the Bank in which the Bank is acting solely as a principal and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial advisor to the City; (iii) the Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank has provided other services or is currently providing other services to the City on other matters); (iv) the only obligations the Bank has to the City with respect to the transaction contemplated hereby expressly are set forth in this Summary of Terms and Conditions; and (v) the Bank is not recommending that the City take an action with respect to the transaction contemplated by this Summary of Terms and Conditions, and before taking any action with respect to the contemplated transaction, the City should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If the City would like a municipal advisor in this transaction that has legal fiduciary duties to the City, the City is free to engage a municipal advisor to serve in that capacity. This Summary of Terms and Conditions is provided to the City pursuant to and in reliance upon the bank exemption provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 *et seq.*

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. 18-011 (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 August 6, 2018, 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 August ____, 2018.

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: August 6, 2018.

CITY OF CAMAS, WASHINGTON

City Clerk