

RESOLUTION NO. 2020-07

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF CHELAN COUNTY, WASHINGTON, AMENDING RESOLUTION NO. 2018-07 TO MODIFY THE INTEREST RATE AND AMEND THE TERMS OF THE PORT'S LIMITED TAX GENERAL OBLIGATION BOND, 2018 (TAXABLE) HELD BY BANNER BANK.

WHEREAS, the Port Commission (the "Commission") adopted Resolution No. 2018-07 on July 3, 2018, providing for the issuance of the Port's Limited Tax General Obligation Bond, 2018 (Taxable) (the "Bond"), in the aggregate principal amount of \$3,000,000 for the purpose of financing the acquisition of a building located in the Pangborn Memorial Airport Industrial Park; and

WHEREAS, the Port issued and sold the Bond to Banner Bank, Wenatchee, Washington (the "Bank") on August 3, 2018; and

WHEREAS, the building acquisition was not completed by the Port due to changed circumstances and the proceeds of the Bond were used to construct and equip industrial buildings located at the Cashmere Mill District Business Park within the Port; and

WHEREAS, the Port has received a proposal from the Bank dated April 21, 2020 (the "Proposal") to modify the terms of the amend the terms of the Bond to effect a decrease in the interest rate; and

WHEREAS, it is now in the best interests of the Port to accept the Bank's Proposal;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF CHELAN COUNTY, WASHINGTON, as follows:

Section 1. Amendment to Resolution No. 2018-07. Section 1 of Resolution No. 2018-07 is hereby amended to read as follows (additions are double underscored and deletions are shown as stricken text):

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings, unless a different meaning clearly appears from the context.

Acquisition means the construction and equipping of industrial buildings within the Port of a building and ~~associated leasehold interests, and equipment~~ as described in Section 2 of this resolution.

Adjustment Date means June 1, ~~2024~~2023, June 1, ~~2029~~2028, and June 1, ~~2034~~2033.

Adjusted Fixed Rate means, as of each Adjustment Date, the lower of (a) the then-current Federal Home Loan Bank (FHLB) of Des Moines five-year Long-Term Fixed Rate Advances Bullet Index, published thirty days prior to the Adjustment Date, plus 1.20%; or (b) the Interest Rate Cap; provided, however, that, notwithstanding the foregoing, the Adjusted Fixed Rate shall not be less than the Interest Rate Floor.

Bank means Banner Bank, and any business successor thereto.

Bond means the Port of Chelan County, Washington, Limited Tax General Obligation Bond, 2018 (Taxable) in the principal amount of \$3,000,000, issued pursuant to this resolution.

Bond Fund means the Port of Chelan County General Obligation Bond Redemption Fund created or maintained in the office of the Treasurer, as provided in Section 9 of this resolution.

Bond Register means the registration books showing the name, address and tax identification number of the registered owner of the Bond.

Bond Registrar, initially, means the Treasurer who will register and authenticate the Bond, maintain the Bond Register, effect transfer of ownership of the Bond and pay principal of and interest on the Bond. At any time following the issuance of the Bond, however, the Treasurer may determine to appoint a different Bond Registrar, including, but not limited to the fiscal agent of the State of Washington. The term ***Bond Registrar*** also shall include any successor Bond Registrar appointed by the Treasurer as permitted by law.

Commission means the legislative body of the Port, or any successor thereto as provided by law.

Commitment Letter means the commitment letter from the Bank, dated June 12, 2018, submitted to the Port to purchase the Bond, as approved pursuant to Section 11 of this resolution.

Date of Issue means the date of original issuance and delivery of the Bond to the Bank on August 3, 2018.

Designated Port Representative means the Executive Director of the Port or such other person as may be directed by resolution of the Commission.

Initial Fixed Rate means the fixed rate of 4.19% per annum from August 3, 2018 through May 31, 2020 and the fixed rate of 2.49% as of June 1, 2020, which rate shall remain in effect until the first Adjustment Date.

Interest Rate Cap means the maximum interest rate to be in effect beginning on each Adjustment Date, which shall be equal to (a) 5.79% per annum, during years six through ten of the Bond, (b) 7.29% per annum, during years eleven through fifteen of the Bond; and (c) 8.29% per annum, during years sixteen through twenty of the Bond.

Interest Rate Floor means the minimum interest rate to be in effect beginning on each Adjustment Date, which shall not be less than 2.49% 4.19%.

Maturity Date means the twentieth anniversary of the Date of Issue, or if such date is not a business day, the next preceding business day.

Port means the Port of Chelan County, Washington, a political subdivision duly organized and existing under and by virtue of the laws of the State of Washington.

Treasurer means the office/officer of the Port designated to perform the functions identified in RCW 53.36.010 or any other public officer as may hereafter be designated pursuant to law to have the custody of Port funds~~the Chelan County Treasurer, as *ex officio* treasurer of the Port, or any successor to the functions of the Treasurer.~~

Section 2. Amendment to Resolution No. 2018-07. Section 2 of Resolution No. 2018-07 is hereby further amended to read as follows (additions are double underscored and deletions are shown as stricken text):

Section 2. Acquisition. Due to changed circumstances, proceeds of the Bond were used to construct and equip industrial buildings located at the Cashmere Mill District Business Park within the Port (the "Acquisition"). ~~The Port intends to undertake the purchase of a building, totaling approximately 64,305 square feet, and associated leasehold interests, and equipment located at Pangborn Memorial Airport (the "Acquisition").~~ The cost of the Acquisition is estimated to be in excess of \$4,000,000. All or a portion of the cost of the Acquisition will be paid from the proceeds of the hereinafter authorized Bond. At the time of acquisition, the Port will loan \$500,000 to Pangborn Memorial Airport for its acquisition of a second building previously owned by Executive Flight.

Section 3. Amendment to Resolution No. 2018-07. Section 7 of Resolution No. 2018-07 is hereby further amended to read as follows (additions are double underscored and deletions are shown as stricken text):

Section 7. Form of Bond. The Bond shall be reissued in substantially the following form in exchange for the Bond delivered at the original Date of Issue and provided, however, that the Bond delivered in exchange will be issued with the changes shown below:

UNITED STATES OF AMERICA

NO. R-1

\$3,000,000

STATE OF WASHINGTON
PORT OF CHELAN COUNTY
LIMITED TAX GENERAL OBLIGATION BOND, 2018 (TAXABLE)

INTEREST RATE: initially, 4.19% per annum from August 3, 2018 through May 31, 2020 and the fixed rate of 2.49% as of June 1, 2020, for the first five year period, then subject to the Adjusted Fixed Rate, as set forth in the Bond Resolution (defined below)

MATURITY DATE: August 3 _____, 2038

REGISTERED OWNER: BANNER BANK
501 N. MISSION STREET
WENATCHEE, WA 98801

TAX IDENTIFICATION #: 91-1645638

PRINCIPAL AMOUNT: THREE MILLION AND NO/100 DOLLARS

THE PORT OF CHELAN COUNTY, WASHINGTON (the "Port"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount specified above, together with interest thereon, at the Initial Fixed Rate. Principal and interest shall be repaid in semiannual installments, commencing on December 1, 2018, and on each June 1 and December 1 thereafter, with the final payment of outstanding principal and interest thereon at final maturity of this bond. The Initial Fixed Rate and installment payments shall be adjusted on the Adjustment Date to the Adjusted Fixed Rate, in accordance with the terms set forth in Resolution No. 2018-07, adopted by the Port Commission on July 3, 2018, as amended by Resolution No. 2020-07, adopted by the Port Commission on April 28, 2020 (collectively, the "Bond Resolution"). The initial amortization installments, as amended pursuant to Resolution No. 2020-07, are set forth on Schedule 1, attached hereto. Interest shall be calculated on the basis of the actual number of days elapsed over a year of 360 days.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Installments of the principal of and interest on this bond shall be paid by check or draft of the Treasurer of Chelan County, as *ex officio* treasurer of the Port, or any successor to the functions of the Treasurer (the "Bond Registrar") mailed on the date such principal and interest is due or by electronic funds transfer made on the date such principal and interest is due to the Registered Owner. Upon payment by the Port of the final installment of principal and all accrued interest on this bond, the Registered Owner shall present and surrender this bond at the principal office of the Bond Registrar for cancellation.

This bond is issued pursuant to the Bond Resolution, to provide funds for the purpose of constructing and equipping of industrial buildings within the Port of property located in the Pangborn Memorial Airport Industrial Park and to pay costs of issuance. Capitalized terms appearing on this bond and not otherwise defined herein shall have the meanings given such terms in the Bond Resolution.

The Port reserves the right to prepay principal of this bond in advance of the scheduled payments, in whole or in part, on any Payment Date, with no prepayment penalty. The Port shall provide the Bank with 15 days prior notice of any prepayment.

This bond is not transferable, except in whole to another financial institution.

The Port has taken no action to cause the interest on this bond to be exempt from federal income taxation.

The Port hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the Port within the levy limits permitted to the Port without a vote of the electors and in amounts sufficient, with other monies 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 Port are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to maturity of this bond by making provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the 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 resolutions duly adopted by the Port Commission including the Bond Resolution.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond 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 Port may incur.

IN WITNESS WHEREOF, the Port of Chelan County, Washington, has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission and the seal of the Port imprinted, impressed or otherwise reproduced hereon originally dated August 3, 2018, and reissued as of the _____ day of _____, ~~2020~~ 2018.

[SEAL]

PORT OF CHELAN COUNTY,
WASHINGTON

By _____ /s/_____
President, Port Commission

ATTEST:

_____/s/_____
Secretary, Port Commission

The Registrar's Certificate of Authentication on the Bond shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is the Bond described in the within-mentioned Bond Resolution and is the Limited Tax General Obligation Bond, 2018 (Taxable) of the Port of Chelan County, Washington, originally dated August 3_____, 2018, and reissued on_____, 2020.

~~CHELAN COUNTY~~-TREASURER OF THE
PORT OF CHELAN COUNTY, as Bond
Registrar

By Monica Haugh
Chelan County-Treasurer

* * * * *

SCHEDULE 1

AMORTIZATION SCHEDULE, AS AMENDED
PURSUANT TO THE BANK PROPOSAL

Section 4. Bank Proposal. The Port hereby approves and accepts the Bank's Proposal.

Upon closing, reissuance and delivery of the Bond, the Port shall pay to the Bank an amount of

\$2,500.00 for its costs in connection with the reissuance and rate modification, which payment shall be made by check, wire transfer or other mutually acceptable means to the Bank.

Section 5. Confirmation of Resolution No. 2018-07, as amended. Resolution No. 2018-07, as amended by this amendatory resolution is hereby ratified and confirmed.

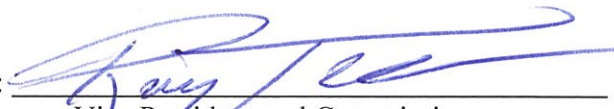
Section 6. Authorization of Port Officials. The proper Port officials are authorized to deliver a new Bond to the Bank reflecting the terms of this amendatory resolution.

Section 7. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED AND APPROVED at a regular meeting of the Commission of the Port of Chelan County, Washington held this 28th day of April, 2020.

PORT OF CHELAN COUNTY, WASHINGTON

By: 
President and Commissioner

By: 
Vice President and Commissioner

By: 
Secretary and Commissioner

CERTIFICATE

I, the undersigned, Secretary of the Commission (the “Commission”) of the Port of Chelan County, Washington (the “Port”) and keeper of the records of the Commission, DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 2020-07 of the Commission (the “Resolution”), duly adopted at a regular meeting thereof held on the 28th day of April, 2020; 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 Commission voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly 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 28th day of April, 2020.


Secretary, Commission