

CITY OF CAMAS, WASHINGTON

ORDINANCE NO. 20-004

AN ORDINANCE of the City of Camas, Washington, amending Ordinance Nos. 2706, 16-013 and 18-011, to extend the term, change the interest rates and the fees on the unused portion of the Bank's commitment, and add covenants to 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 Council passed Ordinance No. 18-011, which amended Ordinance Nos. 2706 and 16-013, to extend the term to August 6, 2020, and change the interest rate on the Note; and

WHEREAS, the City and the Bank agree to change the maturity date of the current Note to August 8, 2022; and

WHEREAS, it is in the best interest of the City to extend the term, change the interest rates of the Note and the fees on the unused portion of the Bank's commitment, and to add covenants, all pursuant to the proposal of the Bank dated June 12, 2020, 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 6, 2020 to August 8, 2022.

Section 2. Changes to Interest Rates. Pursuant to the Proposal, this ordinance shall amend Ordinance No. 18-011, as appropriate, to change the interest rates on the Note. Effective on August 6, 2020, the following defined terms in Ordinance No. 18-011 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 1.20%.

“*Tax-Exempt LIBOR Fixed Rate Option*” means a rate per year equal to 80% of the LIBOR Fixed Rate, plus 1.20%. 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 1.50%.

“*Taxable LIBOR Fixed Rate Option*” means a rate per year equal to the LIBOR Fixed Rate plus 1.50%. 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.

The above rate options are subject to a LIBOR Daily Floating Rate or LIBOR Fixed Rate floor of 0.75%.

If the LIBOR rate for any of the above rate options is not available at such time for any reason, then the rate for that interest period will be determined by such alternative method as reasonably selected by the Bank. The Bank shall provide the City prompt notice if the rate is unavailable and of the new rate.

Section 3. Changes to Fees. Effective on August 6, 2020, the fee for the unused portion of the Bank’s commitment described in Ordinance No. 2706 shall be amended to equal 0.65% 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 August 6, 2020, on the basis of actual number days elapsed in a 360-day year.

Section 4. Update to Covenants. Pursuant to the Proposal, this ordinance shall amend Ordinance No. 2706, as appropriate, to add as Section 10(d) to the “Reporting Requirements; Covenants” section as follows:

(d) USA Patriot Act. The Bank hereby notifies the City that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Act”), it is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Act. The City shall, within a reasonable time period following a written request by the Bank, provide all documentation and other information that the Bank reasonably requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Act.

The City will not request a Loan, and the City shall not use, the proceeds of any Request for Draw (i) in violation of any anti-corruption laws or (ii) in any manner that would result in the violation of any anti-corruption sanctions applicable the City.

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

Section 5. Pursuant to the Proposal, this ordinance shall amend Ordinance No. 2706, as appropriate, to add Section 18 thereto as follows:

Section 18. QFC Provisions. To the extent that this ordinance provides support, through a guarantee or otherwise, for any agreement or instrument that is a QFC (such support, “QFC Credit Support,” and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that this ordinance and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) *Acknowledgment Regarding Supported QFCs.* In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this ordinance that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and this ordinance were governed by the laws of the United States or a state of the United States.

(b) *Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings with Respect to Any Supported QFCs.* Notwithstanding anything to the contrary in this ordinance or any other agreement, but without prejudice to the requirements of the preceding paragraph (a), Default Rights under this ordinance that might otherwise apply to a Supported QFC or any QFC Credit

Support may not be exercised against a Covered Party if such Default Rights are related, directly or indirectly, to a BHC Act Affiliate of such Covered Party becoming subject to Insolvency Proceedings, except to the extent such exercise would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a Covered Party has become subject to Insolvency Proceedings, if any party to this ordinance, any Supported QFC or any QFC Credit Support seeks to exercise any Default Right against such Covered Party with respect to such Supported QFC or such QFC Credit Support, the party seeking to exercise such Default Right shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

For purposes of the above section, the following terms have the following definitions:

“*BHC Act Affiliate*” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“*Covered Entity*” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Default Right*” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“*Insolvency Proceeding*” means a receivership, insolvency, liquidation, resolution, or similar proceeding.

“*QFC*” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).”

All other provisions of Ordinance Nos. 2706, 16-013 and 18-011 shall remain unchanged.

Section 6. Expenses. In addition to the change to the fees related to the unused portion of the Bank’s commitment described in Section 3, 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 7. 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 8. 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 20th day of July, 2020.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Bond Counsel

EXHIBIT A

Bank Term Sheet Proposal

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. _____ (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 20, 2020, as that ordinance appears on the minute book of the City.

2. That in accordance with Proclamation 20-28 made by the Governor of the State of Washington on March 24, 2020, as extended, and acts of the legislative leadership of the State of Washington, (a) such meeting was not conducted in person, and (b) one or more options were provided for the public to attend the such meeting remotely, including by telephone access, which mean(s) of access provided the ability for all persons attending the meeting remotely to hear each other at the same time; and

3. The Ordinance will be in full force and effect five days after publication in the City’s official newspaper, which publication date is expected to be _____, 2020.

4. 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.

5. That all other requirements and proceedings incident to the proper adoption of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

Dated: July 20, 2020.

CITY OF CAMAS, WASHINGTON

City Clerk