

ORDINANCE NO. 1606

AN ORDINANCE OF THE CITY OF LYNDEN, WASHINGTON,
FURTHER AMENDING ORDINANCE NO. 1231 TO EXTEND THE
MATURITY OF THE CITY'S REVENUE BOND ANTICIPATION
NOTE, 2005A (REVOLVING) AND ITS LIMITED GENERAL
OBLIGATION BOND AND GRANT ANTICIPATION NOTE, SERIES
2005B (REVOLVING).

WHEREAS, the City of Lynden, Washington (the "City") adopted Ordinance No. 1231 on May 2, 2005, providing for the issuance of the City's Revenue Bond Anticipation Note, Series 2005A (Revolving) ("Note-2005A") and its Limited Tax General Obligation Bond and Grant Anticipation Note, Series 2005B (Revolving) ("Note-2005B" and together with the Note-2005A, the "Notes"), originally issued on May 13, 2005 and both having an original date of May 13, 2006, in the aggregate principal amount of not to exceed \$5,000,000 for the purpose of making improvements to facilities of the City, in anticipation of loans and grants specified therein; and

WHEREAS, subsequent to May 13, 2005, the City passed Ordinance No. 1261 extending the maturity and changing the interest rate, Ordinance No. 1295 increasing the maximum amount, extending the maturity and changing the interest rate, Ordinance No. 1319 extending the maturity and changing the interest rate, Ordinance No. 1355 extending the maturity and changing the interest rate, Ordinance No. 1376 extending the maturity and changing the interest rate, Ordinance No. 1400 extending the maturity and changing the interest rate, Ordinance No. 1420 extending the maturity and changing the interest rate, Ordinance No. 1444 extending the maturity and changing the interest rate, Ordinance No. 1467 decreasing the maximum amount, extending the maturity and changing the interest rate; Ordinance No. 1485 extending the maturity; Ordinance No. 1510 extending the maturity and changing the interest rate, Ordinance 1534 extending the maturity and changing the interest rate, Ordinance 1558 extending the maturity and changing the interest rate, and Ordinance 1588 extending the maturity; and

WHEREAS, the Notes were reissued on July 31, 2019 to Banner Bank, Burlington, Washington, as successor to Skagit State Bank (the "Bank"); and

WHEREAS, the City has received a proposal from the Bank dated June 22, 2020 (the "Proposal") to further extend the maturity of the Notes and increase the maximum principal amount upon certain conditions; and

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

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNDEN, WASHINGTON, DOES ORDAIN, as follows:

Section 1. Amendment to Ordinance No. 1231. Section 3 of Ordinance No. 1231 as amended by Ordinance Nos. 1261, 1295, 1319, 1355, 1376, 1400, 1420, 1444, 1467, 1485, 1510, 1534, 1558 and 1588 is hereby further amended to read as follows (additions are underscored and deletions are shown as stricken):

(c) Terms of the Note-2005A. The Note-2005A shall be designated as the "City of Lynden, Washington Revenue Bond Anticipation Note, 2005A (Revolving)," shall be dated as of the date of its original issuance, shall be issued as a single instrument, fully registered as to both principal and interest, shall be in the denomination of not to exceed ~~\$1,850,000~~ \$2,100,000; subject, however, to the further limitation that the aggregate principal amount outstanding of the Note-2005A and the Note-2005B (hereinafter authorized) may not at any time exceed the sum of ~~\$1,850,000~~ \$2,100,000, shall be numbered N-1A and shall bear interest at fixed interest rate of 2.85% to May 13, 2006 and delivery, the fixed rate of 4.16% from May 13, 2006 through May 11, 2007 and the fixed rate of 3.95% from May 12, 2007 to May 13, 2008 and the fixed rate of 2.90% from May 13, 2008 to May 13, 2009 and the fixed rate of 2.75% from May 13, 2009 to May 13, 2010 and the fixed rate of 2.75% from May 13, 2010 to June 22, 2011 and the fixed rate of 2.25% from June 23, 2011 to June 26, 2012 and the fixed rate of 2.15% from June 27, 2012 to June 23, 2013 and the fixed rate of 2.05% from June 24, 2013 to July 23, 2014 and the fixed rate of 2.15% from July 24, 2014 to July 24, 2016 and the fixed rate of 2.31% from July 25, 2016 to July 27, 2017 and the fixed rate of 2.81% from July 28, 2017 to July 30, 2018 and the fixed rate of 3.75% from July 31, 2018 to July 30, 2020 and the fixed rate of 3.64% from July 31, 2020 to final maturity (computed on the basis of the actual number of days elapsed over a year of 360 days) on the unpaid principal balance and the outstanding principal balance and all unpaid and accrued interest shall be payable in full at maturity on ~~July 31, 2020~~ July 31, 2021. The interest rate on Note-2005A is subject to adjustment as follows: if the interest on Note-2005A is subsequently determined to be no longer federally tax-exempt, then the interest rate on Note-2005A shall be adjusted to 4.64% effective as of the date of loss of tax-exempt status.

(d) Terms of the Note-2005B. The Note-2005B shall be designated as the "City of Lynden, Washington Limited General Obligation Bond and Grant Anticipation Note, 2005B (Revolving)," shall be dated as of the date of its original issuance, shall be issued as a single instrument, fully registered as to both principal and interest, shall be in the denomination of not to exceed ~~\$1,850,000~~ \$2,100,000; subject, however, to the further limitations that the aggregate principal amount outstanding of the Note-2005A and the Note-2005B may not at any time exceed the sum of ~~\$1,850,000~~ \$2,100,000 and that the aggregate principal amount outstanding of the Note-2005B may not exceed LGO Capacity as of the date of any Draw made thereunder, shall be numbered N-1B and shall bear interest at the fixed rate of 2.85% to May 13, 2006, the fixed rate of 4.16% from May 13, 2006 through May 11, 2007 and the fixed rate of 3.95% from May 12, 2007 to May 13, 2008 and the fixed rate of 2.90% from May 13, 2008 to May 13, 2009 and the fixed rate of 2.75% from May 13, 2009 to May 13, 2010 and the fixed rate of 2.75% from May 13, 2010 to June 22, 2011 and the fixed rate of 2.25% from June 23, 2011 to June 26, 2012 and the fixed rate of 2.15% from June 27, 2012 to June 23, 2013 and the fixed rate of 2.05% from June 24, 2013 to July 23, 2014 and the fixed rate of 2.15% from July 24, 2014 to July 24, 2016 and the fixed rate of 2.31% from July 25, 2016 to July 27, 2017 and the fixed rate of 2.81% from July 28, 2017 to July 30, 2018 and the fixed rate of 3.75% from July 31, 2018 to July 30, 2020 and the fixed rate of 3.64% from July 31, 2020 to final maturity (computed on the basis of the actual number of days elapsed over a year of 360 days) on the unpaid principal balance, and the outstanding principal balance and all unpaid and accrued interest shall be payable in full at maturity on ~~July 31, 2020~~ July 31, 2021.

The interest rate on Note-2005B is subject to adjustment as follows: if the interest on Note-2005B is subsequently determined to be no longer federally tax-exempt, then the interest rate on Note-2005B shall be adjusted to 4.64% effective as of the date of loss of tax-exempt status.

(e) Draws. The Notes are intended to be revolving obligations; however, the principal amount outstanding under the Notes may never exceed ~~\$1,850,000~~ \$2,100,000, and, provided, further, the aggregate principal amount of any Draw made under the Note-2005B (together with all other principal amounts then outstanding under the Note-2005B) may never exceed LGO Capacity as of the date of the Draw. The available principal of the Notes shall be disbursed as borrowings and re-borrowings from time to time by the Bank upon request from the City (each such disbursement herein referred to as a "Draw"). Draws shall be recorded on the Loan Draw Record attached to the respective Note, or in such other form as the City and the Bank may agree. Interest on each Draw shall accrue from the date of that Draw and shall be computed on the basis as described above on the principal amount of the Draw outstanding for the actual number of days the principal amount of the Draw is outstanding. The City hereby covenants that it will never request a Draw under the Note-2005B if the amount of that Draw, together with the principal balance then outstanding would exceed LGO Capacity. The LGO Capacity as of the date of this ordinance, pledged and committed to be available for the Note-2005B is \$17,181,918, and the Bank may rely upon this representation until the City delivers written notice of a change in LGO Capacity.

Section 2. Bank Proposal. The City hereby approves and accepts the Bank Proposal.

Section 3. Information to be Provided to Bank. As long as the Notes are outstanding, the City will provide to the Bank the financial information of the City as the Bank from time to time may reasonably request, including the City's annual financial statements/reports, audit reports, and audited financial statements, as available.

Section 4. Confirmation of Ordinance 1231, as amended. Ordinance No. 1231, as amended by Ordinance Nos. 1261, 1295, 1319, 1355, 1376, 1400, 1420, 1444, 1467, 1485, 1510, 1534, 1558, 1588 and as further amended by this amendatory ordinance is hereby ratified and confirmed.

Section 5. Authorization of City Officials. The proper City officials are authorized to deliver new Notes to the Bank reflecting the terms of this amendatory ordinance.

Section 6. Effective Date. This ordinance shall be in effect five days after its publication as provided by law.

PASSED BY THE CITY COUNCIL BY AN AFFIRMATIVE VOTE, _____ IN FAVOR, _____ AGAINST AND SIGNED BY THE MAYOR THIS _____ DAY OF JULY, 2020.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY