

Staff Report

To: Mayor Thornton, La Center City Council
From: Suzanne Levis, Finance Director
Date: January 25, 2017
Re: Bond Ordinance

Nancy Neraas, from Foster Pepper is the City's Bond Counsel and will be presenting the Bond Ordinance. Luke Pingel, VP, Columbia Bank will also be present for any questions.

Below is a summary of Bond Ordinance:

1. The issuance of up to \$5,000,000 of a special revenue bond to finance the extension of sewer service from the wastewater treatment facility to the western City boundaries (Project).
2. Fixing the terms of the bond. The bond will be purchased by Columbia Bank, bear interest at a variable rate, mature in three years, have interest only payable for the first year and principal and interest payable the last two years.
3. Establish a bond fund to be held by U.S. Bank, as depositary. The bond is payable solely from payments received by the depositary from the Cowlitz Tribal Gaming Authority (CTGA) under the Payment Agreement and, if CTGA does not have sufficient funds, from the Mohegan Tribal Gaming Authority (MTGA) under the Guaranty Agreement. The ordinance also establishes a reserve account into which will be deposited approximately 10% of the bond proceeds. The bond is not a general obligation of the City or an obligation of any governmental fund or utility or system of the City.
4. Approves the following documents relating to the bond:
 - a. The Payment Agreement pursuant to which CTGA agrees to make Payments, including all debt service on the bond and other costs relating to the bond.
 - b. The Guaranty Agreement pursuant to which MTGA agrees to make all Payments to the extent that CTGA does not make those payments.
 - c. The Assignment Agreement assigns the Payment and Guaranty Agreements from the City to the Bank with the exception of the City's right to any Payments owing the City. If CTGA or MTGA fail to make a Payment when due, the Bank has the exclusive right to take all action against CTGA or MTGA to enforce such payment (except the City may enforce any payments owed directly to the City). The Agreement specifies the City's limited obligations with respect to the bond.

d. Depositary Agreement pursuant to which the Depositary agrees to maintain the bond fund, receive payments from CTGA and MTGA and use such funds to repay the bond.

e. Contribution Agreement with CTGA pursuant to which CTGA agrees to pay all costs of the Project not covered by bond proceeds.

f. Contribution Agreement with MTGA pursuant to which MTGA agrees to pay all costs of the Project not covered by bond proceeds to the extent that CTGA does not pay for those extra costs.

5. States that it supersedes the Financing Agreement dated June 28, 2016, establishes a project fund for deposit of bond proceeds, includes provisions regarding the tax-exempt status of the bond, and provides for various other matters relating to the bond.

Motion:

I make a motion to approve Ordinance No. 2017-01 for the issuance and sale of a Special Revenue Bond in the principal amount of \$5,000,000 to finance a sewer extension project; fixing the form and terms of the bond and providing for the sale of the bond to Columbia Bank.



ORDINANCE NO. 2017-01

**AN ORDINANCE OF THE CITY OF LA CENTER, WASHINGTON,
PROVIDING FOR THE ISSUANCE AND SALE OF A SPECIAL
REVENUE BOND IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED
\$5,000,000 TO FINANCE A SEWER EXTENSION PROJECT; FIXING
THE FORM AND TERMS OF THE BOND; AND PROVIDING FOR THE
SALE OF THE BOND TO COLUMBIA STATE BANK; SUPERSEDING
THE FINANCING AGREEMENT; AND APPROVING VARIOUS
AGREEMENTS RELATING TO THE PROJECT**

The La Center City Council adopts the following findings:

WHEREAS, the City of La Center, Washington (the “City”), the Cowlitz Tribal Gaming Authority (“CTGA”), the Mohegan Tribal Gaming Authority (“MTGA”), Columbia State Bank (the “Bank”) and the Cowlitz Indian Tribe (the “Tribe”) entered into a Financing Agreement dated June 28, 2016 (the “Agreement”) pursuant to which the City agreed to construct an extension of sewer service from the City’s wastewater treatment facility to the western edge of the City’s municipal boundary (the “Project”) and to issue a bond to finance the Project (the “Bond”), and the Tribe and CTGA agreed to pay the costs for the Project, including the amounts necessary to pay principal and interest on the Bonds when due; and

WHEREAS, the Agreement provides that the City will establish a Bond Fund to be held by a Depository into which Revenues will be deposited; and

WHEREAS, Chapter 35.41 RCW authorizes cities to issue revenue bonds payable from revenues of any utility or facility specified in an ordinance creating a special fund; and

WHEREAS, the City has received a proposal from the Bank to purchase the Bond;

NOW THEREFORE, the City Council of the City of La Center, Washington, ordains as follows:

Section 1. Definitions. In addition to the definitions in the Whereas clauses, as used in this ordinance the following words shall have the following meanings:

“*Agreement*” means the Financing Agreement dated June 28, 2016 between the City, CTGA, MTGA, the Tribe and the Bank.

“*Bond*” means the Special Revenue Bond, 2016 issued pursuant to and for the purposes provided in this ordinance.

“*Bond Fund*” means the special fund of the City known as the Special Revenue Bond Fund authorized to be created pursuant to this ordinance and held by the Depository for the payment of principal of and interest on the Bond.

“*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of the Bond.

“*Bond Registrar*” means the Depository, or any successor Bond registrar selected by the City.

“*Business Day*” means any day other than a Saturday, Sunday or other day that the Bank’s offices or the Depository’s corporate trust office are closed.

“*City*” means the City of La Center, Washington, a municipal corporation duly organized and existing under the laws of the State.

“*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

“*Depository*” means U.S. Bank National Association or any successor Depository.

“*Depository Agreement*” means the agreement among the City and the Depository.

“*Determination of Taxability*” means (a) a determination by the Internal Revenue Service, (b) a court ruling, or (c) receipt by the Owner of written advice from nationally recognized bond counsel that the interest on the Bond is not excluded from gross income for federal income tax purposes of the Owner; provided that no such Determination of Taxability under clause (a) or (b) shall be deemed to have occurred if any party with a valid interest has elected to contest such determination in good faith and is proceeding with all applicable dispatch to prosecute such contest until the earliest of (i) a final determination from which no appeal may be taken with respect to such determination, or (ii) abandonment of such appeal by any such party.

“*Guaranty*” means the Guaranty Agreement between the City and MTGA.

“*LIBOR Rate*” means, as of any date of determination, the interest rate per annum equal to the one month London interbank offered rate two Business Days prior to the first day of each month (as set forth in the following two sentences) as published in the "Market Data Center" section of the website for The Wall Street Journal (www.wsj.com); provided however, that (i) in no event shall the LIBOR Rate be less than 0.00%, and (ii) if the Bank reasonably determines at any time that adequate means do not exist for ascertaining the LIBOR Rate, then the Bond will bear interest at the “Columbia Bank Base Rate” plus a margin of 1.50%, at the Bank’s sole discretion, until such time as the LIBOR Rate can be ascertained by the Bank. The LIBOR Rate shall be determined by the Bank on the date the Bond is delivered to the Bank and each month thereafter on the first day of each month thereafter. If such date falls on a day that is not a business day, then the Bank shall determine the LIBOR Rate on the business day immediately preceding such date, effective as of the first day of such month.

“*Owner*” means the person in whose name the Bond is registered on the Bond Register and who has the beneficial interest in the Bond, which initially will be the Bank.

“*Payments*” means monthly payments to be paid by CTGA under the Payment Agreement or MTGA under the Guaranty Agreement, which payments will consist of (i) the monthly principal payments due on the Bond as set forth in Section 2, (ii) the monthly interest payments due on the Bond as set forth in Section 2, as such interest rate changes from time to time, (iii) all fees and expenses of the Depository, including any indemnification of the Depository, as set forth in the Depository Agreement, (iv) any amounts necessary to replenish the Reserve Account to 10% of the then outstanding principal amount of the Bond; (v) all fees and expenses of the City and the Bank to enforce obligations under the Payment Agreement and the Guaranty Agreement and (vi) all principal and interest on the Bond that are due upon an optional or mandatory prepayment of the Bond. Attached to this ordinance is an illustrative schedule showing payments under (i) and (ii) in the prior sentence, which is subject to change monthly as the variable rate of the Bond resets and is subject to change based on a Determination of Taxability or failure to make a payment when due as set forth in Section 3.

“*Payment Agreement*” means the Payment Agreement between the City and CTGA.

“*Permitted Investments*” means any investments or investment agreements permitted for cities under the laws of the State of Washington as amended from time to time.

“*Project Fund*” means the fund created by the Finance Director to be held in an account at the Bank for the purpose of depositing Bond proceeds to be used to carry out the Project.

“*Reserve Account*” means the debt service reserve account to be held in an account at the Bank authorized to be created by the Finance Director.

“*Revenue*” means all Payments received by the Depository from CTGA under the Payment Agreement and from MTGA under the Guaranty Agreement.

“*State*” means the State of Washington.

Section 2. Authorization of the Bond; Payment, Registration and Transfer. For the purpose of providing financing for the Project, the City authorizes the issuance of its special revenue bond in the principal amount of not to exceed \$5,000,000 (the “Bond”). The Treasurer may issue the final Bond in an amount less than \$5,000,000. The Bond shall be designated as the “City of La Center, Washington Special Revenue Bond, 2017,” shall be dated as of the date of delivery thereof to the Bank, and shall mature three years from its dated date (the “Maturity Date”).

The Bond shall bear interest at a variable rate equal to the LIBOR Rate plus 3.20% per annum. Interest shall be calculated on a basis of a 360-day year of 12 30-day months. Payments representing interest on the Bond shall be payable monthly for the first 12 months from its dated date and thereafter monthly payments representing principal plus interest shall be paid based on a level 10-year amortization of principal, with all remaining principal due on the Maturity Date. Payments shall be due on the 1st day of each month, beginning the month determined by the Finance Director and Bank. No later than one Business Day following the 16th day of each

calendar month, the Bank shall notify the City, CTGA and the Depository of Payments coming due on the 1st day of the next succeeding calendar month. At the Bank's election (1) if a payment of the principal of or interest on the Bond is not paid when due or (2) in the event of a Determination of Taxability, the interest rate on the Bond may be increased to a rate arrived at by dividing the interest rate then in effect by 0.66.

The Bond shall be issued in fully registered form. Both principal of and interest on the Bond shall be payable in lawful money of the United States of America. The Depository is appointed to act as Bond Registrar for the Bond. The Bond shall be purchased only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Bond Registrar (the "Bond Register"). The Bond Register shall contain the name and mailing address of the Owner. The Bond may be assigned or transferred by the Owner only in whole and only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. The Bond 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 the Bond is issued. When the Bond has been paid in full, both principal and interest, it shall be surrendered by the Owner to the Bond Registrar, who shall cancel such Bond.

The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration of the Bond. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this ordinance, to serve as the City's paying agent for the Bond and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for the representations contained in the Bond Registrar's Certificate of Authentication on the Bond.

Section 3. **Prepayment.** The City reserves the right and option to prepay all or a portion of the outstanding principal on the Bond prior to the Maturity Date, at par plus accrued interest on the principal portion to be prepaid to the date fixed for prepayment, whenever there shall be sufficient money in the Bond Fund or Reserve Account following 30 days' notice of such prepayment to the Depository and Bank. Interest on the principal portion of the Bond so prepaid shall cease to accrue on the date of any such prepayment. The Bond is subject to mandatory prepayment in whole if the Owner provides written notice to the City and the Depository that an Event of Default has occurred under either the Payment Agreement or the Guaranty Agreement and such Event of Default has remained uncured for five Business Days, in which case the City shall direct the Depository and the Bank to use all money in the Bond Fund and the Reserve Account, respectively, together with other funds paid by CTGA and MTGA, to prepay the Bond.

Section 4. Appointment of Depositary; Bond Fund.

A. Appointment of Depositary. U.S. Bank National Association is appointed to act as Depositary and to hold the Bond Fund, which is hereby authorized to be created by the Depositary on behalf of the City. Amounts on deposit in the Bond Fund shall be drawn upon only for the purpose of paying the principal of and interest on the Bond. As provided in the Agreement and Payment Agreement, CTGA is responsible for paying the Payments, which payments include all fees of the Depositary. The City is authorized to enter into the Depositary Agreement, which shall specify the use of the money in the Bond Fund to pay the Owner, the role of the Depositary, and the investment of the funds.

B. Bond Fund. The City hereby agrees to establish and maintain with the Depositary a Bond Fund to be used solely to pay principal of and interest on the Bond. The Depositary shall pay all amounts received from CTGA or MTGA to the Owner of the Bond, which initially is the Bank, by wire transfer at the account provided by the Owner to the Depositary.

C. Reserve Account. The City shall create the Reserve Account to be held at the Bank and into which shall be deposited 10% of proceeds of the Bond. The City will draw on the Reserve Account to pay principal and or interest on the Bond if CTGA or MTGA fails to make a Payment when due. At the option of the Bank, amounts in the Reserve Account shall be held uninvested or may be invested by the Finance Director in Permitted Investments as directed by the Finance Director. Any amounts remaining in the Reserve Account shall be used to make a portion of the last payment of interest and/or principal of the Bond. If CTGA and MTGA make a Payment to the City to replenish the Reserve Account as required by the Payment Agreement and Guaranty Agreement, the City shall promptly deposit such amount in the Reserve Account. The City shall value the Reserve Account based on the fair value of investments at least annually and upon a draw on the Reserve Account.

Section 5. Security for the Bond. The Bond is a special revenue obligation of the City and shall be payable solely from payments received by the Depositary from CTGA under the Payment Agreement or from MTGA under the Guaranty and from any amounts in the Reserve Account. The Bond Fund and Reserve Account are pledged to the repayment of the Bond. The Bond is not secured by or payable from any funds of the City, other than amounts in the Bond Fund, Reserve Account or Project Fund. The Bond shall not be deemed to constitute a general obligation or pledge of the faith and credit of the City or debt of any governmental fund or utility or system of the City.

Section 6. Form of the Bond. The Bond shall be in substantially the following form:

No. R-1 \$ _____

UNITED STATES OF AMERICA
STATE OF WASHINGTON
CITY OF LA CENTER

SPECIAL REVENUE BOND, 2017

DATED DATE: _____, 2017

INTEREST RATE: Variable as described below

MATURITY DATE: _____, 2020

OWNER: Columbia State Bank

PRINCIPAL AMOUNT: _____

The City of La Center, Washington (the "City"), for value received, hereby promises to pay to the Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above. The Bond shall bear interest at a variable rate of the LIBOR Rate plus 3.20% calculated on a basis of a 360-day year of twelve 30-day months. The ordinance provides that such rate may increase upon an event of default or Determination of Taxability. Interest on the Bond shall be payable monthly for the first 12 months from its Dated Date and thereafter monthly level payments of principal plus interest shall be paid based on a 10-year amortization with all remaining principal due on the Maturity Date as shown on the amortization schedule attached to this Bond. The principal of and interest on this Bond are payable solely out of a special fund of the City called the Bond Fund held by U.S. Bank National Association, as Depository (the "Bond Fund"). Both principal of and interest on this Bond are payable in lawful money of the United States of America.

This Bond is issued by the City under and pursuant to the laws of the State of Washington and Ordinance No. _____ (the "Bond Ordinance") for the purpose of providing funds to pay the cost of sewer improvements as specified in the Bond Ordinance.

The Bond is subject to prepayment prior to its Maturity Date as provided in the Bond Ordinance.

The Bond is a special revenue obligation payable solely from payments received from CTGA and MTGA and amounts in the Reserve Account as provided in Section 5 of the Bond Ordinance. The Bond is not a general obligation of the City or payable from any other revenues or money of the City.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication set forth hereon has been signed by the Bond Registrar.

This Bond is transferable only upon the registry books of the Bond Registrar by surrender of this certificate to the Bond Registrar, duly assigned and executed as indicated below. The Bond may only be assigned by the Bank to another qualified investor satisfying the requirements set forth in the certificate signed by the Bank on the date this Bond is issued.

It is hereby certified and declared that this Bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and the Bond Ordinance and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have happened, have been done and have been performed as required by law.

IN WITNESS WHEREOF, the City has caused this Bond to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, and its corporate seal to be impressed or a facsimile thereof imprinted hereon this ___ day of _____, 2017.

CITY OF LA CENTER, WASHINGTON

By 
Greg Thornton, Mayor

ATTEST:


Suzanne Levis, Finance Director/City Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This is one of the City of La Center, Washington, Special Revenue Bond, 2017, dated _____, 2017, described in the Bond Ordinance.

U.S. BANK NATIONAL ASSOCIATION, Bond Registrar

By: _____
Authorized Officer

Section 7. Execution and Authentication of the Bond. The Bond shall be signed on behalf of the City by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and shall have the seal of the City impressed or a facsimile thereof imprinted thereon.

Only the Bond as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bond shall cease to be an officer or officers of the City before the Bond so signed shall been authenticated or delivered by the Bond Registrar, or issued by the City, such Bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. The Bond may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bond shall be the proper officers of the City although at the original date of such Bond any such person shall not have been such officer of the City.

Section 8. Project Fund. The Finance Director is authorized to create a special account of the City known as the Project Fund (the "Project Fund"). Money in the Project Fund shall be used for the purpose of paying the costs of the Project including the Bank's reasonable costs for construction monitoring and due diligence and paying costs of issuing the Bond, including Bank fees, Bank counsel, bond counsel to the City, financial advisor to the City and Fees of the Depository. Prior to the closing of the Bond, the City, the Bank and CTGA shall approve a list of Project costs and the Finance Director may draw on Bond proceeds to pay such costs without further approval. Any additional Project costs must be approved by the Bank, in the form provided by the Bank, before Bond proceeds may be used to pay such additional costs.

The City will provide a draw request to the Bank no more than once monthly. Disbursements will be based on line item completion/percent of completion of the Project. The Bank will authorize the monthly construction draws upon receipt and satisfactory review of the following: approval from the Bank's third party inspector's review of the progress on the Project, receipt of a draw request from the City and satisfaction of the Bank's standard lien release requirements.

Section 9. Tax Covenants; Designation of the Bond as a "Qualified Tax-Exempt Obligation."

A. **Preservation of Tax Exemption for Interest on the Bond.** The City covenants that it will take all actions necessary to prevent interest on the *Bond* from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bond or other funds treated as proceeds of the Bond that will cause interest on the Bond to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bond, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bond.

B. **Post-Issuance Compliance.** The Finance Director is authorized and directed to adopt and implement the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bond from being included in gross income for federal tax purposes.

C. **Designation of the Bond as a "Qualified Tax-Exempt Obligation."** The *Bond* is designated as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Code since:

(i) the Bond is not a "private activity bond" within the meaning of Section 141 of the Code;

(ii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City or that issues tax-exempt obligations on behalf of the City) will issue during this calendar year will not exceed \$10,000,000; and

(iii) the amount of tax-exempt obligations, including the Bond, designated by the City as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code during this calendar year does not exceed \$10,000,000.

Section 10. Rights of the Bank. In consideration for purchasing the Bond, the City is assigning certain rights to the Bank pursuant to the Assignment approved in Section 13. If an event of default occurs under the Payment Agreement or under the Guaranty, the Bank shall have the exclusive right to take all action and exercise all rights against CTGA or MTGA to the extent

permitted by law and agreement to enforce the making of Payments and the satisfaction of other obligations of CTGA and MTGA.

Section 11. Reporting Requirements. While the Bond is outstanding, the City will provide the Bank a copy of its audited financial statements within 30 days after it is received from the State Auditor and its unaudited financial statement within 270 days after the end of the City's fiscal year.

Section 12. Sale of the Bond. The sale of the Bond to the Bank, under the terms and conditions of this ordinance, is hereby approved. The Finance Director may execute a Certificate of Determination with any final terms of the Bond, which terms shall be subject to approval by the Bank.

Section 13. Approval of Documents; Authorization to Officials and Agents. The proper City officials are hereby authorized and directed to do everything necessary and proper for the execution and delivery of the Bond in conformance with the provisions of this ordinance and for the proper use and application of the proceeds of the sale thereof as provided in this ordinance. The Mayor is authorized to enter into a Depositary Agreement with the Depositary, the Payment Agreement with CTGA, the Guaranty Agreement with MTGA, the Contribution Agreement with CTGA, the Contribution Agreement with MTGA, an Assignment Agreement with the Bank, all of such agreements to be in substantially the forms on file with the City Clerk, and other agreements that are determined to be necessary and consistent with this ordinance and the Agreement.

Section 14. Superseding the Agreement. Upon the issuance of the Bond, this ordinance and the documents referred to in Section 13 shall supersede the Agreement.

Section 15. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bond.

Section 16. Effective Date. This ordinance shall take effect five days after its passage, approval and publication as required by law.

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PASSED by the City Council of the City of La Center, Washington, at an open public meeting thereof, this 25th day of January, 2017, and signed in authentication of its passage this 25th day of January, 2017.



Greg Thornton, Mayor

ATTEST:



Suzanne Levis, Finance Director/Clerk

APPROVED AS TO FORM:



Daniel Kearns, City Attorney

ILLUSTRATIVE SCHEDULE OF PAYMENTS

3.7421% IR

\$ 5,000,000.00

City of La Center Illustrative Payment Schedule (Sections i and ii of the Payment Schedule)
Subject to change based on "Libor Rate"; resetting monthly.

| | <u>Time Period</u> | <u>#Days</u> | <u>Res. Bal</u> | <u>IntRate</u> | <u>Period Int</u> | <u>Prin Pay</u> | <u>End Bal</u> |
|----|--------------------|--------------|-----------------|----------------|-------------------|-----------------|-----------------|
| | 1/1/2017 | | | 3.742% | | | \$ 5,000,000.00 |
| 1 | 2/1/2017 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 2 | 3/1/2017 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 3 | 4/1/2017 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 4 | 5/1/2017 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 5 | 6/1/2017 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 6 | 7/1/2017 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 7 | 8/1/2017 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 8 | 9/1/2017 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 9 | 10/1/2017 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 10 | 11/1/2017 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 11 | 12/1/2017 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 12 | 1/1/2018 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | | \$ 5,000,000.00 |
| 13 | 2/1/2018 | 30.00 | \$ 5,000,000.00 | 3.742% | \$ 15,592.08 | \$ 41,666.67 | \$ 4,958,333.33 |
| 14 | 3/1/2018 | 30.00 | \$ 4,958,333.33 | 3.742% | \$ 15,462.15 | \$ 41,666.67 | \$ 4,916,666.66 |
| 15 | 4/1/2018 | 30.00 | \$ 4,916,666.66 | 3.742% | \$ 15,332.22 | \$ 41,666.67 | \$ 4,874,999.99 |
| 16 | 5/1/2018 | 30.00 | \$ 4,874,999.99 | 3.742% | \$ 15,202.28 | \$ 41,666.67 | \$ 4,833,333.32 |
| 17 | 6/1/2018 | 30.00 | \$ 4,833,333.32 | 3.742% | \$ 15,072.35 | \$ 41,666.67 | \$ 4,791,666.65 |
| 18 | 7/1/2018 | 30.00 | \$ 4,791,666.65 | 3.742% | \$ 14,942.41 | \$ 41,666.67 | \$ 4,749,999.98 |
| 19 | 8/1/2018 | 30.00 | \$ 4,749,999.98 | 3.742% | \$ 14,812.48 | \$ 41,666.67 | \$ 4,708,333.31 |
| 20 | 9/1/2018 | 30.00 | \$ 4,708,333.31 | 3.742% | \$ 14,682.55 | \$ 41,666.67 | \$ 4,666,666.64 |
| 21 | 10/1/2018 | 30.00 | \$ 4,666,666.64 | 3.742% | \$ 14,552.61 | \$ 41,666.67 | \$ 4,624,999.97 |
| 22 | 11/1/2018 | 30.00 | \$ 4,624,999.97 | 3.742% | \$ 14,422.68 | \$ 41,666.67 | \$ 4,583,333.30 |
| 23 | 12/1/2018 | 30.00 | \$ 4,583,333.30 | 3.742% | \$ 14,292.74 | \$ 41,666.67 | \$ 4,541,666.63 |
| 24 | 1/1/2019 | 30.00 | \$ 4,541,666.63 | 3.742% | \$ 14,162.81 | \$ 41,666.67 | \$ 4,499,999.96 |
| 25 | 2/1/2019 | 30.00 | \$ 4,499,999.96 | 3.742% | \$ 14,032.87 | \$ 41,666.67 | \$ 4,458,333.29 |
| 26 | 3/1/2019 | 30.00 | \$ 4,458,333.29 | 3.742% | \$ 13,902.94 | \$ 41,666.67 | \$ 4,416,666.62 |
| 27 | 4/1/2019 | 30.00 | \$ 4,416,666.62 | 3.742% | \$ 13,773.01 | \$ 41,666.67 | \$ 4,374,999.95 |
| 28 | 5/1/2019 | 30.00 | \$ 4,374,999.95 | 3.742% | \$ 13,643.07 | \$ 41,666.67 | \$ 4,333,333.28 |
| 29 | 6/1/2019 | 30.00 | \$ 4,333,333.28 | 3.742% | \$ 13,513.14 | \$ 41,666.67 | \$ 4,291,666.61 |
| 30 | 7/1/2019 | 30.00 | \$ 4,291,666.61 | 3.742% | \$ 13,383.20 | \$ 41,666.67 | \$ 4,249,999.94 |
| 31 | 8/1/2019 | 30.00 | \$ 4,249,999.94 | 3.742% | \$ 13,253.27 | \$ 41,666.67 | \$ 4,208,333.27 |
| 32 | 9/1/2019 | 30.00 | \$ 4,208,333.27 | 3.742% | \$ 13,123.34 | \$ 41,666.67 | \$ 4,166,666.60 |
| 33 | 10/1/2019 | 30.00 | \$ 4,166,666.60 | 3.742% | \$ 12,993.40 | \$ 41,666.67 | \$ 4,124,999.93 |
| 34 | 11/1/2019 | 30.00 | \$ 4,124,999.93 | 3.742% | \$ 12,863.47 | \$ 41,666.67 | \$ 4,083,333.26 |
| 35 | 12/1/2019 | 30.00 | \$ 4,083,333.26 | 3.742% | \$ 12,733.53 | \$ 41,666.67 | \$ 4,041,666.59 |
| 36 | 1/1/2020 | 30.00 | \$ 4,041,666.59 | 3.742% | \$ 12,603.60 | \$ 4,041,666.59 | \$ - |

Last Interest only payment - (12th payment).

CERTIFICATION

I, the undersigned, Finance Director/Clerk of the City of La Center, Washington (the "City"), hereby certify as follows:

1. The attached copy of Ordinance No. 2017-01 (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 January 25, 2017, 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 February 1, 2017.

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.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of January, 2017.

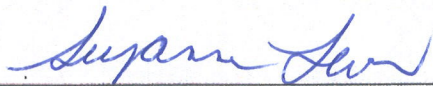
CITY OF LA CENTER, WASHINGTON


Suzanne Levis, Finance Director/Clerk

ADOPTED AND EFFECTIVE this 25th day of January, 2017.


Greg Thornton, Mayor

ATTEST:


Suzanne Levis, Finance Director/Clerk

APPROVED AS TO FORM:


Daniel Kearns, City Attorney