

PORT OF PASCO, WASHINGTON

RESOLUTION NO. 1514

A RESOLUTION of the Port Commission of the Port of Pasco, Washington, relating to contracting indebtedness; providing for the issuance of a limited tax general obligation bond in the principal amount of \$1,013,000 to provide funds to pay part of the cost of purchasing land for future development of an industrial park and to pay costs of issuance of the bond; fixing the date, interest rate, form, maturity, and other terms and covenants of the bond; authorizing the sale and providing for the delivery of the bond to Baker Boyer National Bank; and providing for related matters.

ADOPTED September 26, 2019

*This document prepared by:*

*Foster Pepper PLLC  
1111 Third Avenue, Suite 3000  
Seattle, Washington 98101  
(206) 447-4400*

**TABLE OF CONTENTS\***

	<u>Page</u>
Section 1. Definitions.....	1
Section 2. Findings and Determinations .....	2
Section 3. Authorization of Bond .....	3
Section 4. Description of Bond.....	3
Section 5. Registrar; Registration and Transfer of Bond.....	3
Section 6. Form and Execution of Bond.....	4
Section 7. Payment of Bond.....	4
Section 8. Prepayment of Bond .....	5
Section 9. Funds and Accounts; Deposit of Proceeds.....	5
Section 10. Failure To Pay Bond .....	5
Section 11. Pledge of Taxes.....	5
Section 12. Sale and Delivery of Bond.....	6
Section 13. General Authorization and Ratification .....	6
Section 14. Severability .....	6
Section 15. Effective Date of Resolution.....	6

*\*The cover page, table of contents and section headings of this Resolution are for convenience of reference only, and shall not be used to resolve any question of interpretation of this Resolution.*

PORT OF PASCO, WASHINGTON

RESOLUTION NO. 1514

A RESOLUTION of the Port Commission of the Port of Pasco, Washington, relating to contracting indebtedness; providing for the issuance of a limited tax general obligation bond in the principal amount of \$1,013,000 to provide funds to pay part of the cost of purchasing land for future development of an industrial park and to pay costs of issuance of the bond; fixing the date, interest rate, form, maturity, and other terms and covenants of the bond; authorizing the sale and providing for the delivery of the bond to Baker Boyer National Bank; and providing for related matters.

BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF PASCO, WASHINGTON, AS FOLLOWS:

Section 1. Definitions. As used in this resolution, the following capitalized terms have the following meanings:

“*Bond*” means the Limited Tax General Obligation Bond, 2019 (Taxable), of the Port issued pursuant to and for the purposes provided in this resolution.

“*Bond Counsel*” means the firm of Foster Pepper PLLC, its successor, or any other attorney or firm of attorneys selected by the Port with a nationally recognized standing as bond counsel in the field of municipal finance.

“*Bond Fund*” means the Limited Tax General Obligation Bond Fund, 2019, of the Port created under Section 9 for the payment of the principal of and interest on the Bond.

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

“*Commission*” means the Port Commission of the Port.

“*Finance Director*” means the Director of Finance and Administration of the Port, or such other officer of the Port who succeeds to substantially all of the responsibilities of that office.

“*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

*Maturity Date* means November 1, 2029.

“*Issue Date*” means the date of initial issuance and delivery of the Bond to the Purchaser in exchange for the purchase price of the Bond.

“*Port*” means the Port of Pasco, Washington, a municipal corporation duly organized and existing under the laws of the State.

“*Project*” means the purchase of approximately 300 acres of land for future development of an industrial park.

“*Project Fund*” means the fund or account designated or created by the Treasurer under Section 9 for the purpose of carrying out the Project.

“*Purchase Offer*” means the Purchaser’s term sheet dated September 5, 2019, related to the purchase of the Bond under the terms and conditions provided therein and in this resolution.

“*Purchaser*” means Baker Boyer National Bank.

“*Registered Owner*” means, with respect to the Bond, the person in whose name the Bond is registered on the Bond Register.

“*Registrar*” means the Fiscal Agent or any other bond registrar selected by the Treasurer.

“*State*” means the State of Washington.

“*System of Registration*” means the system of registration for the Port’s bonds and other obligations set forth in Resolution No. 759 of the Port.

“*Treasurer*” means the County Treasurer of Franklin County, Washington, as *ex officio* treasurer of the Port, or any other person from time to time the Commission designates as treasurer of the Port.

Section 2. Findings and Determinations. The Port takes note of the following facts and makes the following findings and determinations:

(a) *Authority and Description of Project.* The Port currently owns and operates various industrial development facilities and improvements within the Port pursuant to RCW 53.08.020. The Port is in need of the additional land comprising the Project for the future development of an industrial park to accommodate increased need for such facilities and improvements within the Port. The Commission therefore finds that it is in the best interests of the Port to carry out the Project.

(b) *Plan of Financing.* Pursuant to applicable law, including without limitation RCW 53.36.030, the Port is authorized to issue general obligation bonds for the purpose of financing the Project. The total expected cost of the Project is approximately \$6,900,000, which is expected to be financed with proceeds of the Bond, proceeds of a limited tax general obligation bond to be sold and delivered to the Hanford Area Economic Investment Fund Advisory Committee, other available money in the Port’s Economic Development Opportunity Fund and other available money of the Port.

(c) *Debt Capacity.* Pursuant to RCW 53.36.030, a port district may at any time contract indebtedness or borrow money for port district purposes and may issue general

obligation bonds therefor not exceeding an amount, together with any existing indebtedness of the port district not authorized by the voters thereof, of 1/4th of 1% of the value of the taxable property in the port district to be ascertained by the last assessment for state and county purposes previous to the incurring of new indebtedness. The assessed valuation of the taxable property within the Port, as ascertained for the most recent assessment for state and county purposes is \$8,438,770,742. As of September 1, 2019, the Port has outstanding indebtedness in the amount of \$5,203,741.

(d) *The Bond.* For the purpose of providing funds necessary to carry out the Project and to pay the costs of issuance and sale of the Bond, the Commission finds that it is in the best interests of the Port and its taxpayers to issue and sell the Bond to the Purchaser, pursuant to the terms set forth in the Purchase Offer consistent with this resolution.

Section 3. Authorization of Bond. The Port is authorized to borrow money on the credit of the Port and issue the Bond evidencing such indebtedness in the amount of \$1,013,000 to provide funds necessary to carry out the Project and to pay costs of issuance and sale of the Bond.

Section 4. Description of Bond.

(a) The Bond shall be issued as a single bond designated the “Port of Pasco, Washington, Limited Tax General Obligation Bond, 2019 (Taxable)”; shall be issued in the principal amount of \$1,013,000 shall be dated the Issue Date; shall be issued in fully registered form; shall be numbered R-1; and shall mature on the Maturity Date. From the Issue Date through and including the Maturity Date, the unpaid principal of the Bond shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) at a fixed rate of 2.53% *per annum*.

(b) Interest on the outstanding principal of the Bond shall be paid semiannually on each May 1 and November 1, commencing May 1, 2020. Principal of the Bond shall be payable semiannually on each May 1 and November 1, commencing May 1, 2020, to the Maturity Date or earlier prepayment of the Bond. A debt service schedule reflecting the payments due on the Bond (unless such debt service schedule is otherwise recalculated through partial prepayment of the Bond as provided in Section 8) is attached as Exhibit A, which by this reference is incorporated herein. The final installment payment of principal of and interest on the Bond, whether on the Maturity Date or upon prepayment in full, shall be in an amount equal to the remaining principal and interest due on the Bond.

Section 5. Registrar; Registration and Transfer of Bond.

(a) *Registrar; Duties.* The Treasurer will appoint the Fiscal Agent as initial Registrar for the Bond. The Registrar shall keep or cause to be kept the Bond Register, which must be open to inspection by the Port at all reasonable times. The Registrar is authorized, on behalf of the Port, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this resolution, to serve as the Port’s paying agent for the Bond and to carry out all of the Registrar’s powers and duties under this resolution and the System of Registration. The Registrar

shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Bond.

(b) *Bond Register; Transfer.* The Bond shall be issued to the Purchaser only in registered form as to both principal and interest. The Bond Register shall contain the name and mailing address of the Registered Owner of the Bond. The Bond may be assigned or transferred only (i) in whole to a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended, (ii) if endorsed in the manner provided thereon and surrendered to the Registrar and (iii) if the assignee or transferee provides the Registrar with an executed transfer certificate in substantially the form attached to the Bond. Any such transfer shall be without cost to the Registered Owner or transferee (other than any cost incurred by the Registered Owner or transferee in preparing and delivering any transfer certificate) and shall be noted on the Bond Register. The Registrar is not obligated to assign or transfer the Bond during the 15 days preceding any installment payment or prepayment date. When the Bond has been paid in full, both principal and interest, the Registered Owner shall surrender the Bond to the Registrar, who shall cancel the Bond.

Section 6. Form and Execution of Bond.

(a) *Form of Bond; Signatures.* The Bond shall be prepared in a form consistent with the provisions of this resolution and State law. The Bond shall be signed by the President and Secretary of the Commission, either or both of whose signatures may be manual or in facsimile. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the Port authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Registrar, or issued or delivered by the Port, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the Port as though that person had continued to be an officer of the Port authorized to sign bonds. Any Bond also may be signed on behalf of the Port by any person who, on the actual date of signing of the Bond, is an officer of the Port authorized to sign bonds, although he or she did not hold the required office on the Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: "Certificate of Authentication. This Bond is the fully registered Port of Pasco, Franklin County, Washington, Limited Tax General Obligation Bond, 2019 (Taxable), described in the Bond Resolution." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

Section 7. Payment of Bond. Principal of and interest on the Bond shall be payable in lawful money of the United States of America. Principal of and interest on the Bond shall be paid by electronic funds transfer, or by check or draft of the Registrar mailed on each payment date to the Registered Owner at the address appearing on the Bond Register. However, the Port is not required to make electronic transfers except pursuant to a request by the Registered Owner in writing received on or prior to the Registrar's close of business on the 15th day of the month preceding a payment date and at the sole expense of the Registered Owner. The final payment of principal of and interest on the Bond, whether upon maturity or prior prepayment in full, shall be

payable upon presentation and surrender of the Bond by the Registered Owner to the Registrar. The Bond is not subject to acceleration under any circumstances.

Section 8. Prepayment of Bond.

(a) The Port reserves the right and option to prepay and redeem, at any time prior to the Maturity Date, any or all of the principal amount of the Bond outstanding at par plus accrued interest to the date of prepayment. The Port shall provide the Registered Owner and the Registrar with written notice of any intended prepayment prior to such prepayment date. Interest on the principal amount of the Bond so prepaid shall cease to accrue on the date of prepayment.

(b) Any partial prepayment shall be applied first to accrued and unpaid interest and then to pay the principal amount of the Bond in inverse order of the scheduled principal installment payments. At any time there is a partial prepayment, the Registered Owner shall recalculate the remaining installment payments and provide a recalculated debt service schedule to the Port and the Registrar within 10 business days following such partial prepayment. The recalculated debt service schedule shall be effective as of the date of partial prepayment.

Section 9. Funds and Accounts; Deposit of Proceeds.

(a) *Bond Fund.* The Limited Tax General Obligation Bond Fund, 2019 (the "Bond Fund") is created as a special fund of the Port for the sole purpose of paying principal of and interest on the Bond. All amounts allocated to the payment of the principal of and interest on the Bond shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bond. The principal of and interest on the Bond shall be paid out of the Bond Fund. Until needed for that purpose, the Port may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that fund.

(b) *Project Fund.* The Treasurer is authorized and directed to designate or create the Project Fund. Proceeds received from the sale and delivery of the Bond shall be deposited into the Project Fund and used to pay costs of the Project and costs of issuance of the Bond. Until needed to pay such costs, the Port may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the Project Fund and used for the purposes of that fund, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn from the Project Fund and used for those tax or rebate purposes.

Section 10. Failure To Pay Bond. If the principal of the Bond is not paid on a principal payment date or when the Bond is properly presented at maturity, the Port shall be obligated to pay interest on the Bond at the same rate provided in the Bond from and after the principal payment date or maturity until the Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 11. Pledge of Taxes. For as long as the Bond is outstanding, the Port irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay



principal of and interest on the Bond as the same become due. The full faith, credit and resources of the Port are pledged irrevocably for the prompt payment of the principal of and interest on the Bond and such pledge shall be enforceable in mandamus against the Port.


Section 12. Sale and Delivery of Bond. The Purchaser has submitted a proposal to purchase the Bond under the terms and conditions of this resolution and the Purchase Offer, which is incorporated herein by this reference. The Commission finds that accepting the Purchase Offer is in the Port's best interest and therefore authorizes the Finance Director or the President of the Commission, each acting independently, to accept the Purchase Offer. The Bond will be prepared at the Port's expense and will be delivered to the Purchaser in accordance with the Purchase Offer, with the approving legal opinion of Bond Counsel regarding the Bond.

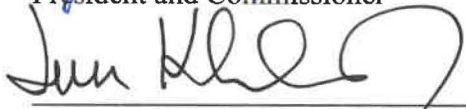
Section 13. General Authorization and Ratification. The proper officers of the Port are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this resolution, and to do everything necessary for the prompt delivery of the Bond to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bond. All actions taken prior to the effective date of this resolution in furtherance of the purposes described in this resolution and not inconsistent with the terms of this resolution are ratified and confirmed in all respects.


Section 14. Severability. The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 15. Effective Date of Resolution. This resolution is effective immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Pasco, Washington, at a regular open public meeting thereof held on September 26, 2019, the following Commissioners being present and voting in favor of the resolution.

  
\_\_\_\_\_  
President and Commissioner

  
\_\_\_\_\_  
Vice President and Commissioner

  
\_\_\_\_\_  
Secretary and Commissioner



### CERTIFICATION

I, the undersigned, Secretary of the Port Commission (the "Commission") of the Port of Pasco, Washington (the "Port"), hereby certify as follows:

1. The attached copy of Resolution No. 1514 (the "Resolution") is a full, true and correct copy of the Resolution duly adopted at a regular meeting of the Commission held at the regular meeting place thereof on September 26, 2019, as that Resolution appears on the minute book of the Port.

2. The Resolution is in full force and effect.

3. A quorum of the members of the Commission was present throughout the meeting and a sufficient number of members of the Commission present voted in the proper manner for the adoption of the Resolution.

Dated: September 26, 2019.

PORT OF PASCO, WASHINGTON



---

Vicki Gordon, Secretary of the Commission

**EXHIBIT A**

**Debt Service Schedule**

---

---

**BOND DEBT SERVICE**

**Port of Pasco, Washington  
Limited Tax General Obligation Bond, 2019 (Taxable)  
Purchaser: Baker Boyer National Bank**

Dated Date            10/17/2019  
Delivery Date        10/17/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2020	43,889.99	2.530%	13,811.13	57,701.12	
11/01/2020	45,441.87	2.530%	12,259.24	57,701.11	115,402.23
05/01/2021	46,016.71	2.530%	11,684.40	57,701.11	
11/01/2021	46,598.83	2.530%	11,102.29	57,701.12	115,402.23
05/01/2022	47,188.30	2.530%	10,512.82	57,701.12	
11/01/2022	47,785.23	2.530%	9,915.88	57,701.11	115,402.23
05/01/2023	48,389.72	2.530%	9,311.40	57,701.12	
11/01/2023	49,001.85	2.530%	8,699.27	57,701.12	115,402.24
05/01/2024	49,621.72	2.530%	8,079.40	57,701.12	
11/01/2024	50,249.43	2.530%	7,451.68	57,701.11	115,402.23
05/01/2025	50,885.09	2.530%	6,816.03	57,701.12	
11/01/2025	51,528.79	2.530%	6,172.33	57,701.12	115,402.24
05/01/2026	52,180.63	2.530%	5,520.49	57,701.12	
11/01/2026	52,840.71	2.530%	4,860.41	57,701.12	115,402.24
05/01/2027	53,509.15	2.530%	4,191.97	57,701.12	
11/01/2027	54,186.04	2.530%	3,515.08	57,701.12	115,402.24
05/01/2028	54,871.49	2.530%	2,829.63	57,701.12	
11/01/2028	55,565.61	2.530%	2,135.50	57,701.11	115,402.23
05/01/2029	56,268.52	2.530%	1,432.60	57,701.12	
11/01/2029	56,980.32	2.530%	720.80	57,701.12	115,402.24
	1,013,000.00		141,022.35	1,154,022.35	1,154,022.35

---

---