

Stanwood, Washington

RESOLUTION 2016-03

A RESOLUTION OF THE CITY OF STANWOOD, WASHINGTON, APPROVING THE ACTION OF THE STATE OF WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY AND THE ISSUANCE OF NON-RECOURSE ECONOMIC DEVELOPMENT REVENUE BONDS TO FINANCE A FACILITY FOR USE BY THE YMCA OF SNOHOMISH COUNTY (the "COMPANY"), AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, on December 10, 2015, the Washington Economic Development Finance Authority ("WEDFA"), a part of the government of the State of Washington, had presented to it and unanimously approved Resolution No. W-2015-05 (the "Resolution"), a copy of which is attached hereto as Exhibit 1, relating to the issuance of non-recourse revenue bonds wherein a portion of the proceeds of which would be loaned to the Company or its affiliates for the construction and installation of 47,000 square foot facility of the Borrower, with an aquatic facility, community gathering spaces, fitness facilities, family center, gymnasium, locker rooms and a community kitchen, located at 7213 267th Street NW, Stanwood, WA 98292-6237, (the "Project"), all as authorized by RCW Title 43, Chapter 163, as amended (the "Act"); and

WHEREAS, it is the policy of WEDFA not to issue revenue bonds except with evidence of local community support for the bond-financed project, which generally takes the form of the approval of the county, city or town within whose planning jurisdiction the proposed facility lies; and

WHEREAS, the Project lies within the boundaries of the City of Stanwood, Washington;

NOW, THEREFORE, IT IS HEREBY FOUND, DETERMINED AND ORDERED as follows:

Section 1: The City of Council of the City of Stanwood, pursuant to the request of WEDFA, does hereby approve the issuance of non-recourse revenue bonds (the "Bonds") by WEDFA for the purposes of financing the Project for the Borrower.

Section 2: The Bonds shall be issued in the aggregate principal sum permitted pursuant to a Resolution of WEDFA. A portion of the proceeds of the Bonds are to be lent to the Company, pursuant to a loan agreement or other appropriate financing agreement, and used for the purpose of acquiring, rehabilitating and equipping the Project, including the necessary appurtenances, located within the boundaries of the City of Stanwood and to pay certain costs of issuance of the Bonds.

Section 3: The Bonds shall not in any way constitute an obligation of the City of Stanwood, and no tax funds or revenues of the City of Stanwood shall be used to pay the principal or interest on the Bonds. Neither the faith and credit nor any taxing power of the City of Stanwood shall be pledged to pay the principal of or interest on the Bonds.

Section 4: The approval set forth in Section 1 hereof shall not waive any of the permitting requirements applicable to this project and shall not be construed as applying to any projects financed with the Bonds other than the Project defined herein.

Section 5: This Resolution is being adopted for the sole purpose of demonstrating local support for the assistance that WEDFA is providing to the Project and the Borrower.

Section 6: Upon passage and approval of this Resolution, it shall take effect immediately.

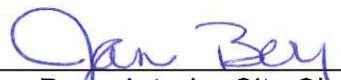
PASSED AND APPROVED BY THE CITY COUNCIL ON THIS 11th DAY OF FEBRUARY, 2016.

City of Stanwood



Mayor Leonard Kelley

ATTEST:



Jan Berg, Interim City Clerk

RESOLUTION NO. W-2015-05

A RESOLUTION OF THE WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF NONRECOURSE ECONOMIC DEVELOPMENT REVENUE BONDS IN ONE OR MORE SERIES IN A MAXIMUM AMOUNT NOT TO EXCEED \$18,500,000 AND AUTHORIZING THE EXECUTION OF AN INDEMNIFICATION AND COMPENSATION AGREEMENT BY AND BETWEEN THE WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY AND YMCA OF SNOHOMISH COUNTY OR ITS AFFILIATES, SUCCESSORS OR ASSIGNS (the "Company").

WHEREAS, the Washington Economic Development Finance Authority (the "Issuer") is a duly organized and existing instrumentality of the State of Washington authorized and empowered by the provisions of RCW Chapter 43.163 (collectively, the "Act") to issue nonrecourse economic development revenue bonds for the purpose of carrying into effect the construction of improvements and the acquisition of personal properties and provide working capital suitable for use by any industry, and to loan its moneys when necessary or convenient to carry out its powers under the Act; and

WHEREAS, the Company has informed the Issuer that it wishes to refinance existing debt incurred, and additional indebtedness to be incurred, for the facilities identified in Exhibit A attached hereto and incorporated herein (the "Site"), all of which are located within the territorial limits of the State of Washington, and the Company has requested the Issuer to issue non-recourse revenue bonds (the "Bonds") in a maximum amount not to exceed EIGHTEEN MILLION FIVE HUNDRED THOUSAND dollars (\$18,500,000) pursuant to the Act to refinance the acquisition, construction, equipping, and improving of real and personal property and provision of working capital at the Site to be used in the health, wellness and youth development missions of the Company (the "Project"), and to loan the proceeds of the Bonds to pay the costs of such financing and refinancing; and

WHEREAS, the Company requests that \$10,700,000 of the proposed Bonds be used to refinance existing indebtedness created through the issuance by the Washington State Housing Finance Commission of its Series 2006 bonds, which bonds financed and/or refinanced the projects and properties at the locations listed as items 2 through 5 of Exhibit A hereto, including the YMCA of Snohomish County family branches and appurtenant facilities at such locations;

WHEREAS, the Company requests that \$7,800,000 of the proposed bonds be used to finance a 47,000 square foot facility, at the address listed on item 1 of Exhibit A hereto, which is expected to include an aquatic center, full size gymnasium, cardio and

strength training facilities, community room, instructional kitchen, spin room, teen/senior center, child care services, exercise studios and multipurpose room and locker rooms and family changing rooms;

WHEREAS, a form of agreement designated as an "Indemnification and Compensation Agreement", on file with the Issuer, has been prepared setting forth the respective agreements and undertaking of the Issuer and the Company with respect to the Bonds and the Project; and

WHEREAS, it is considered necessary and desirable for the best interest of the Issuer that the Indemnification and Compensation Agreement be executed for and on the behalf of the Issuer; and

WHEREAS, the Indemnification and Compensation Agreement requires the Company to pay all reasonable and necessary costs incurred by the Issuer in connection with the Bonds and/or in connection with the Project; and

WHEREAS, the Issuer finds that the Project constitutes the development and improvement of economic development facilities under the Act; and

WHEREAS, it is intended that this resolution shall constitute a declaration of official intent to reimburse Project expenditures within the meaning of Sections 1.103-(8)(T)(a)(5) and 1.150-2 of the Federal Income Tax Regulations.

NOW THEREFORE, be it resolved by the Washington Economic Development Finance Authority as follows:

Section 1. It is hereby determined that (a) the refinancing, acquisition, construction and installation of the Project and its operation is an economic development facility; (b) the issuance of the bonds of the Issuer in one or more series and in a maximum amount not to exceed \$18,500,000, to finance and refinance costs of the Project, such total costs to be financed and refinanced by the Bonds presently estimated to be approximately \$18,500,000; and (c) the execution and delivery of such contracts and agreements with the Issuer as are necessary to provide for the payment by the Issuer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds, together with certain costs of the Issuer, will all be in furtherance of the Act.

Section 2. Subject to the conditions listed in Section 3 below, including such other conditions as in the judgment of the Issuer and bond counsel are necessary to insure the validity of the Bonds and the tax-exempt or taxable status of the Bonds, it is the intent of the Issuer to proceed toward the issuance and sale of the Bonds pursuant to the provisions of the Act. Nothing in this resolution shall be construed as legally binding the Issuer to authorize, issue, or sell the Bonds.

Section 3. The authorization, issuance, and sale of the Bonds by the Issuer are subject to the following conditions:

(a) the Company shall have caused to be issued an irrevocable letter of credit (the "Letter of Credit") by an investment-grade rated commercial bank, acceptable to the Issuer (the "Letter of Credit Bank"), which shall be used to pay and secure the Bonds or shall have secured a bond purchase agreement (the "Bond Purchase Agreement") from an Accredited Investor, as such term is defined in 17 CFR 230.501(a), or qualified institutional buyers, in each case acceptable to the Issuer, for the purchase of the Bonds;

(b) the Company shall enter into such contracts and loan agreements with the Issuer as shall be necessary to secure payment of the principal of, premium, if any, and interest on the Bonds as when the same shall come due and payable;

(c) on or before two (2) years from the date hereof (or such later date as shall be mutually satisfactory to the Issuer and the Company) the Issuer and the Company shall have agreed to mutually acceptable terms and conditions of the contracts and agreements referred to in paragraph (b) of this Section 3;

(d) the Issuer shall have received an opinion of bond counsel that, with certain customary exceptions, such of the Bonds which it is intended shall be issued as tax-exempt obligations may be so issued pursuant to the provisions of the Internal Revenue Code of 1986;

(e) if required, the Issuer shall have received an allocation of the State ceiling on private activity bonds imposed by Section 146 of the Internal Revenue Code of 1986 in an amount equal to the aggregate face amount of such of the Bonds as shall be issued as tax-exempt obligations, and shall have allocated such amount to the Bonds;

(f) the Issuer shall have received evidence that the county, city, or town within whose planning jurisdiction the new money portion of the Project lies has approved such Project and the Bonds or such other evidence satisfactory to the Issuer that the new money portion of the Project will be welcomed by the community in which such Project will be located;

(g) the Issuer shall have received such information as is necessary for it to complete its evaluation of the jobs created by the Project and the quality of the Project for economic development purposes; and

(g) such other conditions as in the judgment of the Issuer and bond counsel are necessary to insure the validity of the Bonds and the tax-exempt status of such of the Bonds as shall be issued as tax-exempt obligations.

Section 4. The proper officials of the Issuer are hereby authorized to take such further action as is necessary to carry out the intent and purposes hereof under the terms and conditions stated herein and in compliance with the applicable provisions of law.

Section 5. That it is deemed necessary and advisable that the Indemnification and Compensation Agreement be approved and executed for and on behalf of the Issuer.

Section 6. That an Indemnification and Compensation Agreement by and between the Issuer and the Company be, and the same is hereby, approved and authorized and the Chair of the Issuer is hereby authorized to execute the Indemnification and Compensation Agreement on behalf of the Issuer.

Section 7. Each Bond, when and if issued, shall substantially state the following language on the face thereof:

THE OBLIGATIONS OF THE ISSUER HEREUNDER SHALL NOT BE DEEMED TO BE A DEBT, LIABILITY, OBLIGATION, OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF WASHINGTON, OF ANY MUNICIPALITY, OR OF ANY MUNICIPAL CORPORATION, QUASI MUNICIPAL CORPORATION, SUBDIVISION, OR AGENCY OF THE STATE OF WASHINGTON, OR TO PLEDGE ANY OR ALL OF THE FAITH AND CREDIT OF ANY OF THESE ENTITIES. NEITHER THE STATE OF WASHINGTON, THE ISSUER, ANY MUNICIPALITY, OR ANY OTHER MUNICIPAL CORPORATION, QUASI MUNICIPAL CORPORATION, SUBDIVISION, OR AGENCY OF THE STATE OF WASHINGTON IS OBLIGATED TO PAY THE PRINCIPAL OR THE INTEREST THEREON. NO TAX FUNDS OR GOVERNMENTAL REVENUE MAY BE USED TO PAY THE PRINCIPAL OR INTEREST THEREON. NEITHER ANY OR ALL OF THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF WASHINGTON, THE ISSUER, IF ANY, OR ANY MUNICIPAL CORPORATION, QUASI MUNICIPAL CORPORATION, SUBDIVISION, OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR OF THE INTEREST ON THE BONDS.

Section 8. This Resolution shall be effective after its adoption.

ADOPTED by the Washington Economic Development Finance Authority this 10th day of December, 2015.

WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY

By: _____
Chair

EXHIBIT A

DESCRIPTION OF PROJECT AND SITE

The Company plans to use the bond proceeds for refinancing interim financing provided for the acquisition, construction, equipping, and improving of the facilities located at the following addresses (the ("Project")):

1. 7213 267th Street NW, Stanwood, WA 98292-6237;
2. 2720 Rockefeller Avenue, Everett WA 98201;
3. 10601 47th Place West, Mukilteo WA 98275;
4. 14033 Fryelands Boulevard, Monroe WA 98272;
5. 6420 60th Drive NE, Marysville WA 98270.

CERTIFICATE

I, the undersigned, Secretary of the Washington Economic Development Finance Authority (herein called the "Issuer"), DO HEREBY CERTIFY:

1. That the attached Resolution No. W-2010-05 (herein called the "Resolution") is a true and correct copy of a resolution of the Issuer as finally adopted at a regular meeting of the Board of Directors of the Issuer held on the 10th day of December, 2015, and duly recorded in my office.

2. That said meeting was duly convened and held in all aspects in accordance with law, and, to the extent required by law and the by-laws of the Issuer, 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 Washington Economic Development Finance Authority 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 THEREOF, I have hereunto set my hand this 10th day of December, 2015.

Secretary