RESOLUTION NO. W-2022-07

A resolution of the Washington Economic Development Finance Authority authorizing the issuance and sale of its Economic Development Refunding Revenue Bond (Goodwill of the Olympics & Rainier Project), Series 2022 in the maximum principal amount of $17,000,000; approving the sale of the Bond to Key Government Finance, Inc. subject to sale parameters; approving the documentation in connection with the issuance of the Bond; and providing for other matters relating thereto.

WHEREAS, the Washington Economic Development Finance Authority (the “Authority”) is established as a public body corporate and politic, with perpetual corporate succession, constituting an instrumentality of the State of Washington (the “State”) authorized and empowered by the provisions of chapter 43.163 RCW, as amended (the “Act”), to issue nonrecourse revenue bonds for the purpose of financing economic development activities as defined in the Act; and

WHEREAS, the Authority previously issued its $25,812,000 Economic Development Revenue Bond, Series 2010 (Tacoma Goodwill Industries Project) (the “Refunded Bond”) dated June 30, 2010, as amended by a First Loan Modification Agreement dated September 28, 2011, a Second Loan Modification Agreement dated July 2, 2013, an Omnibus Amendment, Assignment and Consent dated December 13, 2016 (the “2016 Reissuance”), a Third Amendment to Loan Agreement dated January 5, 2018, and a Fourth Amendment to Loan Agreement dated December 16, 2020 on behalf of Tacoma Goodwill Industries, now known as Goodwill of the Olympics and Rainier Region (the “Borrower”), proceeds of which were used to finance and refinance certain facilities of the Borrower; and

WHEREAS, the Borrower is a Washington nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Borrower has requested that the Authority issue a bond to refund on a current basis the Refunded Bond (the “Project”); and

WHEREAS, by Resolution No. W-2022-05 (the “Initial Action Resolution”), the Authority took official action on April 7, 2022 towards the issuance and sale of one or more series of tax-exempt bonds in a maximum principal amount of not to exceed $17,000,000 for the purpose of financing the Project; and

WHEREAS, the Authority has or will enter into an Indemnification and Compensation Agreement with the Borrower; and

WHEREAS, forms of the following documents (the “Financing Documents”) relating to the proposed issuance of the Authority’s Economic Development Refunding Revenue Bond
(Goodwill of the Olympics & Rainier Project), Series 2022 in the maximum principal amount of $17,000,000 (the “Bond”) have been prepared and are on file with the Authority:

(a) A Financing Agreement (the “Financing Agreement”) proposed to be made and entered into among the Authority, the Borrower and Key Government Finance, Inc. (the “Purchaser”); and

(b) The Assignment of Security (For Security Purposes) from the Authority to the Purchaser (the “Assignment”), pursuant to which the Authority will assign its rights under the promissory note (the “Note”) and other security documents to the Purchaser for security purposes; and

WHEREAS, pursuant to the foregoing Financing Documents, the Authority hereby determines that the issuance and sale of the Bond to the Purchaser in the maximum principal amount of $17,000,000 and the loan of the proceeds to the Borrower for the purpose of financing the Project is in the public interest and consistent with the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY, as follows:

Section 1. Definitions. Unless otherwise defined in the recitals and elsewhere in this resolution, capitalized terms used herein shall have the meanings set forth in the Financing Agreement.

Section 2. Findings of the Authority. The Authority hereby finds as follows:

(a) Financing the Project, the issuance and sale of the Bond, the execution and delivery of the Financing Documents, and the performance of all covenants and agreements of the Authority contained in the Bond, the Financing Documents, and all other acts and things required under the Constitution and laws of the State to make the Financing Documents and the Bond valid and binding, limited obligations of the Authority enforceable against the Authority in accordance with their terms, respectively, are authorized by the Act;

(b) The issuance and sale of the Bond and the loan of the proceeds of the Bond by the Authority to the Borrower to finance the Project are in conformity with and satisfy the guidelines of the Authority with respect to the issuance of nonrecourse revenue bonds under the Act; and

(c) In reliance upon delivery of an approving legal opinion from Bond Counsel, Pacifica Law Group LLP, the Authority hereby finds and determines that the interest on the Bond will be excludable from gross income for federal tax purposes, subject to certain customary exceptions.

Section 3. Authorization and Approval. The Authority hereby authorizes the issuance, sale and delivery of the Bond in the maximum principal amount of $17,000,000 pursuant to and in accordance with the provisions of the Act and the Code, subject to the sale
parameters set forth in Section 5 of this resolution. The Bond shall be in the series, amount and form set forth in the Financing Agreement, pursuant to the terms set forth therein.

The Authority is hereby authorized to loan the proceeds of the Bond to the Borrower, and to pledge and assign the loan repayments and revenues therefrom and its interest in the Note, the Revenues and other security documents, if any, to the Purchaser, all as provided in the Financing Agreement and the Assignment. The forms of the Financing Documents and the Bond are approved subject to such modifications as are deemed appropriate and approved by the Chair or the Executive Director of the Authority and bond counsel for the Authority, which approval shall be conclusively evidenced by execution and delivery of the Financing Documents and the Bond by the Chair of the Authority as therein required. The Financing Documents are hereby directed to be executed in the name and on behalf of the Authority by the Chair, Vice Chair or Executive Director of the Authority, but only to be delivered upon execution thereof by the Borrower and Purchaser, as necessary. The signature of one authorized individual shall be sufficient to bind the Authority.

Section 4. Authorization of Bond. The Authority hereby authorizes the issuance of the Bond. The Bond shall be issued in the maximum principal amount of $17,000,000 and designated as the “Washington Economic Development Finance Authority Economic Development Refunding Revenue Bond (Goodwill of the Olympics & Rainier Project), Series 2022.” The Bond shall bear interest at the rates and be payable on the interest payment dates set forth in the Bond and the Financing Agreement, and shall mature in the principal amounts and be payable on the principal payment dates set forth in the Bond and the Financing Agreement. The Bond shall be subject to prepayment and redemption prior to its scheduled maturity under the terms set forth in the Bond and the Financing Agreement. The Bond shall be payable solely out of the Revenues and other security assigned and pledged hereby and shall not constitute an indebtedness of the State or any political subdivision of the State within the meaning of any State Constitutional provision and shall never constitute nor give rise to a pecuniary liability of the Authority (other than a liability for payment from the Revenues and security assigned and pledged by the respective Financing Documents) or a charge against its general credit. The Bond shall be in substantially the form attached to the Financing Agreement.

The principal of and interest on the Bond shall be payable only to or upon the order of the owners of the Bond or their legal representative or registered assigns. Payments made by the Borrower on the loan under the terms of the Financing Agreement received by the Purchaser as assignee of the Authority under the Assignment and the Financing Agreement, shall be deemed full satisfaction for payments on the Bond.

Section 5. Sale of Bond; Delegation. The Authority hereby authorizes and approves the sale of the Bond to the Purchaser, on the terms and conditions required by the Financing Agreement and this Section 5.

The Authority has determined that it is in its best interest to delegate to the Executive Director the authority to approve the final principal amount, dated date, interest rates, payment dates, and maturity dates and other terms and conditions for the Bond in the manner provided herein, provided that:
(a) The aggregate principal amount of Bond does not exceed $17,000,000;

(b) The interest rate on the Bond shall be calculated in accordance with Exhibit A to the Financing Agreement; provided, that the interest rate on the Bond will be an indexed variable rate adjusted monthly based upon an average of the previous month of Daily Simple SOFR, with a floor, all as defined in the Financing Agreement;

(c) Principal and interest shall be payable on the interest payment dates as provided in the Financing Agreement, and final maturity of the Bond shall not be later than July 1, 2035;

(d) The Bond shall be dated as of the date of initial delivery to the Purchaser, which shall be no later than October 1, 2022;

(e) The purchase price of the Bond shall be 100.00%;

(f) The Bond shall be subject to optional redemption in whole or in part, at par, as provided in the Financing Agreement; and

(g) The Purchaser’s fee shall be 0.15% of the principal amount of the Bond and such fee and the costs of issuing the Bond shall be payable by the Borrower and not from proceeds of the Bond.

The authority granted to the Executive Director by this Section 5 shall expire on October 1, 2022.

Section 6. Registration of Bond; Lost, Stolen or Mutilated Bond. The Authority appoints the Secretary of the Authority as initial registrar (the “Registrar”) for the Bond, and the Authority shall maintain a record of the registration for the Bond or may provide for such a record to be maintained by a trustee hereafter appointed by the Executive Director of the Authority. After its delivery to the Purchaser, as initial purchaser thereof, the Bond may be transferred only as provided in the Financing Agreement. The Registrar shall note any such transfer on its records and shall issue to the transferee a new Bond in like principal amount of the Bond surrendered for transfer.

Section 7. Execution, Registration and Delivery of the Bond. The Chair or Vice Chair of the Authority is authorized and directed to execute the Bond on behalf of the Authority by facsimile or manual signatures for and on behalf of the Authority, attested by the facsimile or manual signature of the Secretary or Executive Director of the Authority. The Secretary of the Authority or his or her designee shall authenticate the Bond as Registrar and deliver the Bond to the Purchaser upon application of the proceeds of the Bond as specified in the Financing Agreement and the Assignment.

Section 8. Further Documents and Certificates. The Chair, Vice-Chair, Secretary, Executive Director and such other officers of the Authority as may be appropriate, are authorized and directed to execute a Non-Arbitrage Certificate setting forth the proposed recitals
and expectation of the Authority regarding compliance with the provisions of the Code and the Regulations thereunder (the “Non-Arbitrage Certificate”) and any and all documents and certificates and do any and all things determined necessary to effect the accomplishment of the issuance, sale and delivery of the Bond, the pledge of all collateral to secure the Bond, and to deliver the necessary documents to the proper parties as requested to carry out the intended purposes of this resolution. The signature of one authorized individual shall be sufficient to bind the Authority. Such officers, the Chair, Vice-Chair, Secretary, and Executive Director, are each further authorized to approve amendments from time to time to the documents authorized herein, provided that such amendments (a) are requested by the other parties to the Financing Agreement or are recommended by counsel to the Authority, (b) comply with all applicable provisions concerning the amendment of such documents, (c) are consistent with this resolution and (d) do not materially increase the obligations of the Authority as described in the documents on file with the Authority.

Section 9. Bond Amount; Initial Action Resolution. In accordance with Section 3 hereof, the maximum principal amount of the Bond is $17,000,000, and any conflicting provision of the Initial Action Resolution is hereby amended to the extent of such conflict.

Section 10. Limitations on Liability. Nothing contained in this resolution nor in the Bond, the Financing Agreement, the Assignment, the Non-Arbitrage Certificate, or any other document or instrument executed in connection with the issuance of the Bond, shall be construed with respect to the Authority, the State or any political subdivision of the State as incurring a pecuniary liability or charge upon the general credit of the Authority, the State or any political subdivision of the State or against the taxing power of the State or any political subdivision of the State, nor shall the breach of any agreement contained in this resolution, the Bond, the Financing Agreement, the Assignment, the Non-Arbitrage Certificate, or any other document or instrument executed in connection therewith impose any pecuniary liability upon the Authority, the State or any political subdivision of the State or any charge upon the general credit or the taxing power of the State or any political subdivision of the State. The Authority has no taxing power.

Section 11. Severability. If any covenant or agreement provided in this resolution to be performed on the part of the Authority is declared by any court of competent jurisdiction to be contrary to law, then such covenant or agreement shall be null and void and shall be deemed separable from the remaining covenants and agreements of this resolution and shall in no way affect the validity of the other provisions of this resolution or the Bond.

Section 12. Effective Date. This resolution shall become effective immediately after its adoption and signature by the Chair and attestation by the Secretary of the Authority and when effective shall act to ratify and confirm all acts taken previously in furtherance of and consistent with this resolution.

ADOPTED by the Washington Economic Development Finance Authority this 9th day of June, 2022.
WASHINGON ECONOMIC DEVELOPMENT FINANCE AUTHORITY

By Vincent W. Santiago
Chair

ATTEST:

Secretary
CERTIFICATE

I, the undersigned, Secretary of the Washington Economic Development Finance Authority (the “Authority”), DO HEREBY CERTIFY:

1. That the attached Resolution No. W-2022-07 (the “Resolution”) is a true and correct copy of a resolution of the Authority as adopted at a regular meeting of the Authority held on June 9, 2022.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, 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 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 WHEREOF, I have hereunto set my hand this 9th day of June, 2022.

[Signature]
Secretary