

RESOLUTION NO. 14-___

**A RESOLUTION OF THE OF THE BOARD OF DIRECTORS OF THE FORT WORDEN
LIFELONG LEARNING CENTER PUBLIC DEVELOPMENT AUTHORITY AUTHORIZING
A LINE OF CREDIT WITH FIRST FEDERAL SAVINGS AND LOAN AND ACCOUNT
SIGNERS FOR THE LOAN**

RECITALS:

- A. The Fort Worden Lifelong Learning Center Public Development Authority's ("PDA") Charter, which was amended and adopted by the Port Townsend City Council in September 2011, is a public corporation organized pursuant to Ordinance No. 3018 of the City of Port Townsend, Washington.
- B. The Amended Charter specifically directs the PDA to undertake, assist with, and facilitate the implementation of a Lifelong Learning Center consistent with the 2008 Fort Worden Long-range Plan and to develop the necessary agreements and partnerships for the use, operation, management and development of State-owned facilities and properties within the Fort Worden State Park
- C. Pursuant to the Amended Charter, "the management of all Authority affairs shall reside in a Board of Directors. The Board shall be composed of not fewer than seven (7) and no more than (9) nine members" (Amended Charter, Article VII, Organization of Authority, Section 1.)
- D. Pursuant to Section 6 of the Charter, duties of Board Members may include, among other duties, the contracting of debts, issuance of notes, debentures, or bonds, and the mortgaging or pledging of corporate assets to secure the same. In addition," any resolution authorizing or approving such an action shall require the affirmative action vote of a majority of board members voting on the issue" (Amended Charter, Article VII, Organization of Authority, Section 7.)
- E. The Chairperson of the Board of Directors is authorized to supervise the activities of the Corporation; when necessary execute instruments on its behalf when authorized by the Board; preside at meetings of the Board. The Chairperson has no authority to bind or control the organization.
- F. Cindy Finnie is the Chair of the PDA Board and Norm Tonina serves as the PDA Treasurer. Both Ms. Finnie and Mr. Tonina also serve on the Board of Trustees for First Federal Savings and Loan ("First Federal"). Fort Worden Board members are not financially compensated for their board service. Both have disclosed this potential conflict of interest and have recused themselves from participation in deliberations concerning this matter.
- G. As part of the master lease with Washington State Parks and Recreation Commission ("Commission"), the PDA is required to secure a \$250,000 line of credit.

- H. First Federal has offered the PDA a line of credit with the following terms: \$250,000 line of credit; Interest rate is variable and can change based on changes in the WSJ Prime Rate. Interest rate floor is 4.75% and interest rate ceiling is 7.75%. Payment is interest only based on the outstanding balance. Line of credit is will be set up for a 12 month term. Cost of the loan is 1% of line amount which equals \$2,500.
- I. Dave Robison, Executive Director and Scott Wilson, Vice-Chair of the PDA Board, will be the signers on the \$250,000 Line of Credit loan with First Federal.
- J. As part of the Section 21.5 of the master lease, on May 1, 2014, the PDA shall perfect at its sole expense a contingent security interest in favor of the bank in rents received by the PDA from its existing leases in its lease area. Such interest shall represent a contingent assignment of such rents to First Federal, available upon material default by the PDA of its repayment obligations under the terms of the line of credit.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fort Worden Lifelong Learning Center Public Development Authority as follows:

The Vice-Chair, Scott Wilson, of the Board of Directors is authorized to enter into this resolution to approve a \$250,000 line of credit with First Federal.

The Board authorizes Dave Robison, Executive Director and Scott Wilson, Vice-Chair of the PDA to be the signers on the \$250,000 Line of Credit loan with First Federal.

The Board also authorizes Dave Robison, Executive Director, to sign necessary documentation to provide First Federal with a contingent security interest in rents from current leases assigned to the PDA by the State.

ADOPTED by the Board of Directors of the Fort Worden Lifelong Learning Center Public Development Authority at a properly noticed regular meeting of the Board at which a quorum was present, held on the 23rd day of March, 2014.

Scott Wilson, Vice-Chair

Attest:

Gee Heckscher, Secretary