

May 10, 2016

Dean Walz  
Fiscal Services Director  
Administrative Services Department  
City of Olympia

Dear Dean,

Thank you for the opportunity to provide this offer to purchase the City of Olympia Limited Tax General Obligation Bond Anticipation Note, 2016. Cashmere Valley Bank (the "Bank") is pleased to provide the following terms:

1. Borrower: City of Olympia, Thurston County, Washington (the "City").
2. Summary of Borrowing:

A Limited Tax General Obligation Bond Anticipation Note (the "Note") of the City. Draws will be used to purchase property for parks.
3. Amount:

Not to exceed \$10,000,000
4. Form:

Fully registered Note issued by the City and purchased by the Bank at private sale.
5. Purpose:

To provide funding for land acquisition.
6. Bond Terms:
  - a) Interest Rate:

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Interest rate will be a bank-qualified tax-exempt fixed rate equal to 1.35%.  
Accrual basis actual/365.

b) Term:

The Note shall mature June 1, 2019. Interest would be due semi-annually  
December 1, and June 1, beginning December 1, 2016. Principal would be due at  
maturity.

c) Draws:

Draws can be made on the Note on any business day in an amount greater than or  
equal to \$25,000. Draw proceeds will be wire transferred to the City. For same  
day funding, draw requests will need to be received by 11 AM.

d) Transferability

The Bank will hold the Note with no intent to sell or transfer. The Note may be  
transferred only in whole to a qualified investor.

7. Prepayment:

The Note may be prepaid at any time in whole or in part without penalty provided  
the registered owner of the Note receives 15-day notice.

8. Fees:

No fees. The City will be responsible for all other costs of issuance, including  
bond counsel costs. The Bank will not have any legal expenses.

9. Additional Terms:

The bond documents would be prepared by bond counsel to the City, will be in  
the standard forms customarily required by the Bank for municipal funding, and  
will include additional terms and conditions not discussed above. At the date of  
closing the bond, the financial condition and credit of the City and all other  
features of this transaction will be as represented to the Bank without material  
adverse change. In the event of adverse material changes in the credit worthiness  
of the City, including litigation or claims filed against the City, any commitment  
will terminate upon notice by the Bank. This commitment will be non-assignable  
by the City. The City will designate the Note as a “qualified tax-exempt  
obligation” under section 265(b) (3) of the IRS Code for investment by financial  
institutions.

10. Continuing Disclosure:

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The City will also be required to make available to the Bank its annual financial report for as long as the Note is outstanding. The report may be made available via City web site, EMMA, or by direct transfer.

11. Acceptance:

This commitment is not binding unless the Bank receives a signed copy of this letter by May 20, 2016 at which time the commitment will expire without notice. If, after acceptance, the Note has not closed by June 15, 2016, this commitment will expire without notice.

12. Closing: Closing of the Note is anticipated on or about June 1, 2016.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

Thank you for the opportunity to provide this offer to the City and its financing team.

Sincerely,

CASHMERE VALLEY BANK

Ron Olsen  
Senior Vice President Municipal Finance Manager  
Direct: 425-688-3935

Acknowledged and accepted this 10th day of May, 2016

CITY OF OLYMPIA

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: Nancy Neraas, Foster Pepper PLLC