

EVENT NOTICE

NOTICE OF UNSCHEDULED DRAW ON CREDIT ENHANCEMENT AND NOTICE OF INCURRENCE OF A FINANCIAL OBLIGATION



Washington State Convention Center Public Facilities District

Lodging Tax Bonds, 2010B (Build America Bonds – Direct Payment)

Lodging Tax Bonds, 2018

Subordinate Lodging Tax Bonds, 2018

CUSIP-6: 93976A

In connection with the above-mentioned bonds (the “Bonds”), the Washington State Convention Center Public Facilities District (the “District”) hereby gives notice of the following:

Background: Additional Lodging Taxes. Additional Lodging Tax Revenues are the revenues the District collects from its 2% lodging tax imposed pursuant to RCW 36.100.040(5) within the portion of the District that corresponds to the boundaries of the City of Seattle (the “Additional Lodging Tax”). The Additional Lodging Tax operates as a credit against the State sales tax, and was imposed by the District to provide credit enhancement on its outstanding bonds. If the District in any fiscal year is required to apply Additional Lodging Tax Revenues to the payment of principal of and interest on obligations it issues or incurs (including its outstanding bonds), and the District is unable to pay all or any portion of the Annual Payment Amount to the State, the deficiency is deemed to be a loan from the State to the District for the purpose of assisting the District in paying such principal and interest and must be repaid with interest by the District to the State, after providing for the payment of the principal of and interest on obligations issued or incurred by the District, as provided in the Transfer Agreement between the State and the District.

Background: Repayment Deficiency Loans. Consistent with RCW 36.100.040(6), the Transfer Agreement further provides that in any State fiscal year during which the District is unable to pay to the State all or any portion of the annual repayment amount, the deficiency is deemed to be a “Repayment Deficiency Loan” from the State to the District for the purpose of assisting the District in paying principal and interest on obligations it issues or incurs. The District is required to repay the State for each Repayment Deficiency Loan consistent with a repayment schedule proposed by the District and accepted by the State Treasurer providing for full reimbursement of the principal amount of the Repayment Deficiency Loan plus any accrued interest over a term not to exceed the end of the State fiscal year that is five years after the State fiscal year for which each such Loan was incurred. Each Repayment Deficiency Loan is required to bear interest at a rate determined

annually for each State fiscal year during which any Repayment Deficiency Loan is outstanding. The interest rate on any Repayment Deficiency Loan applicable during a State fiscal year is to be the average weekly Bond Buyer twenty-bond general obligation index during the immediately preceding State fiscal year plus one percentage point, as determined by the State Treasurer.

Notices. Notice is hereby given, based on unaudited information, that:

- As of June 30, 2020, the District collected \$20,070,559.28 in Additional Lodging Tax Revenues for the State fiscal year ended June 30, 2020. The District paid \$6,051,536.04 of this amount to the State, including an interest adjustment. The District incurred a Repayment Deficiency Loan in the amount of \$14,250,838.20.
- On July 1, 2020, the District applied \$14,250,838.20 in Additional Lodging Tax Revenues to the interest payment due on July 1, 2020, representing an unscheduled draw on credit enhancement.

Notes Regarding this Event Notice Filing. The District is filing this information as an event notice pursuant to its continuing disclosure undertakings on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. This information is only accurate as of its date. The provision of this information to EMMA is not intended as an offer to sell any security. No representation is made as to whether this information is material or important with respect to any particular outstanding debt issue of the District or whether other events have occurred with respect to the District or its outstanding debt that might be material or important to owners of the District's outstanding debt.

Dated: July 1, 2020