DETAILS ON QUALIFYING FOR AN INDUSTRIAL DEVELOPMENT REVENUE BOND

Tax Status: Bond Interest is exempt from federal income tax (subject to AMT).

Eligible Projects: Manufacturing and processing projects located in Washington State. Feedstock for "exempt facilities" projects must be classified as at least 65% solid waste.

Eligible Costs: Land acquisition, building construction and acquisition of new equipment.
Used equipment can be financed only if purchased as part of an existing plant.
For "exempt facilities" projects, only that part of the project which either qualifies as "solid waste disposal" or is functionally related can be financed on a tax-exempt basis.

Project Size: For industrial revenue bonds, maximum total capital expenditure for the project – including the proposed and any existing bond issues – of $410 million measured over a period beginning 3 years before and ending 3 years after bond issuance. For "exempt facilities" projects, no set dollar limit, however, bond cap allocation is currently restricted to 30% of initial category allocation (approx. $25.6 million) in a given year.

Financing Source: National tax-exempt credit markets; no governmental funds or guarantees are involved. Bonds must be either sold on the open market or privately placed with qualified institutionalized/individual investors.

Security for the Bonds: No governmental financial support, either direct or indirect, is provided. Payment of interest and principal is solely the responsibility of the borrowing company. Publicly sold bonds must be credit enhanced by a letter of credit from an investment grade-rated bank.

"TAXABLE TAIL" ECONOMIC DEVELOPMENT BONDS CONSOLIDATED TAXABLE/TAX-EXEMPT NONRECOURSE REVENUE BOND FINANCING PROGRAM

Tax Status: Interest for "Taxable Tail" bonds is subject to federal income tax.

Eligible Projects: "Taxable Tail" bonds will normally be used in conjunction with tax-exempt "exempt-facility" or industrial revenue bond financings to allow the total project – both the parts eligible for tax-exempt financing and those not so eligible – to be financed in one bond issuance with the cost advantages of the melded rate and issuance process efficiencies.

Borrowing company must be creditworthy and project must be located in Washington.

Eligible Costs:
- Costs eligible for tax-exempt financing but for which insufficient bond cap is available; and
- Costs not eligible for tax-exempt financing such as working capital, capitalized R&D costs and capitalized interest.
- Outstanding obligations incurred as a part of the project can also be refunded.

Project Size: No set dollar amount. WEDFA is restricted by statute from issuing more than $750 million of bonds total.

Financing Source: National taxable credit markets. No governmental funds or guarantees are involved. The bonds must be either publicly sold or privately placed with qualified investors.

Security and Bonds: No governmental financial support is provided. Payment of interest for the principal is the responsibility of the borrowing company. If the bonds are publicly sold, the financing must be secured by a letter of credit from a commercial bank rated investment grade by one of the major rating agencies.

PORT OF CENTRALIA

PREPARED NOV 22, 2016

THE PORT OF CENTRALIA'S INDUSTRIAL DEVELOPMENT COMMISSION'S (IDC) FEE STRUCTURE

Application Fee:

- Rate of .01% of 1% of the Bond Issue ($100 per $1 Million of Issued bonds).
- Minimum Fee of $1,000
- Nonrefundable

Issuance Fee:

- Rate of 1/4 of 1% of the first million plus 1/10 of 1% of the remainder of the bond issue.

Annual Administration Fee:

- $0-5 Million – $255
- $5-10 Million – $500
- $10-25 Million – $1,000
- Over $25 Million – $1,500