

**City Of Woodland
City Council Meeting Agenda Summary Sheet**

Agenda Item: Long Term General
Obligation (LTGO) Bond Schedule of Events
and bond ordinance

Agenda Item #: D
For Agenda of: 06/24/2013
Department: Clerk/Treasurer
Date Submitted: 06/19/2013

Cost of Item: _____
Amount Budgeted: _____
Unexpended Balance: _____

BARS #:
Description:

Department Supervisor Approval: Mari E. Ripp, Clerk-Treasurer / s /

Committee Recommendation: n/a

Agenda Item Supporting Narrative (list attachments, supporting documents):

Schedule of Events

Distribution list

Bond ordinance [pending]

Summary Statement/Department Recommendation:

Our Bond Counsel for the 2013 LTGO issuance is with Foster Pepper. Their services include reviewing all the legal documents including the Preliminary Official Statement (POS), the Schedule of Events, preparing the bond ordinance and related paperwork. The DRAFT bond ordinance will be distributed as soon as received and reviewed by staff.

This will be an action item for July 1, 2013.

City of Woodland, Washington
\$1,920,000*, Limited Tax General Obligation Bonds, 2013

Schedule of Events (As of June 19, 2013)

MAY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

CITY: City of Woodland (Council meets: 1st & 3rd Mondays, 7:00 PM)
DAD: Underwriter (D.A. Davidson)
BC: Bond Counsel (Foster Pepper PLLC)

Date	Event	Participants
Completed	Provide City with list of data requirements for the draft Preliminary Official Statement (POS)	DAD
June 13	Distribute distribution list & Schedule of Events to City & BC	DAD
Nearly complete	City provides data requested for the POS to DAD	CITY
June 19	Distribute 1st draft of the POS to City & BC	DAD
June 21	Distribute 1 st draft of Bond [Delegation] Ordinance to City & DAD	BC
June 25	Comments due on 1st draft of POS	All
June 26	Comments due on 1 st draft of Bond Ordinance	All
June 28	Distribute draft Rating Presentation to City	DAD
June 28	Distribute 2 nd draft of POS to City & BC	DAD
June 28	Distribute 2 nd draft of Bond Ordinance & 1 st draft of legal opinion	BC
June 28	Send Audits, Budget, draft POS & legal to Standard & Poor's ("S&P")	DAD
June 24	Finance Comm 5:00 pm (Review Bond Ord for 7/1 CC 1 st Reading)	CITY
July 5	Comments due on 2 nd draft of Bond Ordinance & legal opinion	All
July 1	Rating call rehearsal @ {after 1PM, or schedule for July 2}	CITY, DAD
July 1	Council meeting 1 st READING of draft of Bond [Delegation] Ordinance	City
July 2	Final comments due on 2 nd draft of POS	All
July 3	Rating conference call with S&P @ 9:00 AM	CITY, DAD
July 15	Pass FINAL READING of Bond [Delegation] Ordinance by the City Council	All
July 15	Receive rating grade from S&P	DAD, CITY
July 16	Distribute POS to potential investors (local & institutional investors)	DAD
July 22	Review market conditions/ pre-pricing call @ 1:00 pm	DAD, CITY
July 23	Bond Order Period – sign purchase contract	DAD, CITY, BC
August 6	Bond Closing and distribution of proceeds	BC, DAD, CITY

*Preliminary and subject to change

City of Woodland, Washington
Limited Tax General Obligation Bonds, 2013

Distribution List

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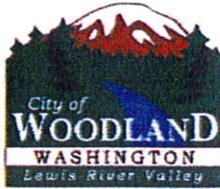
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Mr. Li Yang

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E-mail: li.yang@standardandpoors.com



MEMORANDUM

Date: April 24, 2013
 From: Bart Stepp, PE, Public Works Director
 To: Woodland City Council
 Cc: Mayor of Woodland, Department Heads
 Subject: Additional Bonding Funding Options to Complete Police Station and other Capital Projects

City Council requested some proposed priorities for capital projects to spend the proposed additional capital bond on. The options below assume that the maximum amount of money the City can obtain is \$1,920,000 and the bond is to be paid through general fund revenues. No water or sewer projects were considered. Another assumption is that City Council's priority is looking at options for a City Hall. I have listed a cost of \$675,000 of additional funding for the police station. Previously the cost was \$600,000. Because of some additional costs in the design since then, changes requested by L&I during their review of the building, and some additional work needed for ground mitigation for the building I have added \$75,000. I have also included \$25,000 to add a roof to the Sallyport if desired and \$50,000 to add walls to the Sallyport which was in the original design.

Option 1 – City Hall at the Centennial Building*

Capital Projects in priority list	Cost
1) Additional Funding to complete police station as designed	\$675,000
2) Add Sallyport Roof to Police Station	\$25,000
3) Add walls and garage doors to Sallyport per initial design	\$52,000
4) 100 Davidson Renovations (paint exterior, etc.)	\$100,000
5) Purchase Centennial Building for new City Hall	\$380,000
6) Improvements to Centennial Building (\$60/square foot)	\$454,000
7) Furnishings for new City Hall at Centennial Building	\$90,000
8) Renovate Parking lot at 100 Davidson and PW Office	\$100,000
9) Contingency	\$34,000
Total Cost:	\$1,910,000

* If sufficient funds remain after construction of all items, the City would demolish 300 E. Scott buildings.

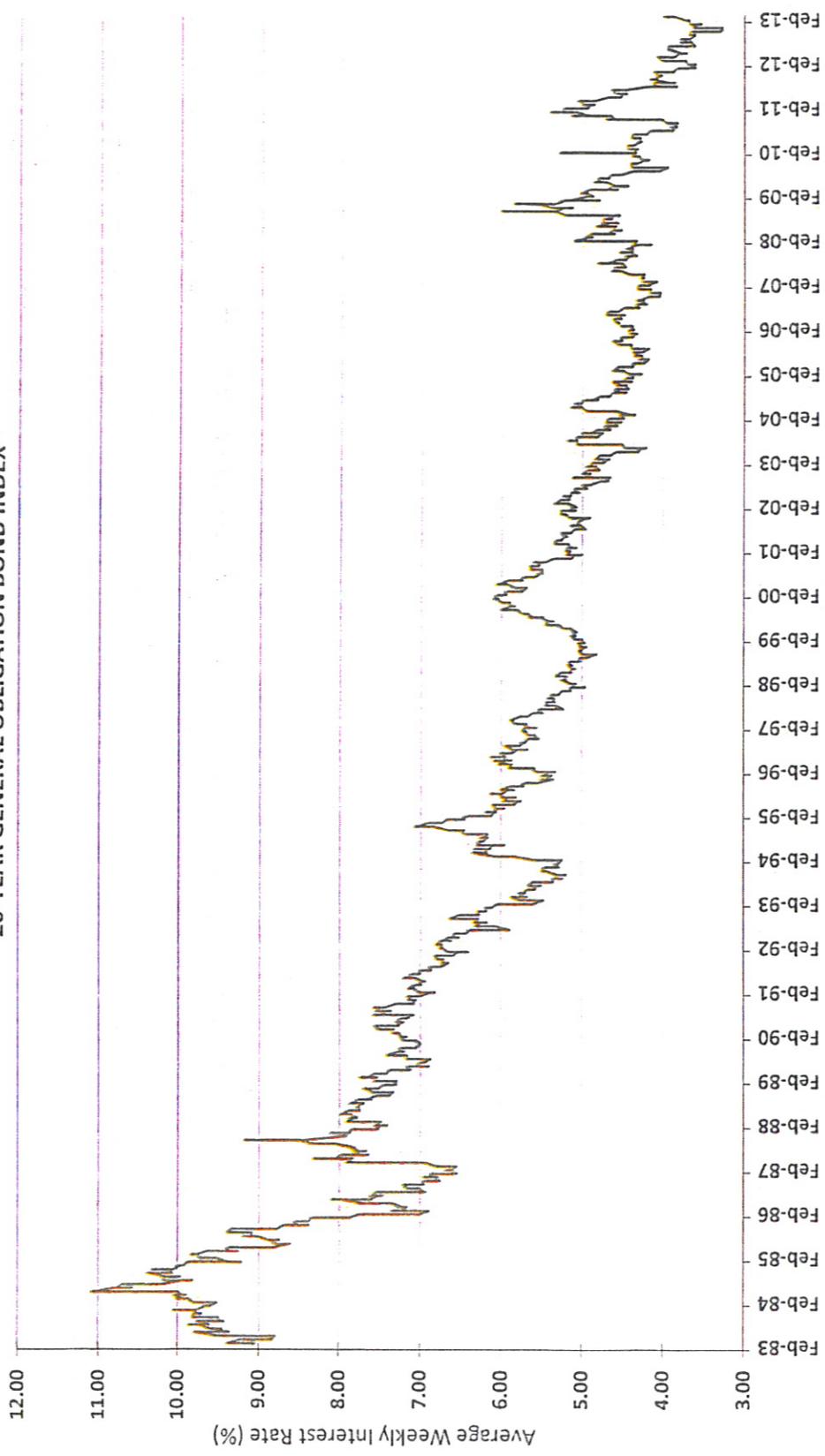
Advantages:

- A brand new City Hall in downtown of 7,560 square feet that is seismically retrofitted. With council chambers at the police station this would provide plenty of room for long term use of the facility.
- The annex could be converted into a senior center/community center. This would allow the existing community Center to either be demolished for a future library or a library extension.
- By moving into an existing building the City does not need to spend funds on site work or parking.
- Archives could be moved to City Hall eliminating the need for the trailer at the WWTP.

Disadvantages:

- Does not provide long term solution for PW administration.
- 100 Davidson would be largely empty although it could be used for storage of archives.
- Two story building requires installation of elevator or wheelchair lift along stairs.
- Does not provide money for renovation of annex for community center/senior center.
- Property is assessed at \$310,000 but is currently listed at \$565,000. May be unable to acquire property for a price that would still allow for renovation and furnishing of facility.

Bond Buyer Index
(30-Year History)
20-YEAR GENERAL OBLIGATION BOND INDEX*



*The 20 G.O. Index is comprised of bond issues with a rating of AA- maturing in 20 years.

City of Woodland

Target Annual Payment of \$133,000 per year
Answer is \$1,920,000 Is Funding Amount
Assume rating grade of "A"

Period Ending	Principal	Coupon	Interest	Annual Payment
12/1/2013	0	0.000%	24,470	24,470
12/1/2014	0	0.000%	49,769	49,769
12/1/2015	80,000	2.000%	49,769	129,769
12/1/2016	85,000	2.000%	48,169	133,169
12/1/2017	85,000	2.000%	46,469	131,469
12/1/2018	85,000	2.000%	44,769	129,769
12/1/2019	90,000	2.000%	43,069	133,069
12/1/2020	90,000	2.000%	41,269	131,269
12/1/2021	90,000	2.000%	39,469	129,469
12/1/2022	95,000	2.000%	37,669	132,669
12/1/2023	95,000	2.125%	35,769	130,769
12/1/2024	100,000	3.000%	33,750	133,750
12/1/2025	100,000	3.000%	30,750	130,750
12/1/2026	105,000	3.000%	27,750	132,750
12/1/2027	105,000	3.000%	24,600	129,600
12/1/2028	110,000	3.000%	21,450	131,450
12/1/2029	115,000	3.000%	18,150	133,150
12/1/2030	115,000	3.000%	14,700	129,700
12/1/2031	120,000	3.000%	11,250	131,250
12/1/2032	125,000	3.000%	7,650	132,650
12/1/2033	130,000	3.000%	3,900	133,900
Total:	1,920,000		654,607	2,574,607

Est. Average Rate: 2.68%

CITY OF WOODLAND, WASHINGTON

ORDINANCE NO. 1237

AN ORDINANCE of the City of Woodland, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of \$2,630,000 par value of Limited Tax General Obligation Improvement and Refunding Bonds, 2012, to (i) finance the cost of constructing and equipping a new police facility and certain other improvements, (ii) currently refund the City's outstanding Limited Tax General Obligation Bonds, 2005, and (iii) pay the administrative costs of such refunding and the costs of issuance and sale of such bonds; fixing the terms and covenants of the bonds; authorizing the execution of an agreement with The Bank of New York Mellon, as refunding trustee; providing for and authorizing the purchase of certain obligations and for the use and application of the money derived from those investments; providing for the call, payment and redemption of the outstanding bonds to be refunded; authorizing the sale and providing for the delivery of the bonds to Martin Nelson & Co., Inc., of Seattle, Washington; and providing for related matters.

Passed May 7, 2012

This document prepared by:

*Foster Pepper PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98101
(206) 447-4400*

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DRAFT DATED 6/20/2013

CITY OF WOODLAND, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Woodland, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of not to exceed \$1,920,000 aggregate principal amount of limited tax general obligation bonds to provide funds to (1) acquire, improve and/or renovate existing buildings or properties for use as City Hall, a fire station and for other City purposes, (2) complete construction of a police station, and (3) pay the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

Passed July 15, 2013

This document prepared by:

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Exhibit A Parameters for Final Terms

Exhibit B Form of Undertaking to Provide Continuing Disclosure

**The cover page, table of contents and section headings of this ordinance are for convenience of reference only, and shall not be used to resolve any question of interpretation of this ordinance.*

CITY OF WOODLAND, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE of the City of Woodland, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of not to exceed \$1,920,000 aggregate principal amount of limited tax general obligation bonds to provide funds to (1) acquire, improve and/or renovate existing buildings or properties for use as City Hall, a fire station and for other City purposes, (2) complete construction of a police station, and (3) pay the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

THE CITY COUNCIL OF THE CITY OF WOODLAND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings:

(a) “*Authorized Denomination*” means \$5,000 or any integral multiple thereof within a maturity of a Series.

(b) “*Beneficial Owner*” means, with respect to a Bond, the owner of any beneficial interest in that Bond.

(c) “*Bond*” means each bond issued pursuant to and for the purposes provided in this ordinance.

(d) “*Bond Counsel*” means the firm of Foster Pepper PLLC, its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as bond counsel in the field of municipal finance.

(e) “*Bond Fund*” means the Limited Tax General Obligation Bond Fund, 2013, of the City created for the payment of the principal of and interest on the Bonds.

(f) “*Bond Purchase Agreement*” means an offer to purchase a Series of the Bonds, setting forth certain terms and conditions of the issuance, sale and delivery of those Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the City, if consistent with this ordinance.

(g) “*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of the each Bond.

(h) “*Bond Registrar*” means the Fiscal Agent, or any successor bond registrar selected by the City.

(i) “City” means the City of Woodland, Washington, a municipal corporation duly organized and existing under the laws of the State.

(j) “City Council” means the legislative authority of the City, as duly and regularly constituted from time to time.

(k) “Code” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(l) “DTC” means The Depository Trust Company, New York, New York, or its nominee.

(m) “Designated Representative” means the officer of the City appointed in Section 4 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

(n) “Final Terms” means the terms and conditions for the sale of a Series of the Bonds including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants.

(o) “Finance Officer” means the City Clerk-Treasurer or such other officer of the City who succeeds to substantially all of the treasury-related responsibilities of that office.

(p) “Fiscal Agent” means the fiscal agent of the State, as the same may be designated by the State from time to time.

(q) “Government Obligations” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

(r) “Issue Date” means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of that Bond.

(s) “Letter of Representations” means the Blanket Issuer Letter of Representations between the City and DTC, dated November 21, 2005, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

(t) “MSRB” means the Municipal Securities Rulemaking Board.

(u) “Owner” means, without distinction, the Registered Owner and the Beneficial Owner.

(v) “Projects” means the (1) acquisition, improvement and/or renovation of existing buildings or property for use as City Hall, a fire station and for other City purposes, and (2) the completion of construction of a police station. Projects may include other capital purposes, as deemed necessary and advisable by the City. Incidental costs incurred in connection with carrying out and accomplishing the Projects, consistent with RCW 39.46.070, may be included

as costs of the Project. The Projects include acquisition, construction and installation of all necessary furniture, equipment, apparatus, accessories, fixtures and appurtenances. The term “property” includes all real property and all appurtenant improvements, structures and interest therein.

(w) “*Project Funds*” means one or more funds or accounts designated or created by the Finance Officer for the purpose of carrying out the Projects.

(x) “*Purchaser*” means D.A. Davidson & Co. of Seattle, Washington, or such other purchaser of the Bonds whose offer is accepted by the Designated Representative in accordance with this ordinance.

(y) “*Rating Agency*” means any nationally recognized rating agency then maintaining a rating on the Bonds at the request of the City.

(z) “*Record Date*” means the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 9.

(aa) “*Registered Owner*” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the City utilizes the book–entry only system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

(bb) “*Rule 15c2-12*” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

(cc) “*SEC*” means the United States Securities and Exchange Commission.

(dd) “*Securities Depository*” means DTC, any successor thereto, any substitute securities depository selected by the City that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.

(ee) “*Series of the Bonds*” or “*Series*” means a series of the Bonds issued pursuant to this ordinance.

(ff) “*State*” means the State of Washington.

(gg) “*System of Registration*” means the system of registration for the City’s bonds and other obligations set forth in Ordinance No. 844 of the City.

(hh) “*Term Bond*” means each Bond designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in the Bond Purchase Agreement.

(ii) “*Undertaking*” means the undertaking to provide continuing disclosure entered into pursuant to Section 15 of this ordinance.

Section 2. Findings and Determinations. The City takes note of the following facts and makes the following findings and determinations:

(a) *Authority and Description of Projects.* The City is in need of carrying out the Projects. RCW 35A.11.020 authorizes the City to exercise all powers possible for a city to have under the Constitution of the State, and not specifically denied to code cities by law, including the power to acquire, improve, restore and protect any real or personal property. The City Council therefore finds that it is in the best interests of the City to carry out the Projects.

(b) *Plan of Financing.* Pursuant to applicable law, including without limitation chapters 35.37, 39.36, 39.44, and 39.46 RCW, the City is authorized to issue general obligation bonds for the purpose of financing the Projects. The total expected cost of the Projects is approximately \$1,910,000, which is expected to be made up of proceeds of the Bonds and other available money of the City.

(c) *Debt Capacity.* The maximum amount of indebtedness authorized by this ordinance is \$1,920,000. Based on the following facts, this amount is to be issued within the amount permitted to be issued by the City for general municipal purposes without a vote:

- (1) The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes for collection in the calendar year 2013 is \$559,647,094.
- (2) As of July 1, 2013, the City has limited tax general obligation indebtedness, consisting of bonds and State loans outstanding in the principal amount of \$[_____], which is incurred within the limit of up to 1½% of the value of the taxable property within the City permitted for general municipal purposes without a vote.
- (3) As of July 1, 2012, the City has no unlimited tax general obligation indebtedness.

(d) *The Bonds.* For the purpose of providing the funds necessary to carry out the Projects and to pay the costs of issuance and sale of the Bonds, the City Council finds that it is in the best interests of the City and its taxpayers to issue and sell the Bonds to the Purchaser, pursuant to the terms set forth in the Bond Purchase Agreement as approved by the Designated Representative consistent with this ordinance.

Section 3. Authorization of Bonds. The City is authorized to borrow money on the credit of the City and issue negotiable limited tax general obligation bonds evidencing indebtedness in the amount of not to exceed \$1,920,000 to provide funds necessary to carry out the Projects and to pay the costs of issuance and sale of the Bonds. The proceeds of the Bonds allocated to paying the cost of the Projects shall be deposited as set forth in Section 8 of this ordinance and shall be used to carry out the Projects, or a portion of the Projects, in such order of time as the City determines is advisable and practicable.

Section 4. Description of the Bonds; Appointment of Designated Representative. The Finance Officer is appointed as the Designated Representative of the City and is authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most

advantageous to the City, and to approve the Final Terms of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this ordinance and incorporated by this reference.

Section 5. Bond Registrar; Registration and Transfer of Bonds.

(a) *Registration of Bonds.* Each Bond shall be issued only in registered form as to both principal and interest and the ownership of each Bond shall be recorded on the Bond Register.

(b) *Bond Registrar; Duties.* The Fiscal Agent is appointed as initial Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance and the System of Registration. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) *Bond Register; Transfer and Exchange.* The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner. A Bond surrendered to the Bond Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same Series, interest rate and maturity. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

(d) *Securities Depository; Book-Entry Only Form.* DTC is appointed as initial Securities Depository. Each Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the City, the City may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the City does not appoint a substitute Securities Depository, or (ii) the City terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this ordinance.

Neither the City nor the Bond Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the City nor the Bond Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 6. Form and Execution of Bonds.

(a) *Form of Bonds; Signatures and Seal.* Each Bond shall be prepared in a form consistent with the provisions of this ordinance and State law. Each Bond shall be signed by the Mayor and the City Clerk-Treasurer, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the City, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "Certificate Of Authentication. This Bond is one of the fully registered City of Woodland, Washington, Limited Tax General Obligation Bond, 2013." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 7. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository is payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 8. Funds and Accounts; Deposit of Proceeds.

(a) *Bond Fund.* The Bond Fund is created as a special fund of the City for the sole purpose of paying principal of and interest on the Bonds. All amounts allocated to the payment

of the principal of and interest on the Bonds shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bonds. The principal of and interest on the Bonds shall be paid out of the Bond Fund. Until needed for that purpose, the City may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that fund.

(b) *Project Funds.* Proceeds received from the sale and delivery of the Bonds shall be deposited into the Project Funds and used to pay the costs of the Projects and costs of issuance of the Bonds. Until needed to pay such costs, the City may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the Project Funds and used for the purposes of those funds, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn from the Project Funds and used for those tax or rebate purposes.

Section 9. Redemption Provisions and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds shall be subject to redemption at the option of the City on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A.

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in the Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A, and except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Agreement. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the City and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase prices) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The City shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds are to be redeemed at the option of the City, the City shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are to be redeemed, the Securities Depository shall select Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Bond Registrar shall select all other Bonds to be redeemed randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) *Notice of Redemption.* Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations.

Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the Finance Officer shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

(e) *Rescission of Optional Redemption Notice.* In the case of an optional redemption, the notice of redemption may state that the City retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time on or prior to the date fixed for redemption. Any notice of optional redemption that is so rescinded shall be of no effect, and each Bond for which a notice of redemption has been rescinded shall remain outstanding.

(f) *Effect of Redemption.* Interest on each Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund or in a trust account established to refund or defease the Bond.

(g) *Purchase of Bonds.* The City reserves the right to purchase any or all of the Bonds offered to the City at any time at any price acceptable to the City plus accrued interest to the date of purchase.

Section 10. Failure To Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity date or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 11. Pledge of Taxes. The Bonds constitute a general indebtedness of the City and are payable from tax revenues of the City and such other money as is lawfully available and pledged by the City for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the City irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the City are pledged irrevocably for the prompt payment of the principal of and interest on the Bonds and such pledge shall be enforceable in mandamus against the City.

Section 12. Tax Covenants; Designation of Bonds as “Qualified Tax-Exempt Obligations.”

(a) *Preservation of Tax Exemption for Interest on Bonds.* The City covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the City treated as proceeds of the Bonds that will cause interest on the Bonds to be included in gross income for federal income tax purposes.

(b) *Post-Issuance Compliance.* The Finance Officer is authorized and directed to review and update the City’s written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bonds from being included in gross income for federal tax purposes.

(c) *Designation of Bonds as “Qualified Tax-Exempt Obligations.”* The Bonds may be designated as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

- (1) the Bonds are not “private activity bonds” within the meaning of Section 141 of the Code;
- (2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Bonds are issued will not exceed \$10,000,000; and
- (3) the amount of tax-exempt obligations, including the Bonds, designated by the City as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bonds are issued does not exceed \$10,000,000.

Section 13. Refunding or Defeasance of the Bonds. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the “defeased Bonds”); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this ordinance and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely

from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the City may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bonds to any lawful purpose.

Unless otherwise specified by the City in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this ordinance for the redemption of Bonds.

Section 14. Sale and Delivery of the Bonds.

(a) *Manner of Sale of Bonds; Delivery of Bonds.* The Designated Representative is authorized to sell the Bonds by negotiated sale to the Purchaser, based on the assessment of the Designated Representative of market conditions, in consultation with appropriate City officials and staff, Bond Counsel and other advisors. In determining the method of sale of the Bonds and accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City. The Bond Purchase Agreement for the Bonds shall set forth the Final Terms. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

(b) *Preparation, Execution and Delivery of the Bonds.* The Bonds will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 15. Official Statement; Continuing Disclosure.

(a) *Preliminary Official Statement Deemed Final.* The Designated Representative shall review the form of the preliminary official statement prepared in connection with each sale of a Series of the Bonds to the public. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, the Designated Representative is authorized to deem that preliminary official statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary official statement that has been deemed final in accordance with this subsection.

(b) *Approval of Final Official Statement.* The City approves the preparation of a final official statement for each Series of the Bonds to be sold to the public in the form of the preliminary official statement, with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes Designated Representative to execute and deliver such final official statement to the Purchaser. The City authorizes and approves the distribution by the Purchaser of that final official statement to purchasers and potential purchasers of the Bonds.

(c) *Undertaking to Provide Continuing Disclosure.* To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds, the

Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of the Bonds in substantially the form attached as Exhibit B.

Section 16. Supplemental and Amendatory Ordinances. The City may supplement or amend this ordinance for any one or more of the following purposes without the consent of any Owners of the Bonds:

(a) To add covenants and agreements that do not materially adversely affect the interests of Owners, or to surrender any right or power reserved to or conferred upon the City.

(b) To cure any ambiguities, or to cure, correct or supplement any defective provision contained in this ordinance in a manner that does not materially adversely affect the interest of the Beneficial Owners of the Bonds.

Section 17. General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of the Bonds to the Purchaser and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 18. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 19. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council and APPROVED by the Mayor of the City of Woodland, Washington, at an open public meeting thereof, this 15th day of July, 2013.

CITY OF WOODLAND, WASHINGTON

APPROVED AS TO FORM:

Grover B. Laseke, Mayor

FOSTER PEPPER PLLC, Bond Counsel

ATTEST/AUTHENTICATED:

Published: _____

Effective: _____

Mari E. Ripp, City Clerk-Treasurer

EXHIBIT A
DESCRIPTION OF THE BONDS

- (a) Principal Amount. The Bonds may be issued in one or more Series and shall not exceed the aggregate principal amount of \$1,920,000.
- (b) Date or Dates. Each Bond shall be dated the Issue Date, which date may not be later than one year after the effective date of this ordinance.
- (c) Denominations, Name, etc. The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.
- (d) Interest Rate(s). Each Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds. No rate of interest for any Bond may exceed ____%, and the true interest cost to the City for each Series of the Bonds may not exceed ____%.
- (e) Payment Dates. Interest shall be payable at fixed rates semiannually on dates acceptable to the Designated Representative, commencing no later than one year following the Issue Date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments on dates acceptable to the Designated Representative.
- (f) Final Maturity. The Bonds shall mature no later than December 1, 2033.
- (g) Redemption Rights. The Designated Representative may approve in the Bond Purchase Agreement provisions for the optional and mandatory redemption of Bonds, subject to the following:
- (1) Optional Redemption. Any Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement; or (B) not subject to redemption prior to its maturity date. If a Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one

or more dates occurring not more than 10½ years after the Issue Date.

- (2) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Agreement.

(h) Price.

The purchase price for each Series of the Bonds may not be less than ____% or more than ____% of the stated principal amount of that Series.

(i) Other Terms and Conditions.

- (1) A Series of the Bonds may not be issued if it would cause the indebtedness of the City to exceed the City's legal debt capacity on the Issue Date.
- (2) The Designated Representative may determine whether it is in the City's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as he or she may determine are in the best interests of the City, consistent with this ordinance.

[Form of]
UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

City of Woodland, Washington
Limited Tax General Obligation Bonds, 2013

The City of Woodland, Washington (the “City”), makes the following written Undertaking for the benefit of holders of the above-referenced bonds (the “Bonds”), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Ordinance No. ___ (the “Bond Ordinance”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

- (i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b) (“annual financial information”);
- (ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (iii) Timely notice of a failure by the City to provide required annual financial information on or before the date specified in paragraph (b).

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the City undertakes to provide in paragraph (a):

- (i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with generally accepted accounting principles applicable to local governmental units of the State such as the City, as such principles may be changed from time to time, which statements may be unaudited, provided, that if and when audited financial statements are prepared and available they will be provided; (2) outstanding general obligation debt; (3) assessed valuation for the fiscal year; (4) regular property tax levy rate and regular property tax levy rate limit for the fiscal year; and (5) general fund revenues from other major tax sources.
- (ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City's fiscal year ending December 31, 2013; and
- (iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The City will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. This Undertaking shall inure to the benefit of the City and the holder of each Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The City's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the City's obligations under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the City to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel delivered to the City, and the City provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the City learns of any failure to comply with this Undertaking, the City will proceed with due diligence to cause such noncompliance to be corrected. No failure by the City or other obligated person to comply with this Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any holder of a Bond shall be to take action to compel the City or other obligated

person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

(g) Designation of Official Responsible to Administer Undertaking. The Finance Officer or his or her designee is the person designated, in accordance with the Bond Ordinance, to carry out this Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

- (i) Preparing and filing the annual financial information undertaken to be provided;
- (ii) Determining whether any event specified in paragraph (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;
- (iii) Determining whether any person other than the City is an “obligated person” within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;
- (iv) Selecting, engaging and compensating designated agents and consultants, including financial advisors and legal counsel, to assist and advise the City in carrying out this Undertaking; and
- (v) Effecting any necessary amendment of this Undertaking.

CERTIFICATION

I, the undersigned, City Clerk-Treasurer of the City of Woodland, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. ____ (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on July 15, 2013, as that ordinance appears on the minute book of the City.

2. The Ordinance will be in full force and effect five days after publication in the City’s official newspaper, which publication date is _____, 2013.

3. A quorum of the members of the City Council was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Ordinance.

Dated: _____, 2013.

CITY OF WOODLAND, WASHINGTON

Mari E. Ripp, City Clerk-Treasurer