



CITY OF VANCOUVER, WASHINGTON

\$10,515,000

LIMITED TAX GENERAL OBLIGATION BONDS,
2011A (BQ) & 2011B (TAXABLE)

Final Numbers

June 8, 2011

BOND DEBT SERVICE

CITY OF VANCOUVER
Limited Tax General Obligation Bonds, 2011A (BQ) & 2011B (Taxable)
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2011	-	-	183,558.88	183,558.88	183,558.88
06/01/2012	-	-	207,802.50	207,802.50	-
12/01/2012	295,000 ✓	0.650%	207,802.50	502,802.50	710,605.00
06/01/2013	-	-	206,843.75	206,843.75	-
12/01/2013	295,000	1.000%	206,843.75	501,843.75	708,687.50
06/01/2014	-	-	205,368.75	205,368.75	-
12/01/2014	300,000	1.400%	205,368.75	505,368.75	710,737.50
06/01/2015	-	-	203,268.75	203,268.75	-
12/01/2015	300,000	**	203,268.75	503,268.75	706,537.50
06/01/2016	-	-	198,862.50	198,862.50	-
12/01/2016	310,000	**	198,862.50	508,862.50	707,725.00
06/01/2017	-	-	194,718.75	194,718.75	-
12/01/2017	315,000	4.000%	194,718.75	509,718.75	704,437.50
06/01/2018	-	-	188,418.75	188,418.75	-
12/01/2018	330,000	4.000%	188,418.75	518,418.75	706,837.50
06/01/2019	-	-	181,818.75	181,818.75	-
12/01/2019	340,000	5.000%	181,818.75	521,818.75	703,637.50
06/01/2020	-	-	173,318.75	173,318.75	-
12/01/2020	360,000	5.000%	173,318.75	533,318.75	706,637.50
06/01/2021	-	-	164,318.75	164,318.75	-
12/01/2021	380,000	5.000%	164,318.75	544,318.75	708,637.50
06/01/2022	-	-	154,818.75	154,818.75	-
12/01/2022	395,000	4.000%	154,818.75	549,818.75	704,637.50
06/01/2023	-	-	146,918.75	146,918.75	-
12/01/2023	410,000	4.000%	146,918.75	556,918.75	703,837.50
06/01/2024	-	-	138,718.75	138,718.75	-
12/01/2024	430,000	4.000%	138,718.75	568,718.75	707,437.50
06/01/2025	-	-	130,118.75	130,118.75	-
12/01/2025	445,000	4.000%	130,118.75	575,118.75	705,237.50
06/01/2026	-	-	121,218.75	121,218.75	-
12/01/2026	465,000	4.000%	121,218.75	586,218.75	707,437.50
06/01/2027	-	-	111,918.75	111,918.75	-
12/01/2027	480,000	4.125%	111,918.75	591,918.75	703,837.50
06/01/2028	-	-	102,018.75	102,018.75	-
12/01/2028	500,000	4.125%	102,018.75	602,018.75	704,037.50
06/01/2029	-	-	91,706.25	91,706.25	-
12/01/2029	525,000	4.125%	91,706.25	616,706.25	708,412.50
06/01/2030	-	-	80,878.13	80,878.13	-
12/01/2030	545,000	4.125%	80,878.13	625,878.13	706,756.26
06/01/2031	-	-	69,637.50	69,637.50	-
12/01/2031	565,000	4.500%	69,637.50	634,637.50	704,275.00
06/01/2032	-	-	56,925.00	56,925.00	-
12/01/2032	590,000	4.500%	56,925.00	646,925.00	703,850.00
06/01/2033	-	-	43,650.00	43,650.00	-
12/01/2033	620,000	4.500%	43,650.00	663,650.00	707,300.00
06/01/2034	-	-	29,700.00	29,700.00	-
12/01/2034	645,000	4.500%	29,700.00	674,700.00	704,400.00
06/01/2035	-	-	15,187.50	15,187.50	-
12/01/2035	675,000	4.500%	15,187.50	690,187.50	705,375.00
	10,515,000		6,619,870.14	17,134,870.14	17,134,870.14

10,515,000 614
10,220,000 TB
9,925,000 ✓ (110)

BOND DEBT SERVICE

CITY OF VANCOUVER
Limited Tax General Obligation Bonds, 2011A (BQ)
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2011	-	-	179,305.63	179,305.63	179,305.63
06/01/2012	-	-	202,987.50	202,987.50	-
12/01/2012	-	-	202,987.50	202,987.50	405,975.00
06/01/2013	-	-	202,987.50	202,987.50	-
12/01/2013	-	-	202,987.50	202,987.50	405,975.00
06/01/2014	-	-	202,987.50	202,987.50	-
12/01/2014	-	-	202,987.50	202,987.50	405,975.00
06/01/2015	-	-	202,987.50	202,987.50	-
12/01/2015	275,000	3.000%	202,987.50	477,987.50	680,975.00
06/01/2016	-	-	198,862.50	198,862.50	-
12/01/2016	310,000	**	198,862.50	508,862.50	707,725.00
06/01/2017	-	-	194,718.75	194,718.75	-
12/01/2017	315,000	4.000%	194,718.75	509,718.75	704,437.50
06/01/2018	-	-	188,418.75	188,418.75	-
12/01/2018	330,000	4.000%	188,418.75	518,418.75	706,837.50
06/01/2019	-	-	181,818.75	181,818.75	-
12/01/2019	340,000	5.000%	181,818.75	521,818.75	703,637.50
06/01/2020	-	-	173,318.75	173,318.75	-
12/01/2020	360,000	5.000%	173,318.75	533,318.75	706,637.50
06/01/2021	-	-	164,318.75	164,318.75	-
12/01/2021	380,000	5.000%	164,318.75	544,318.75	708,637.50
06/01/2022	-	-	154,818.75	154,818.75	-
12/01/2022	395,000	4.000%	154,818.75	549,818.75	704,637.50
06/01/2023	-	-	146,918.75	146,918.75	-
12/01/2023	410,000	4.000%	146,918.75	556,918.75	703,837.50
06/01/2024	-	-	138,718.75	138,718.75	-
12/01/2024	430,000	4.000%	138,718.75	568,718.75	707,437.50
06/01/2025	-	-	130,118.75	130,118.75	-
12/01/2025	445,000	4.000%	130,118.75	575,118.75	705,237.50
06/01/2026	-	-	121,218.75	121,218.75	-
12/01/2026	465,000	4.000%	121,218.75	586,218.75	707,437.50
06/01/2027	-	-	111,918.75	111,918.75	-
12/01/2027	480,000	4.125%	111,918.75	591,918.75	703,837.50
06/01/2028	-	-	102,018.75	102,018.75	-
12/01/2028	500,000	4.125%	102,018.75	602,018.75	704,037.50
06/01/2029	-	-	91,706.25	91,706.25	-
12/01/2029	525,000	4.125%	91,706.25	616,706.25	708,412.50
06/01/2030	-	-	80,878.13	80,878.13	-
12/01/2030	545,000	4.125%	80,878.13	625,878.13	706,756.26
06/01/2031	-	-	69,637.50	69,637.50	-
12/01/2031	565,000	4.500%	69,637.50	634,637.50	704,275.00
06/01/2032	-	-	56,925.00	56,925.00	-
12/01/2032	590,000	4.500%	56,925.00	646,925.00	703,850.00
06/01/2033	-	-	43,650.00	43,650.00	-
12/01/2033	620,000	4.500%	43,650.00	663,650.00	707,300.00
06/01/2034	-	-	29,700.00	29,700.00	-
12/01/2034	645,000	4.500%	29,700.00	674,700.00	704,400.00
06/01/2035	-	-	15,187.50	15,187.50	-
12/01/2035	675,000	4.500%	15,187.50	690,187.50	705,375.00
	9,600,000		6,592,949.39	16,192,949.39	16,192,949.39

BOND DEBT SERVICE

CITY OF VANCOUVER
Limited Tax General Obligation Bonds 2011B (Taxable)
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2011	-	-	4,253.25	4,253.25	4,253.25
06/01/2012	-	-	4,815.00	4,815.00	-
12/01/2012	295,000	0.650%	4,815.00	299,815.00	304,630.00
06/01/2013	-	-	3,856.25	3,856.25	-
12/01/2013	295,000	1.000%	3,856.25	298,856.25	302,712.50
06/01/2014	-	-	2,381.25	2,381.25	-
12/01/2014	300,000	1.400%	2,381.25	302,381.25	304,762.50
06/01/2015	-	-	281.25	281.25	-
12/01/2015	25,000	2.250%	281.25	25,281.25	25,562.50
	915,000		26,920.75	941,920.75	941,920.75

STAFF REPORT NO. 062-11

TO: Mayor and City Council
FROM: Dave Mercier, Assistant City Manager *DM*
DATE: 05/23/11
06/06/11

Subject: Year 2011 Limited Tax Levy General Obligation Bonds.

Objective: To approve issuance of up to \$11,200,000 in limited tax general obligation bonds and the bond purchase contract with Seattle Northwest Securities Corporation.

Present Situation: As part of the overall financing plan for the \$44 million Waterfront Access Project, one of the revenue components includes issuing bonds. Through the State of Washington's Local Revitalization Financing (LRF) tool, the City of Vancouver applied for funding of the Waterfront Access Project and was awarded \$220,000 per year to support the project for up to twenty-five years. The City plans to utilize this funding to support debt service for this bond issue. In addition, Real Estate Excise Tax revenue dedicated to Transportation projects will provide revenue for debt service for the first five years. After that time it is anticipated that tax revenue generated from the construction and property improvements on the Waterfront will provide the additional revenue for debt service; however, the City's full faith and credit pledge from property tax collections is the overall pledge of debt repayment.

In addition to bond proceeds, this project has other funding sources, including contributions from the private developer, local capital resources, state and federal grants, one of which is the BEDI grant, and the HUD Section 108 loan. Council approved the BEDI grant and the HUD loan in 2010.

Advantage(s): Allows the City to meet its obligations to provide public access to the waterfront under the Development Agreement with Columbia Waterfront LLC through the use of bond proceeds to provide a portion of the financing for this project.

Disadvantage(s): The City's non-voted debt will be increased by an estimated \$11.2 million. However, an estimated \$80.9 million of non-voted debt capacity remains after this bond issue.

Budget Impact: Council approved sufficient budget to cover the cost of issuance and for the debt service payments associated with this bond issue in the 2011/2012 Budget.

Prior Council Review:

- During the 2011/2012 Budget Adoption.
- May 9 and May 16, 2011, ordinance adoption to impose the Local Sales and Use Tax credit for the LRF financing tool.

Action Requested:

1. On May 23, 2011 approve ordinance on first reading, setting date of second reading and public hearing for June 6, 2011, and authorize the City Manager to sign a bond purchase contract.

Staff Report 062-11
May 23, 2011
June 6, 2011
Page 2 of 2

2. On June 6, 2011, subject to second reading and public hearing, approve the ordinance authorizing the bond sale.

Attachment: Ordinance

E11052301/EH:CL:AD

CITY OF VANCOUVER, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS, 2011

ORDINANCE NO. M-3982

AN ORDINANCE OF THE CITY OF VANCOUVER,
WASHINGTON, PROVIDING FOR THE ISSUANCE AND
SALE OF UP TO \$11,200,000 LIMITED TAX GENERAL
OBLIGATION BONDS OF THE CITY IN ONE OR MORE
SERIES; AND DELEGATING AUTHORITY TO APPROVE
THE FINAL TERMS OF SAID BONDS.

APPROVED ON JUNE 6, 2011

PREPARED BY:

K&L GATES LLP
Seattle, Washington

CITY OF VANCOUVER
ORDINANCE NO. M- 3982
TABLE OF CONTENTS*

	<u>Page</u>
Section 1. Definitions and Interpretation of Terms.....	1
Section 2. Authorization of the Project.....	5
Section 3. Authorization of Bonds and Bond Details	6
Section 4. Registration, Exchange and Payments	7
Section 5. Redemption Prior to Maturity and Purchase of Bonds	12
Section 6. Form of Bonds	15
Section 7. Execution of Bonds.....	17
Section 8. Application of Bond Proceeds	18
Section 9. Tax Covenants	19
Section 10. Bond Fund and Provision for Tax Levy Payments	21
Section 11. Defeasance	22
Section 12. Sale of Bonds	23
Section 13. Undertaking to Provide Ongoing Disclosure	25
Section 14. Lost, Stolen or Destroyed Bonds	29
Section 15. Severability	29
Section 16. Effective Date	31

* This Table of Contents is provided for convenience only and is not a part of this ordinance.

ORDINANCE NO. M-3982

AN ORDINANCE OF THE CITY OF VANCOUVER, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF UP TO \$11,200,000 LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY IN ONE OR MORE SERIES; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF SAID BONDS.

WHEREAS, the best interests of the inhabitants of the City of Vancouver, Washington (the "City") require that the City fund transportation improvements for the Waterfront Access Project (the "Project"); and

WHEREAS, the City is authorized by RCW chs. 35.22 and 39.46 to borrow money and issue general obligation bonds to finance the costs of the Project; and

WHEREAS, it is in the best interest of the City to issue limited tax general obligation bonds in one or more series in the aggregate principal amount of not to exceed \$11,200,000 (the "Bonds") in order to obtain long term financing for the Project;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF VANCOUVER, WASHINGTON as follows:

Section 1. Definitions and Interpretation of Terms.

(a) *Definitions.* As used in this ordinance, the following words shall have the following meanings:

Beneficial Owner means any person that has or shares the power, directly or indirectly to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Bond Fund means the City of Vancouver General Obligation Bond Debt Service Fund No. 210 maintained pursuant to Section 10 of this ordinance.

Bond Purchase Contract means the contract(s) for the purchase of the Bonds of each series between the Underwriter and City, executed pursuant to Section 12 of this ordinance.

Bond Register means the registration books showing the name, address and tax identification number of each Registered Owner of the Bonds, maintained pursuant to Section 149(a) of the Code.

Bond Registrar means, initially, the fiscal agency of the State of Washington, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

Bonds means the City of Vancouver, Washington Limited Tax General Obligation Bonds, 2011[A][B][Taxable] issued pursuant to this ordinance. The Bonds may be issued in one or more series.

Bond Year means each one-year period that ends on the date selected by the City. The first and last Bond Years may be short periods. If no day is selected by the City before the earlier of the final maturity date of the Bonds or the date that is five years after the date of issuance of the Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bonds.

City means the City of Vancouver, Washington, a municipal corporation of the State of Washington.

City Manager means the person designated as the City Manager of the City, or any successor to the functions of the City Manager.

Code means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

Commission means the Securities and Exchange Commission.

Council means the City Council as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 4 hereof.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW.

Letter of Representations means the blanket issuer letter of representations from the City to DTC.

MSRB means the Municipal Securities Rulemaking Board or any successor to its functions.

Net Proceeds, when used with reference with the Bonds, means the principal amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount, if any.

Private Person means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

Private Person Use means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the

Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

Project mean the capital projects described in Section 2 of this ordinance and incorporated herein by this reference.

Project Fund means the “2011 Bond Capital Fund” as described in Section 8 of this ordinance.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be the sole Registered Owner.

Rule means the Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Treasurer means the Treasurer of the City or the person succeeding to the functions currently performed by the Treasurer.

Underwriter means Seattle-Northwest Securities Corporation, Seattle, Washington.

(b) *Interpretation.* In this ordinance, unless the context otherwise requires:

(1) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this ordinance;

(2) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(3) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and

(5) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Authorization of the Project. The City plans to fund transportation improvements for the Waterfront Access Project and make other capital improvements as approved through the budget process by the Council (the “Project”) and pay costs of issuance of the Bonds. The Vancouver Columbia Waterfront Access Project means the public infrastructure including but not limited to: extending Esther and Grant streets under the Burlington Northern Santa Fe Railroad (BNSF) berm and related railroad bridges; rail realignment to accommodate

construction; construction of a new street to the north of the BNSF rail line connecting Sixth Street to Jefferson Street; reconstruction of a street to the south of the BNSF rail line connecting Sixth Street to Seventh Street; Esther Street extension under the BNSF rail line; and related intersection improvements. A portion of the cost of the Project is expected to be paid from various Federal and State grants dedicated to transportation improvement projects, local funds, Local Revitalization Financing (LRF) revenue from a portion of the State sales tax, and proceeds from a U.S. Department of Housing and Urban Development Section 108 loan and Brownfields Economic Development grant. The balance of the cost of the Project shall be paid from the Bonds hereinafter authorized.

Section 3. Authorization of Bonds and Bond Details. For the purpose of paying the costs of the Project and paying costs of issuance, the City shall issue and sell its limited tax general obligation bonds, in one or more series, in the aggregate principal amount of not to exceed \$11,200,000 (the "Bonds").

The Bonds shall be general obligations of the City, shall be designated "City of Vancouver, Washington, Limited Tax General Obligation Bonds, 2011[A][B][Taxable]", with additional distinguishing designations if the Bonds are issued in more than one series; shall be dated as of their initial date of delivery; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, provided that no Bond shall represent more than one maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall bear interest from their date, payable on December 1, 2011, and semiannually thereafter on the first days of each June and December and shall mature on December 1 in the years and principal amounts set forth and approved in the Bond Purchase

Contract executed by the City Manager pursuant to Section 12 of this ordinance. The Bonds may be issued in one or more series.

Section 4. Registration, Exchange and Payments.

(a) *Bond Registrar/Bond Register.* The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agencies. The City shall cause a bond register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its principal corporate trust office. The Bond Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Treasurer. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication of the Bonds.

(b) *Registered Ownership.* The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Section 13 of this ordinance), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(h) hereof, but such Bond may be transferred as herein provided. All such payments made as described in Section 4(h) shall be valid and shall satisfy

and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds initially shall be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the City has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held in fully-immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

If any Bond shall be duly presented for payment and funds have not been duly provided by the City on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until it is paid.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds of a series in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Treasurer pursuant to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Treasurer to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Treasurer may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds of a series, together with a written request on behalf of the Treasurer, issue a single new Bond for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Treasurer.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Treasurer determines that it is in the best interest of the beneficial owners of the Bonds

that such owners be able to obtain such bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The Treasurer shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds together with a written request on behalf of the Treasurer to the Bond Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.*

The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, series, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, series, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the

15 days preceding any interest payment or principal payment date any such Bond is to be redeemed.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond 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 member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The City covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least 15 days prior to the applicable payment date), such payment shall be made by the Bond Registrar by wire transfer to the account within the continental United States designated by the Registered Owner. Principal of the Bonds

shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Bond Registrar.

Section 5. *Redemption Prior to Maturity and Purchase of Bonds.*

(a) *Mandatory Redemption of Term Bonds and Optional Redemption, if any.* The Bonds of each series may be called for redemption at any time prior to scheduled maturity under terms approved by the City Manager in the Bond Purchase Contract pursuant to Section 12 of this ordinance.

(b) *Purchase of Bonds.* The City reserves the right to purchase any of the Bonds offered to it at any time at a price deemed reasonable by the Treasurer.

(c) *Selection of Bonds for Redemption.* For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held in uncertificated form, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c). If the City redeems at any one time fewer than all of the Bonds of a series having the same maturity date, the particular Bonds or portions of Bonds of such series and maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed

balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds are held in uncertificated form, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(D) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(E) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

(2) Effect of Notice; Bonds Due. If an unconditional notice of redemption has been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the series and

maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 25 days before the redemption date to each party entitled to receive notice pursuant to Section 13, and to the Underwriter and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

CITY OF VANCOUVER

LIMITED TAX GENERAL OBLIGATION BOND, 2011[A][B][TAXABLE]

INTEREST RATE: %

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Vancouver, Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from _____, 2011, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on December 1, 2011, and semiannually thereafter on the first days of each succeeding June and December. Both principal of and interest on this bond are payable in lawful money of the United

States of America. The fiscal agency of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. M-_____ duly passed by the City Council on June 6, 2011 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$_____ and is issued pursuant to the Bond Ordinance for providing funds to pay the cost of capital improvements to City infrastructure and to pay costs of issuance.

The bonds of this issue maturing on and prior to December 1, _____ are not subject to redemption prior to their stated maturities. The bonds of this issue maturing on and after _____ are subject to redemption at the option of the City on and after _____ in whole or in part on any date (and if in part, with maturities to be selected by the City), at a price of par plus accrued interest to the date of redemption.

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

[The bonds of this issue have [not] been designated by the City as "qualified tax-exempt obligations" for investment by financial institutions under Section 265(b) of the Code.]

The pledge of tax levies for payment of principal of and interest on the bonds may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond, have happened, been done and performed and that

the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Vancouver, Washington has caused this bond to be executed by the manual or facsimile signatures of the Mayor and City Clerk and the seal of the City imprinted, impressed or otherwise reproduced hereon as of this ____ day of _____, 2011.

CITY OF VANCOUVER, WASHINGTON

By _____
/s/ manual or facsimile
Mayor

ATTEST:

/s/ manual or facsimile
City Clerk
[SEAL]

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation Bonds, 2011[A][B][Taxable] of the City of Vancouver, Washington, dated _____, 2011.

WASHINGTON STATE FISCAL
AGENCY, as Bond Registrar

By _____

Section 7. Execution of Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bonds shall cease to be an officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond may be signed and attested on behalf of the City by such persons who at the date of the actual execution of such Bond, are the proper officers of the City, although at the original date of such Bond any such person shall not have been such officer of the City.

Section 8. Application of Bond Proceeds. The City shall establish a fund designated the "2011 Bond Capital Fund" (the "Project Fund") into which the proceeds of the Bonds (other than accrued interest) shall be deposited; provided, however, that the proceeds on any tax-exempt Bonds shall be accounted for separately. Money on hand in the Project Fund shall be used to pay the costs of the Project and costs of issuance of the Bonds. The Treasurer may invest money in the Project Fund in legal investments for City funds. Earnings on such investments shall accrue to the benefit of the fund earning such interest. Any part of the proceeds of the Bonds remaining in the Project Fund after all costs of the Project have been paid (including costs of issuance) may be used for any capital purpose of the City or may be transferred to the Bond Fund.

Section 9. Tax Covenants. The covenants of this section shall be applicable to any Bonds issued as tax-exempt obligations or Bonds that are required to observe the applicable rules and regulations under the Code for tax-exempt bonds. The City covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exemption from federal income taxation of the interest on the Bonds and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exemption from federal income taxation of the interest on the Bonds.

(a) *Arbitrage Covenant.* Without limiting the generality of the foregoing, the City covenants that it will not take any action or fail to take any action with respect to the proceeds of sale of the Bonds or any other funds of the City which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code and the regulations promulgated thereunder which, if such use had been reasonably expected on the dates of delivery of the Bonds to the initial purchasers thereof, would have caused the Bonds to be treated as "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code.

The City represents that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is an issuer whose arbitrage certifications may not be relied upon. The City will comply with the requirements of Section 148 of the Code and the applicable regulations thereunder throughout the term of the Bonds.

(b) *Private Person Use Limitation for Bonds.* The City covenants that for as long as the Bonds are outstanding, it will not permit:

(1) More than 10% of the Net Proceeds of the Bonds to be allocated to any Private Person Use; and

(2) More than 10% of the principal or interest payments on the Bonds in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The City further covenants that, if:

(3) More than five percent of the Net Proceeds of the Bonds are allocable to any Private Person Use; and

(4) More than five percent of the principal or interest payments on the Bonds in a Bond Year are (under the terms of this ordinance or any underlying arrangement) directly or indirectly:

(A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or

(B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the Project described in subsection (3) hereof or Private Person Use payments described in subsection (4) hereof that is in excess of the five percent limitations described in such subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the Project funded by the proceeds of the Bonds, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Bonds allocable to the state or local governmental use portion of the Project(s) to which the Private Person Use of such portion of the Project funded by the proceeds of the Bonds relate. The City further covenants that it will

comply with any limitations on the use of the Project funded by the proceeds of the Bonds by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax exemption of the interest on the Bonds. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds.

(c) *Modification of Tax Covenants.* The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds. To that end, the provisions of this section may be modified or eliminated without any requirement for formal amendment thereof upon receipt of an opinion of the City's bond counsel that such modification or elimination will not adversely affect the tax exemption of interest on any Bonds.

(d) *Designation under Section 265(b).* The Treasurer shall be authorized to determine and execute a designation, if applicable, of Bonds of a series under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions.

Section 10. Bond Fund and Provision for Tax Levy Payments. The City currently maintains a fund to be used for the payment of debt service on all limited tax general obligation bonds, designated as the "General Obligation Bond Debt Service Fund No. 210" (the "Bond Fund"). No later than the date each payment of principal of and/or interest on the Bonds matures or becomes due and payable, the City shall transmit sufficient funds, from the Bond Fund or from other legally available sources to the Bond Registrar for the payment of such principal and/or interest. Money in the Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in legal investments for City funds.

The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it will include in its budget and levy an *ad valorem* tax

upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the tax levy permitted to cities without a vote of the people, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds as the same shall become due.

Section 11. Defeasance. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Bond Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance.

The City shall give written notice of defeasance to the owners of all Bonds so provided and to each party entitled to receive notice in accordance with Section 13 of this ordinance.

Section 12. Sale of Bonds. The Bonds shall be sold at negotiated sale to the Underwriter pursuant to the terms of the Bond Purchase Contract. The City Manager is hereby authorized to determine whether the Bonds shall be issued in separate series due to market conditions and to negotiate terms for the purchase of the Bonds and execute the Bond Purchase Contract, with such terms as are approved by him pursuant to this section and consistent with this ordinance. The Underwriter has advised the Council that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a regular meeting date of the Council. The Council has determined that it would be in the best interest of the City to delegate to the City Manager for a limited time the authority to determine to issue the Bonds in separate series, to approve the final interest rates, aggregate principal amount, principal amounts of each maturity of the Bonds of each series and redemption rights. The City Manager is hereby authorized to determine whether to issue the Bonds in separate series, to approve the final interest rates, aggregate principal amount, principal maturities and redemption rights for the Bonds of each series in the manner provided hereafter so long as (a) the aggregate principal amount of the Bonds does not exceed \$11,200,000; and (b) the true interest cost for the Bonds (in the aggregate) does not exceed 4.75%.

In determining whether to issue the Bonds in separate series, the final interest rates, aggregate principal amounts, principal maturities and redemption rights, the City Manager, in consultation with City staff, shall take into account those factors that, in his judgment, will result in the lowest true interest cost on the Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and

quality to the Bonds. Subject to the terms and conditions set forth in this Section 12, the City Manager is hereby authorized to execute the final form of the Bond Purchase Contract, upon the City Manager's approval of the number of series, final interest rates, aggregate principal amount, principal maturities and redemption rights set forth therein. Following the execution of the Bond Purchase Contract, the City Manager shall provide a report to the Council, describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the City Manager by this Section 12 shall expire 45 days after the date of approval of this ordinance. If a Bond Purchase Contract for the Bonds has not been executed within 45 days after the date of final approval of this ordinance, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 12.

Upon the passage and approval of this ordinance, the proper officials of the City including the City Manager, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the Underwriter thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the Bond Purchase Contract.

The Treasurer is authorized to ratify and to approve for purposes of the Rule, on behalf of the City, the Official Statement (and any Preliminary Official Statement) (both as defined in the Bond Purchase Contract) relating to the issuance and sale of the Bonds and the distribution of the Official Statement pursuant thereto with such changes, if any, as may be deemed by her to be

appropriate. The preliminary Official Statement for the Bonds is hereby deemed final for the purposes of the Rule.

Section 13. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the City's written undertaking for the benefit of the owners of the Bonds as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* The City agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), the following annual financial information and operating data for the prior fiscal year (commencing in 2012 for the fiscal year ended December 31, 2011):

1. Annual financial statements, which statements may or may not be audited, showing ending fund balances for the City's general fund prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds under the heading "Comparative General Fund Statement of Revenues, Expenditures and Changes in Fund Balance";

2. The assessed valuation of taxable property in the City;
3. Ad valorem taxes due and percentage of taxes collected;
4. Property tax levy rate per \$1,000 of assessed valuation; and
5. Outstanding general obligation debt of the City.

Items 2-5 shall be required only to the extent that such information is not included in the annual financial statements.

The information and data described above shall be provided on or before nine months after the end of the City's fiscal year. The City's current fiscal year ends December 31. The City

may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the City may cross-refer to other documents available to the public on the MSRB's internet website or filed with the Commission.

If not provided as part of the annual financial information discussed above, the City shall provide the City's audited annual financial statement prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) when and if available to the MSRB.

(c) *Material Events.* The City agrees to provide or cause to be provided, in a timely manner to the MSRB notice of the occurrence of any of the following events with respect to the Bonds not in excess of ten business days after the occurrence of the event:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material or events affecting the tax-exempt status of the Bonds;

- Modifications to the rights of Bond owners if material;
- Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
- Defeasances;
- Release, substitution or sale of property securing the repayment of the Bonds if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the City;
- The consummation of a merger, consolidation, or acquisition of 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 to undertake such an action, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of the trustee, if material.

Solely for purposes of information, but without intending to modify this undertaking, with respect to the notice regarding property securing the repayment of the Bonds, the City will state in its Preliminary and Final Official Statements that there is no property securing the repayment of the Bonds. The City shall promptly determine whether the events described above are material.

(d) *Notification Upon Failure to Provide Financial Data.* The City agrees to provide or cause to be provided, in a timely manner to the MSRB notice of its failure to provide the

annual financial information described in Subsection (b) above on or prior to the date set forth in Subsection (b) above.

(e) *Emma; Format for Filings with the MSRB.* Until otherwise designated by the MSRB or the Commission, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at www.emma.msrb.org. All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(f) *Termination/Modification.* The City's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Any provision of this section shall be null and void if the City (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (2) notifies the MSRB of such opinion and the cancellation of this section.

The City may amend this section with an opinion of nationally recognized bond counsel in accordance with the Rule. In the event of any amendment of this section, the City shall describe such amendment in the next annual report, and shall include, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (A) notice of such change shall be given in the same manner as

for a material event under Subsection (c), and (B) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) *Bond Owner's Remedies Under This Section.* The right of any bondowner or beneficial owner of Bonds to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the City's obligations under this section, and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds. For purposes of this section, "beneficial owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

(h) *No Default.* The City is not and has not been in default in the performance of its obligations of any prior undertaking for ongoing disclosure with respect to its obligations.

Section 14. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond or Bonds of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the City evidence satisfactory to the City that such Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City and/or the Bond Registrar with indemnity satisfactory to the City and the Bond Registrar.

Section 15. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or

Section 16. Effective Date. This ordinance shall become effective immediately upon its adoption.

ADOPTED by the City Council of the City of Vancouver, Washington, at a regular meeting thereof held this 6th day of June, 2011.

Read First Time: May 23, 2011

PASSED by the following vote:

AYES:	<u>7</u>	Councilmembers	Hansen, Burkman, Campbell, Smith, Stewart, Harris, Mayor Leavitt
NAYS:	<u>0</u>	Councilmembers	
ABSENT:	<u>0</u>	Councilmembers	

Read Second Time: June 6, 2011

PASSED by the following vote:

AYES:	<u>7</u>	Councilmembers	Hansen, Burkman, Campbell, Smith, Stewart, Harris, Mayor-Leavitt
NAYS:	<u>0</u>	Councilmembers	
ABSENT:	<u>0</u>	Councilmembers	

SIGNED this 10 day of June, 2011.

CITY OF VANCOUVER, WASHINGTON

Mayor

ATTEST:

Carrie Russell
City Clerk - Deputy

APPROVED AS TO FORM:


David H. Galt
City Attorney

CERTIFICATE

I, the undersigned, City Clerk of the City of Vancouver, Washington (the "City") and keeper of the records of the City Council (the "City Council"), DO HEREBY CERTIFY:

1. That the attached Ordinance is a true and correct copy of Ordinance No. M- 3982 of the City Council (the "Ordinance"), duly passed at a regular meeting thereof held on the 6th day of June, 2011.
2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of June, 2011.



Deputy City Clerk

CITY OF VANCOUVER

Summary of Ordinance No. M-2682 passed June 6, 2011

AN ORDINANCE OF THE CITY OF VANCOUVER, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF UP TO \$11,200,000 LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY IN ONE OR MORE SERIES; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF SAID BONDS.

Section 1 (Definitions) defines certain capitalized terms used in the Ordinance.

Section 2 (Authorization of Project) authorizes the undertaking of the capital projects to be paid from the proceeds of the Bonds.

Section 3 (Authorization of Bonds and Bond Details) authorizes the City's Limited Tax General Obligation Bonds, 2011" to be issued in one or more series, in the aggregate amount of not to exceed \$11,200,000 (the "Bonds") to provide funds to pay the costs of capital projects of the City, and provides details regarding maturities and interests rates.

Section 4 (Registration, Exchange and Payments) adopts a system of registration and exchange for the Bonds and describes the arrangements for paying principal of and interest on the Bonds.

Section 5 (Redemption Prior to Maturity and Purchase of Bonds) provides details regarding redemption of the Bonds prior to their scheduled maturity.

Section 6 (Form of Bonds) describes the form of the Bonds.

Section 7 (Execution of Bonds) authorizes procedures for execution and authentication of the Bonds.

Section 8 (Application of Bond Proceeds) authorizes the application of the Bond proceeds for capital projects.

Section 9 (Tax Covenants) covenants that the City will not cause interest on the Bonds to become taxable.

Section 10 (Bond Fund and Provision for Tax Levy Payments) provides for the Bond Fund for the payment of debt service on the Bonds and provides for tax levies, if needed, as required to pay such debt service.

Section 11 (Defeasance) provides conditions under which the Bonds may be defeased.

Section 12 (Sale of Bonds) authorizes the sale of the Bonds to the Underwriter pursuant to the purchase offer to be approved by the City Manager and authorizes the approval of the final the preliminary Official Statement.

Section 13 (Undertaking to Provide Ongoing Disclosure) provides an undertaking for disclosure as required by the Securities and Exchange Commission.

Section 14 (Lost, Stolen or Destroyed Bonds) makes provision in case Bonds are lost, stolen or destroyed.

Section 15 (Severability) provides that other covenants and agreements in the ordinance are not affected if one is made invalid.

Section 16 (Effective Date) provides that the ordinance shall become effective immediately upon adoption.

The full text of Ordinance No. M-~~3882~~ will be mailed without cost to any party requesting it from:

Carrie Lewellen
Treasurer
City of Vancouver
P.O. Box 1995
Vancouver, WA 98668-1995
Phone: (360) 619-1082
Fax: (360) 619-1083