

CITY OF VANCOUVER, WASHINGTON
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2020/21

ORDINANCE NO. M-_____

AN ORDINANCE OF THE CITY OF VANCOUVER,
WASHINGTON, PROVIDING FOR THE ISSUANCE AND
SALE OF UP TO \$16,000,000 LIMITED TAX GENERAL
OBLIGATION REFUNDING BONDS OF THE CITY IN ONE
OR MORE SERIES AND DELEGATING AUTHORITY TO
APPROVE THE FINAL TERMS OF SAID BONDS.

APPROVED ON JULY 20, 2020

PREPARED BY:

K&L GATES LLP
Seattle, Washington

CITY OF VANCOUVER, WASHINGTON
ORDINANCE NO. M-_____
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07/13/20 (Date of First Reading)
07/20/20 (Date of Public Hearing)

ORDINANCE NO. M-_____

AN ORDINANCE OF THE CITY OF VANCOUVER, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF UP TO \$16,000,000 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE CITY IN ONE OR MORE SERIES AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF SAID BONDS.

WHEREAS, the City of Vancouver, Washington (the “City”) now has outstanding its Limited Tax General Obligation and Refunding Bonds, 2010, issued pursuant to Ordinance No. M-3971 under date of December 1, 2010, in the original principal amount of \$13,410,000 (the “2010 Bonds”), maturing in remaining principal amounts and bearing interest as follows:

<u>Maturity Years (December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2020	\$ 335,000	4.500%
2025*	1,950,000	5.000
2030*	2,500,000	5.125
2035*	3,205,000	5.125

*Term Bonds

; and

WHEREAS, the 2010 Bonds maturing on or after December 1, 2025 (the “2010 Refunding Bond Candidates”) are callable for redemption at any time on or after December 1, 2020, at a price of par plus accrued interest to the date of redemption; and

WHEREAS, the new money proceeds of the 2010 Bonds were issued to purchase City Hall at 415 W. 6th Street with annual debt service payments supported by the General Fund; and

WHEREAS, the City now has outstanding its Limited Tax General Obligation Bonds, 2011A, issued pursuant to Ordinance No. M-3982 under date of June 22, 2011, in the original

principal amount of \$9,600,000 (the “2011A Bonds”), maturing in remaining principal amounts and bearing interest as follows:

<u>Maturity Years (December 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2020	\$ 360,000	5.000%
2021	380,000	5.000
2022	395,000	4.000
2023	410,000	4.000
2024	430,000	4.000
2025	445,000	4.000
2026	465,000	4.000
2030*	2,050,000	4.125
2035*	3,095,000	4.500

*Term Bonds

; and

WHEREAS, the 2011A Bonds maturing on or after December 1, 2022 (the “2011A Refunding Bond Candidates,” and together with the 2010 Refunding Bond Candidates, the “Refunding Bond Candidates”) are callable for redemption at any time on or after December 1, 2021, at a price of par plus accrued interest to the date of redemption; and

WHEREAS, the 2011A Bonds were issued to fund transportation projects, including the Waterfront Access Project, with annual debt service payments supported by the General Fund; and

WHEREAS, as a result of changed market conditions, it appears that debt service savings may be obtained by refunding some or all of the Refunding Bond Candidates through the issuance of one or more series of limited tax general obligation refunding bonds of the City in the aggregate principal amount of not to exceed \$16,000,000 (the “Bonds”); and

WHEREAS, the City Council (the “Council”) has determined to delegate to the City Representative certain matters relating to the manner and timing of sale of the Bonds;

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

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

Acquired Obligations means the Government Obligations acquired by the City under the terms of this ordinance and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds.

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, if the Bonds of a series shall be sold by Negotiated Sale or Private Placement, the purchase contract or approved term sheet relating to such Bonds between the City and the Underwriter or Purchaser.

Bond Register means the registration books maintained by the Bond Registrar for the purpose of identifying ownership of the Bonds.

Bond Registrar means either the Treasurer or U.S. Bank National Association, the current fiscal agent of the State of Washington, as designated by the Treasurer, for the purposes of registering and authenticating the Bonds of each series, maintaining the Bond Register, effecting the 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 Refunding Bond[s], 20[20/21][Taxable] issued in one or more series pursuant to this ordinance.

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.

Chief Financial Officer means the person designated as the Chief Financial Officer of the City, or any successor to the functions of the Chief Financial Officer or her of his designee.

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

City Representative means the City Manager, Chief Financial Officer or Treasurer.

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

Commission means the United States Securities and Exchange Commission.

Cost of Issuance Agreement(s) means the agreements of that name, to be entered into by the City and the Escrow Agent, providing for the payment of certain costs of issuance with respect to the issuance of the Bonds of a series, substantially in the form attached hereto as Exhibit B.

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 3 hereof.

EMMA means the MSRB's Electronic Municipal Market Access system, currently located at www.emma.msrb.org.

Escrow Agent means U.S. Bank National Association, Seattle, Washington.

Escrow Agreement means the Escrow Deposit Agreement to be dated as of the date of closing and delivery of the Bonds of a series, substantially in the form attached hereto as Exhibit A.

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.

Negotiated Sale means the process by which the Bonds of a series are sold by negotiation to the Underwriter.

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

Placement Agent means, if the Bonds of a series are sold by Private Placement, Piper Sandler & Co. **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.

Private Placement means the process by which the Bonds of a series are sold by private placement to a Purchaser selected by the City Representative.

Purchaser means the initial purchasing entity or bank purchaser of the Bonds of a series if such Bonds are sold by Private Placement.

Record Date means the close of business on the 15th day of the month prior to each date on which a payment of interest on the Bonds of a series is due and payable.

Refunded Bonds mean, together, the 2010 Refunded Bonds and the 2011A Refunded Bonds.

Refunding Bond Candidates mean, together, the 2010 Refunding Bond Candidates and the 2011A Refunding Bond Candidates.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. If the Bonds of a series are sold by Negotiated Sale and for so long as the Bonds of that series 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.

Savings Target means a dollar amount equal to at least three percent (3.0%) of the outstanding principal of the Refunded Bonds being refunded with that series.

Term Bonds means any Bonds of a series designated by the Underwriter therefor as Term Bonds in the Bond Purchase Contract for such series of Bonds.

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

2010 Bond Ordinance means Ordinance No. M-3971 adopted by the Council on November 15, 2010.

2010 Bonds mean the Limited Tax General Obligation and Refunding Bonds, 2010, of the City issued under date of December 1, 2010, as more particularly described in the recitals of this ordinance.

2010 Refunded Bonds mean the 2010 Refunding Bond Candidates that are designated by the City Representative for refunding pursuant to Sections 7 and 12 of this ordinance.

2010 Refunding Bond Candidates mean all or a portion of the 2010 Bonds maturing on or after December 1, 2025.

2011A Bond Ordinance means Ordinance No. M-3982 adopted by the Council on June 6, 2011.

2011A Bonds mean the Limited Tax General Obligation Bonds, 2011A, of the City issued under date of June 22, 2011, as more particularly described in the recitals of this ordinance.

2011A Refunded Bonds mean the 2011A Refunding Bond Candidates that are designated by the City Representative for refunding pursuant to Sections 7 and 12 of this ordinance.

2011A Refunding Bond Candidates mean all or a portion of the 2011A Bonds maturing on or after December 1, 2022.

Underwriter means, if the Bonds are sold by Negotiated Sale, Piper Sandler & Co..

Interpretation. In this ordinance, unless the context otherwise requires:

(a) 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;

(b) 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;

(c) 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;

(d) 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

(e) 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 Bonds and Bond Details. For the purpose of refunding the Refunded Bonds and paying the costs of issuance related thereto, and thereby effecting a substantial savings to the City and its taxpayers, the City shall issue its limited tax general obligation refunding bonds in one or more series in the aggregate principal amount of not to exceed \$16,000,000 (the “Bonds”). The Bonds shall be general obligations of the City, shall be designated “City of Vancouver, Washington, Limited Tax General Obligation Refunding Bond[s], 20[20/21][Taxable];” shall be dated as of the date of delivery of each series of the Bonds, 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 of a series 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 control, shall bear interest at the per annum rates, payable on the dates and maturing in principal amounts set forth in the Bond Purchase Contract for each series, pursuant to Section 12. The Bonds of any of the maturities of a series may be combined and issued as term bonds (“Term Bonds”), subject to mandatory redemption as provided in the Bond Purchase Contract.

Section 3. Registration, Exchange and Payments.

(a) *Bond Registrar/Bond Register.* The City hereby requests that the Treasurer act as Bond Registrar or specify and adopt the system of registration approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agents. The City shall cause a bond register to be maintained by the Bond Registrar. So long as any Bonds of a series remain outstanding, the Bond Registrar shall make all necessary provisions to permit the

exchange or registration or transfer of Bonds of a series 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 of a series 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 3(h) hereof, but such Bond may be transferred as herein provided. All such payments made as described in Section 3(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.* If the Bonds of a series are sold by Negotiated Sale, the Bonds of such series 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 the 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. The Bonds shall not be subject to acceleration.

(d) *Use of Depository.* If the Bonds of a series are sold by Private Placement, and the Treasurer is acting as Bond Registrar, the Bonds of such series shall be subject to transfer, if at all, then only in whole, and as provided for in the Bond Purchase Contract.

(1) If the Bonds of a series are sold by Negotiated Sale, the Bonds of such series 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 in a denomination corresponding to the total principal therein designated to mature on such date, and the following provisions of this

subsection (d) and subsection (e) shall be applicable. 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 (ii) below or such substitute depository's successor; or (C) to any person as provided in subsection (iv) 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 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 of a series 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 of a series together with a written request 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 issued on a federally tax-exempt basis have been surrendered and canceled, it will maintain a system for recording the ownership of each such 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, unless the Bonds of a series are sold in a Private Placement in which case, the method of interest computation shall be as agreed upon under the terms of placement. If the Bonds of a series have been sold by Private Placement, the method and manner of making payments of principal and interest shall be as provided under the terms of placement. For so long as all Bonds of a series are in fully immobilized form, payments of principal and interest thereon shall be made as provided to the parties entitled to receive payment as of each Record Date in accordance with the operational arrangements of DTC referred to in the Letter of Representations. If the Bonds of a series have been underwritten and are no longer in fully immobilized form, interest on the Bonds shall be paid by check, ACH or draft (or otherwise as approved by the Treasurer) mailed or delivered to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register as of the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds of a series (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 ACH or 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 4. *Redemption Prior to Maturity and Purchase of Bonds.*

(a) *Optional and Mandatory Redemption.* The Bonds of a series may be subject to redemption as set forth in the Bond Purchase Contract approved by the City Representative pursuant to Section 12.

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

(c) *Selection of Bonds for Redemption.* If the Bonds of a series are sold by Negotiated Sale, and for as long as the Bonds of a series are held in book-entry only form, the selection of particular Bonds within a maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds of a series 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 having the same maturity date, the particular Bonds or portions of Bonds of such 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 maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption.* This subsection applies only to the Bonds of a series sold by Negotiated Sale.

(1) Official Notice. For so long as the Bonds of a series 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 shall be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption) 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 Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

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

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds of a series are to be redeemed, the identification by 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, unless the redemption was conditional and the conditions for the redemption have not been satisfied, 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 of a series 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, unless the redemption was conditional and the conditions for the redemption have not been satisfied, the Bonds or portions of Bonds of a series 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 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 such persons (including securities repositories who customarily at the time receive notices of redemption in accordance with rules promulgated by the Commission) 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 4, 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 5. Form of Bonds. The Bonds of each series shall be in substantially the following form:

UNITED STATES OF AMERICA

NO.

\$

STATE OF WASHINGTON

CITY OF VANCOUVER

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 20[20/21][TAXABLE]

INTEREST RATE: %

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER:

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 _____, 20____, 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 _____ 1, 20____, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. [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.] Initially, [the Treasurer/the City has specified and adopted the registration system for the bonds of this issue specified by the State Finance Committee, and the fiscal agent of the State] will act as registrar, paying agent and authenticating agent (the “Bond Registrar”).

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 July 20, 2020 (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 and tenor, except as to number, amount, rate of interest and date of maturity, in the aggregate principal amount of \$_____ and is issued by the City pursuant to the Bond Ordinance for providing funds to pay the cost of refunding a portion of its outstanding limited tax general obligation bonds.

The bonds of this issue are [not] subject to redemption as stated in the [Bond Purchase Contract][Official Statement dated _____, 20__].

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 City has [not] designated the bonds of this issue 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 _____, 20__.

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:

Date of Authentication: _____

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is [the][one of the] Limited Tax General Obligation Refunding Bond[s], 20[20/21][Taxable] of the City of Vancouver, Washington, dated _____, 20__.

[TREASURER/WASHINGTON STATE
FISCAL AGENT], as Bond Registrar

By _____

Section 6. Execution of Bonds. The Bonds of each series 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 7. Designation of Refunded Bonds; Refunding Plan.

(a) *Designation of Refunded Bonds.* As outlined in the recitals to this ordinance, certain principal maturities of the 2010 Bonds and the 2011A Bonds may be called for redemption prior to their scheduled maturities. All or some of these bonds may be refunded and refinanced with the proceeds of the Bonds authorized by this ordinance (“Refunding Bond Candidates”). As provided in Section 12, the City Representative may select some or all of the Refunding Bond Candidates and designate those Refunding Bond Candidates as the “Refunded Bonds” in the Bond Purchase Contract or otherwise by certificate of the City Representative for each series if and to the extent that the aggregate savings to be realized as a result of the refunding of such Refunded Bonds (*i.e.*, the present value of (i) the aggregate debt service on such Refunded Bonds of such series minus (ii) the aggregate debt service on the Bonds of such series, after payment of all costs of issuance of the Bonds of such series), exceed the Savings Target.

(b) *Refunding.* A portion of the proceeds of sale of the Bonds of each series in the dollar amount certified by the City to the Escrow Agent shall be delivered to the Escrow Agent for the purpose of defeasing Refunded Bonds and paying related costs of issuance for such series.

Money received by the Escrow Agent from Bond proceeds and other money provided by the City, shall be used immediately by the Escrow Agent upon receipt thereof in accordance with the terms of the Escrow Agreement to defease the applicable Refunded Bonds as authorized by the 2010 Bond Ordinance and the 2011A Bond Ordinance, respectively, and to pay costs of

issuance of the Bonds of such series. The City shall defease the Refunded Bonds and discharge such obligations by the use of money deposited with the Escrow Agent to purchase certain Government Obligations (which obligations so purchased, are herein called “Acquired Obligations”), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of each of the following bonds that have been designated as “Refunded Bonds”:

(1) interest on the 2010 Refunded Bonds coming due on each date on which interest is due and payable, to and including December 1, 2020;

(2) the redemption price of the 2010 Refunded Bonds (100% of the principal amount thereof) on December 1, 2020;

(3) interest on the 2011A Refunded Bonds coming due on each date on which interest is due and payable, to and including December 1, 2021; and

(4) the redemption price of the 2011A Refunded Bonds (100% of the principal amount thereof) on December 1, 2021.

If the Bonds of a series have been issued on a federally tax-exempt basis, such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(c) *Appointment of Escrow Agent.* The City hereby selects U.S. Bank National Association, Seattle, Washington, to act as the escrow agent, if any, for the Refunded Bonds of each series (the “Escrow Agent”). The Bond proceeds designated in the foregoing subsection together with a cash contribution from the City, if any, shall be transferred to the Escrow Agent in order to implement the refunding plan. A beginning cash balance, if any, and Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to

defeasance the Refunded Bonds. The proceeds of the Bonds remaining after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the Bonds and/or returned to the City for the payment of such expenses. The Treasurer is hereby further authorized to solicit proposals for and select a verification agent, if needed, who will confirm the accuracy of certain financial information regarding the funds to be deposited with the Escrow Agent and the implementation of the refunding plan.

Section 8. Call For Redemption of Refunded Bonds and Escrow Agreement.

(a) *Call For Redemption of the Refunded Bonds.* The City hereby irrevocably sets aside sufficient funds which may be acquired as a result of the purchase of Acquired Obligations from proceeds of the Bonds of a series to make the payments described in Section 7 of this ordinance.

The City hereby calls the 2010 Refunded Bonds for redemption on December 1, 2020, and the 2011A Refunded Bonds for redemption on December 1, 2021, in accordance with terms of the 2010 Bond Ordinance and the 2011A Bond Ordinance, respectively, authorizing the redemption and retirement of the 2010 Refunded Bonds and the 2011A Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be effective and irrevocable after the final establishment of the escrow account and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of the 2010 Bond Ordinance and the 2011A Bond Ordinance, respectively. The Treasurer of the City is

authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor.

The Escrow Agent is hereby authorized and directed to pay to the fiscal agent or agents of the State of Washington, sums sufficient to pay, when due, the payments specified in Section 7 of this ordinance. All such sums shall be paid from the moneys and Acquired Obligations deposited with said Escrow Agent, if any, pursuant to the previous section of this ordinance, and the income therefrom and proceeds thereof. All moneys and Acquired Obligations deposited with said bank and any income therefrom shall be credited to a refunding account and held, invested (but only at the direction of the Treasurer) and applied in accordance with the provisions of this ordinance and with the laws of the State of Washington for the benefit of the City and owners of the Refunded Bonds.

The City will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due.

(b) *Escrow Agreement/Cost of Issuance Agreement.* If determined to be necessary or convenient, the Treasurer is authorized and directed to execute and deliver to the Escrow Agent one or more Escrow Deposit Agreements substantially in the form attached to this ordinance as Exhibit A (the “Escrow Agreement”) and a Cost of Issuance Agreement substantially in the form attached to this ordinance as Exhibit B (the “Cost of Issuance Agreement”), for each series of Bonds with such changes or modifications as the Treasurer, with the advice of bond counsel to the City, consider necessary or advisable.

The City hereby irrevocably sets aside for and pledges to the payment of the Refunded Bonds the moneys and obligations which may be deposited with the Escrow Agent pursuant to

each Escrow Agreement to accomplish the plan of refunding and defeasance of the Refunded Bonds set forth herein and in the respective Escrow Agreement. When all of the Refunded Bonds shall have been redeemed and retired, the City may cause any remaining money to be transferred to the Bond Fund for the purposes set forth above.

Section 9. Tax Covenants. This section shall not apply to any series of Bonds, the interest on which is not exempt from general federal income taxation.

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 of a series 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 of such series.

(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 of a series or any other funds of the City which may be deemed to be proceeds of the Bonds of such series 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 of such series to the initial purchasers thereof, would have caused the Bonds of such series 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 of a series.

(b) *Private Person Use Limitation for Bonds.* The City covenants that for as long as the Bonds of a series issued as governmental bonds or tax advantaged 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 projects financed or refinanced with the proceeds of the Bonds (including the Refunded 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 projects refinanced with the proceeds of the Bonds (including the Refunded Bonds) relate. The City further covenants that it will comply with any limitations on the use of the projects refinanced with 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.

(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 of a series. 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) of the Code.* The City Representative is 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 Treasurer 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"). The taxes hereafter levied for the purpose of paying principal of and interest on the Bonds and other funds to be used to pay the Bonds shall be deposited in the Bond Fund no

later than the date such funds are required for the payment of principal of and interest on the Bonds. Money in the Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in such institutions or invested in such obligations as may be lawful for the investment of 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. All of such taxes so collected and any other money to be used for such purposes shall be paid into the Bond Fund.

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 money and/or noncallable Government Obligations that are direct obligations of the United States or obligations unconditionally guaranteed by the United States, maturing at such time or times and bearing interest to be earned thereon in amounts, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the

Bonds of a series in accordance with their terms, are set aside in a special account of the City to effect such redemption and retirement, and such money and the principal of and interest on such 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 the Bonds of such series so provided for, and the registered owners of such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the money so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder. The City shall give written notice of defeasance to the owners of all Bonds of such series so provided and to each party entitled to receive notice in accordance with Section 13 of this ordinance.

Section 12. Sale of Bonds. The Council has determined that it is in the best interest of the City to delegate to the City Representative the authority to designate the Refunded Bonds by selection from the Refunding Bond Candidates as described in Section 7(a) of this ordinance, the authority to designate the tax status and approve the number of series, manner of sale of each series, the final interest rates, maturity dates, aggregate principal amount, principal amounts of each maturity, redemption rights and other terms and conditions of the Bonds of each series. The City's Placement Agent 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 Representative for a limited time the authority to designate the Refunded Bonds by selection from the Refunding Bond Candidates as described in Section 7(a) of this ordinance, the authority to designate the tax status and to determine the number of series, manner of sale of the Bonds of each series, to approve the final interest rates, aggregate principal amount and principal amounts of each maturity of the Bonds and determine the redemption rights for the

Bonds for each series. The City Representative is hereby authorized to designate the Refunded Bonds by selection from the Refunding Bond Candidates as described in Section 7(a) of this ordinance, to determine the number of series, manner of sale of each 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 (i) the aggregate principal amount of the Bonds of such series issued pursuant to this ordinance does not exceed \$16,000,000; (ii) the true interest cost for the Bonds of a series does not exceed 4.0%; and (iii) the aggregate savings with respect to the Refunded Bonds of a series, as described in Section 7(a) of this ordinance, is at least equal to the Savings Target.

In designating the Refunded Bonds, designating the tax status, determining the number of series, manner of sale of each series, final interest rates, aggregate principal amounts, principal maturities, and redemption rights for the Bonds of each series, the City Representative, in consultation with City staff, shall take into account those factors that, in his/her judgment, will result in the most favorable overall interest cost on the Bonds of each series 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 of a series. The authority granted to the City Representative by this Section 12 shall expire eighteen months after the date of approval of this ordinance. If a Bond Purchase Contract for Bonds has not been executed within eighteen months after the date of final approval of this ordinance, the authorization for the issuance of such Bonds shall be rescinded, and 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.

Initially, the City Representative is hereby authorized to determine whether the Bonds of a series shall be sold by Negotiated Sale or by a Private Placement. The City Representative shall negotiate the terms of sale for the Bonds, including the terms described in this section, in a contract of sale (the "Bond Purchase Contract"). If the Bonds of a series are sold by Private Placement, the City Representative shall select the purchasing entity or bank to purchase the Bonds through a process of soliciting proposals for purchase. Upon the selection of a Purchaser, the City Representative shall negotiate the terms of sale for the Bonds, including the terms described in this section, in a Bond Purchase Contract.

Subject to the terms and conditions set forth in this Section 12, the City Representative is hereby authorized to execute the final form of a Bond Purchase Contract in a Negotiated Sale or Private Placement, upon his or her approval of the final interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights set forth therein. Following the sale of a series of Bonds, the City Representative shall provide a report to the Council, describing the final terms of the Bonds of that series approved pursuant to the authority delegated in this section.

Upon the passage and approval of this ordinance, the proper officials of the City including the City Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds of each series to the Underwriter or Purchaser thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds of that series in accordance with the terms of the Bond Purchase Contract. In furtherance of the foregoing, the City Representative is authorized to

approve and enter into agreements for the payment of costs of issuance, including Underwriter's discount, the fees and expenses specified in the Bond Purchase Contract, including fees and expenses of Underwriter and/or Purchaser and other retained services, including bond counsel, Placement Agent, rating agencies, fiscal agent, and other expenses customarily incurred in connection with issuance and sale of bonds.

The City Representative 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) relating to the issuance and sale of the Bonds of a series and the distribution of the Official Statement pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

The City Representative is hereby authorized to deem final one or more preliminary Official Statements relating to the Bonds of a series 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 of an applicable series as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* If the Bonds of a series are sold by Negotiated Sale, 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 first fiscal year following the date of issuance of that series of Bonds):

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 of that series under the heading “Comparative 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 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 the end of 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) *Listed 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 sold by Negotiated Sale not in excess of ten business days after the occurrence of the event:

- (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, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material or events affecting the tax status of the Bonds;
- (7) Modifications to the rights of Bond holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing the repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (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;
- (14) Appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and

- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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 listed events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds of the applicable series. 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 of that series and (2) notifies the MSRB of such opinion and the cancellation of this section.

The City may amend this section with respect to the Bonds of a series 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 listed 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 of an applicable series 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 of the applicable series, including persons holding Bonds through nominees or depositories.

Section 14. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds of a series shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond or Bonds of like date, series, number and tenor to the Registered Owner thereof upon the Registered Owner’s paying the expenses and charges of the City 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 with indemnity satisfactory to the City.

Section 15. Ordinance and Laws a Contract with the Registered Owner and Holder/Purchaser. This ordinance is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington. In consideration of the loan made by the Underwriter, Purchaser or Registered Owner and holder of the Bond or Bonds of a series, the provisions of this ordinance and of said laws shall constitute a contract with the Registered Owner and Holder/Purchaser, and the obligations of the City and its Council under said laws and under this ordinance shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein and in the Bonds of the respective series set forth shall be for the equal benefit of the Registered Owner and Holder/Purchaser and any permitted transferee or assignee.

Section 16. 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 agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 17. 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 20th day of July, 2020.

Read first time:

Ayes: _____ Councilmembers

Nays: _____ Councilmembers

Absent: _____ Councilmembers

Read second time:

PASSED by the following vote:

Ayes: _____ Councilmembers

Nays: _____ Councilmembers

Absent: _____ Councilmembers

SIGNED this 20th day of July, 2020.

CITY OF VANCOUVER, WASHINGTON

Anne McEnery-Ogle, Mayor

Attest:

Approved as to form:

Natasha Ramras, City Clerk

Jonathan Young, City Attorney

EXHIBIT A

ESCROW DEPOSIT AGREEMENT

CITY OF VANCOUVER, WASHINGTON
LIMITED TAX GENERAL OBLIGATION REFUNDING BOND[S], 20[20/21][TAXABLE]

THIS ESCROW DEPOSIT AGREEMENT, dated as of _____, 20__ (herein, together with any amendments or supplements hereto, called the “Agreement”) is entered into by and between the City of Vancouver, Washington (herein called the “City”) and U.S. Bank National Association, Seattle, Washington as escrow agent (herein, together with any successor in such capacity, called the “Escrow Agent”). The notice addresses of the City and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, the City heretofore has issued and there presently remain outstanding the obligations described in Exhibit B attached hereto (the “Refunded Bonds”); and

WHEREAS, pursuant to Ordinance No. M-_____ adopted on July 20, 2020 (the “Bond Ordinance”), the City has determined to issue its Limited Tax General Obligation Refunding Bond[s], 20[20/21] (the “Bonds”); and

WHEREAS, a portion of the proceeds of the Bonds are being used for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

WHEREAS, pursuant to the Bond Ordinance, the Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for such redemption, the Refunded Bonds will come due in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in Exhibit C attached hereto and made a part hereof; and

WHEREAS, when Escrowed Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds when due, then the Refunded Bonds shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

[WHEREAS, _____, _____, _____ has prepared a verification report which is dated _____, 20__ (the “Verification Report”) relating to the source and use of funds available to accomplish the refunding of the Refunded Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of the debt service due on the Refunded Bonds; and]

WHEREAS, the issuance, sale, and delivery of the Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the principal of, interest on and redemption premium (if any) on the Refunded Bonds when due as shown on Exhibit C attached hereto; and

WHEREAS, simultaneously herewith, the City is entering into a Cost of Issuance Agreement with the Escrow Agent to provide for the payment of costs of issuance relating to the Bonds;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Bonds, the City and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

Article 1. Definitions

Section 1.1. Definitions.

Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

Escrow Fund means the fund created by this Agreement to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

Escrowed Securities means the noncallable Government Obligations described in Exhibit D attached to this Agreement, or cash or other noncallable obligations substituted therefor pursuant to Section 4.2 of this Agreement.

Government Obligations means direct, noncallable (a) United States Treasury Obligations, (b) United States Treasury Obligations - State and Local Government Series, (c) non-prepayable obligations which are unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America or (d) REFCORP debt obligations unconditionally guaranteed by the United States.

Paying Agent means the fiscal agency of the State of Washington, as the paying agent for the Refunded Bonds.

Section 1.2. Other Definitions.

The terms “Agreement,” “City,” “Escrow Agent,” “Bond Ordinance,” “Refunded Bonds,” [“Verification Report,”] and “Bonds” when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.3. Interpretations.

The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Bonds in accordance with applicable law.

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Escrow Fund.

Concurrently with the sale and delivery of the Bonds the City shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds (from the proceeds of the Bonds) sufficient to purchase the Escrowed Securities described in Exhibit D attached hereto, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the City in writing.

Article 3. Creation and Operation of Escrow Fund

Section 3.1. Escrow Fund.

The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the Refunding Account (the “Escrow Fund”). The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in Exhibit D attached hereto. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Escrow Fund shall be transferred to the City, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2. Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Bonds at their respective redemption dates and interest thereon to such redemption dates in the amounts and at the times shown in Exhibit C attached hereto.

Section 3.3. Sufficiency of Escrow Fund.

The City represents that, based upon the information provided in the [Verification Report], the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of the Refunded Bonds as the Refunded Bonds are paid on an optional redemption date prior to maturity, all as more fully set forth in Exhibit E attached hereto. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2. hereof, the City shall timely deposit in the Escrow Fund, from any funds that are

lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the City's failure to make additional deposits thereto.

Section 3.4. Trust Fund.

The Escrow Agent or its affiliate, shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Bonds. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the City, and the Escrow Agent shall have no right to title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the City or, except to the extent expressly herein provided, by the Paying Agent.

Article 4. Limitation on Investments

Section 4.1. Investments.

Except for the initial investment in the Escrowed Securities, and except as provided in Section 4.2 or 8.3 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer, or otherwise dispose of the Escrowed Securities.

Section 4.2. Substitution of Securities.

At the written request of the City, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Escrow Fund, or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase Refunded Bonds or Government Obligations which do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a firm of certified public accountants that such transaction will not cause the amount of money and securities in the Escrow Fund to be reduced below an amount sufficient to provide for the full and timely payment of principal of and interest on all of the remaining Refunded Bonds as they become due, taking into account any optional redemption thereof exercised by the City in connection with such transaction; and (b) the Escrow Agent shall have received the unqualified written legal opinion of its bond counsel or tax counsel to the effect that such transaction will not

cause any of the Bonds or Refunded Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Section 2.1, 3.2, 4.2 and 8.3 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Escrow Fund. Cash balances shall be held by the Escrow Agent in United States currency as cash balances as shown on the books and records of the Escrow Agent and, except as provided herein, shall not be reinvested by the Escrow Agent; provided, however, a conversion to currency shall not be required (i) for so long as the Escrow Agent's internal rate of return does not exceed 20%, or (ii) if the Escrow Agent's internal rate of return exceeds 20%, the Escrow Agent receives a letter of instructions, accompanied by the opinion of nationally recognized bond counsel, approving the assumed reinvestment of such proceeds at such higher yield.

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

The City hereby irrevocably calls the Refunded Bonds for redemption on their earliest redemption date, as shown [in the Verification Report and] on Appendix A attached hereto.

Section 6.2. Notice of Redemption/Notice of Defeasance.

The Escrow Agent agrees to give a notice of defeasance and a notice of the redemption of the Refunded Bonds pursuant to the terms of the Refunded Bonds and in substantially the forms attached hereto as Appendices A and B and as described on said Appendices A and B to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following the execution of this Agreement, and the notice of redemption shall be given in accordance with the ordinance authorizing the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

The Escrow Agent will keep books of record and account in which complete and accurate entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection during business hours and after reasonable notice.

Section 7.2. Reports.

While this Agreement remains in effect, the Escrow Agent quarterly shall prepare and send to the City a written report summarizing all transactions relating to the Escrow Fund during the preceding financial quarter, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

Article 8. Concerning the Paying Agents and Escrow Agent

Section 8.1. Representations.

The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 8.2. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the City promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Bonds shall be taken as the statements of the City and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

The Escrow Agent is not a party to the proceedings authorizing the Bonds or the Refunded Bonds and is not responsible for nor bound by any of the provisions thereof (except to the extent that the Escrow Agent may be a place of payment and paying agent and/or a paying agent/registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the City thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own neglect or willful misconduct, nor for any loss unless the same shall have been through its negligence or bad faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the City with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the City or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the City at any time.

Section 8.3. Successor Escrow Agents.

Any corporation, association or other entity into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business or any corporation, association or other entity resulting from any such conversion, sale, merger, consolidation or other transfer to which it is a party, *ipso facto*, shall be and become successor escrow agent hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation or law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the City, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the City within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Bonds then outstanding by an instrument or instruments in writing filed with the City, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Washington, authorized under such laws to exercise corporate trust powers, having its principal office and place of business in the State of Washington, having a combined capital and surplus of at least \$100,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the City and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the City shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.3 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the Escrowed Securities and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

Article 9. Miscellaneous

Section 9.1. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the City or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

Section 9.2. Termination of Responsibilities.

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the City, the owners of the Refunded Bonds or to any other person or persons in connection with this Agreement.

Section 9.3. Binding Agreement.

This Agreement shall be binding upon the City and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Bonds, the City, the Escrow Agent and their respective successors and legal representatives.

Section 9.4. Severability.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 9.5. Washington Law Governs.

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Washington.

Section 9.6. Time of the Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 9.7. Notice to Moody's and Standard & Poor's.

In the event that this Agreement or any provision thereof is severed, amended or revoked, the City shall provide written notice of such severance, amendment or revocation to Moody's Investors Service at 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, Attention: Public Finance Rating Desk/Refunded Bonds and Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041, Attention: Refunded Bonds Municipal Bond Department.

Section 9.8. Amendments.

This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Bonds. No such amendment shall be made without first receiving written confirmation from the rating agencies (if any) which have rated the Refunded Bonds that such administrative changes will not result in a withdrawal or reduction of its rating then assigned to the Refunded Bonds. If this Agreement is amended, prior written notice and copies of the proposed changes shall be given to the rating agencies which have rated the Refunded Bonds.

EXECUTED as of the date first written above.

**CITY OF VANCOUVER,
WASHINGTON**

Treasurer

U.S. BANK NATIONAL ASSOCIATION

as Authorized Signer

Exhibit A	—	Addresses of the City and the Escrow Agent
Exhibit B	—	Description of the Refunded Bonds
Exhibit C	—	Schedule of Debt Service on Refunded Bonds
Exhibit D	—	Description of Beginning Cash Deposit (if any) and Escrowed Securities
Exhibit E	—	Escrow Fund Cash Flow
Appendix A	—	Notice of Redemption for the 20__ Bonds
Appendix B	—	Notice of Defeasance for the 20__ Bonds

EXHIBIT A
Addresses of the City and Escrow Agent

City: City of Vancouver
415 W. 6th Street
PO Box 1995
Vancouver, WA 98668
Attention: Treasurer

Escrow Agent: U.S. Bank National Association
Corporate Trust Services PD-WA-T7CT
1420 Fifth Avenue, 7th Floor
Seattle, WA 98101
Attention: Assistant Vice President

EXHIBIT B

Description of the Refunded Bonds

City of Vancouver, Washington
Limited Tax General Obligation [and Refunding] Bonds, 20[10/11A]

<u>Maturity Years</u> <u>(December 1)</u>	<u>Principal</u> <u>Amounts</u>	<u>Interest Rates</u>
----------------------------------------------	------------------------------------	-----------------------

EXHIBIT C
Schedule of Debt Service on the Refunded Bonds

Date	Interest	Principal/ Redemption Price	Total
	\$		\$
		\$	
	\$	\$	\$

EXHIBIT D
Escrow Deposit

I. Cash \$ _____

II. Other Obligations

<u>Description</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Total Cost</u>
		\$	%	\$
		\$		\$

EXHIBIT E
Escrow Fund Cash Flow

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Cash Balance
	\$	\$	\$	\$
	\$	\$	\$	

APPENDIX A

NOTICE OF REDEMPTION*

City of Vancouver, Washington
Limited Tax General Obligation [and Refunding] Bonds, 20__

NOTICE IS HEREBY GIVEN that the City of Vancouver, Washington has called for redemption on December 1, 20__, its outstanding Limited Tax General Obligation [and Refunding] Bonds, 20__ (the “Bonds”).

The Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to December 1, 20__. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

By Mail, Hand or Overnight Mail to:
U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

Interest on all Bonds or portions thereof which are redeemed shall cease to accrue on December 1, 20__.

The following Bonds are being redeemed:

<u>Maturity Years</u> <u>(December 1)</u>	<u>Principal</u> <u>Amounts</u>	<u>Interest Rates</u>	<u>CUSIP</u> <u>Nos.</u>
----------------------------------------------	------------------------------------	-----------------------	-----------------------------

By Order of the City of Vancouver, Washington

* This notice shall be given not more than 60 nor less than __ days prior to December 1, 20__ by first class mail to each registered owner of the Refunded Bonds. In addition notice shall be mailed at least __ days prior to December 1, 20__ to The Depository Trust Company of New York, New York; _____, Moody’s Investors Service, New York, New York; and S&P Global Ratings, New York, New York; and to the MSRB.

U.S. Bank National Association, as Paying Agent

Dated: .

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the “Act”) unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

APPENDIX B

Notice of Defeasance* **City of Vancouver, Washington** **Limited Tax General Obligation [and Refunding] Bonds, 20__**

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Deposit Agreement dated _____, 20__, by and between City of Vancouver, Washington (the "City") and U.S. Bank National Association (the "Escrow Agent"), the City has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the "Defeased Bonds"). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Ordinance No. M-____ of the City, authorizing the issuance of the Defeased Bonds, but will be paid by application of the assets of such escrow account.

The Defeased Bonds are described as follows:

Limited Tax General Obligation [and Refunding] Bonds, 20__ (Dated _____)

<u>Maturity Years</u> <u>(December 1)</u>	<u>Principal</u> <u>Amounts</u>	<u>Interest Rates</u>	<u>CUSIP</u> <u>Nos.</u>	<u>Call Date</u> <u>(at 100%)</u>
----------------------------------------------	------------------------------------	-----------------------	-----------------------------	--------------------------------------

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No. _____ of the Defeased Bonds described above, which certificate is in the principal amount of \$ _____, all of which has been defeased as described above.

* This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; U.S. Bank National Association, as Fiscal Agent; Moody's Investors Service, New York, New York; and S&P Global Ratings, New York, New York; _____; and to the MSRB.

EXHIBIT B

C O S T O F I S S U A N C E A G R E E M E N T

CITY OF VANCOUVER, WASHINGTON
LIMITED TAX GENERAL OBLIGATION REFUNDING BOND[S], 20[20/21][TAXABLE]

THIS COST OF ISSUANCE AGREEMENT, dated as of _____, 20__ (herein, together with any amendments or supplements hereto, called the "Agreement"), is entered into by and between the CITY OF VANCOUVER, WASHINGTON, (herein called the "City") and U.S. BANK NATIONAL ASSOCIATION, SEATTLE, WASHINGTON as Escrow Agent (herein, together with any successor in such capacity, called the "Escrow Agent").

W I T N E S S E T H :

WHEREAS, pursuant to Ordinance No. M-_____ of the City, adopted on July 20, 2020 (the "Ordinance"), the City has determined to issue its Limited Tax General Obligation Refunding Bond[s], 20[20/21][Taxable] (the "Bonds") for the purpose of providing funds to pay the costs of refunding certain outstanding bonds of the City; and

WHEREAS, simultaneously herewith, the City is entering into an Escrow Deposit Agreement, dated _____, 20__ under which the Escrow Agent will hold invested proceeds of the Bonds in order to pay and redeem the refunded bonds under the terms set forth therein; and

WHEREAS, certain proceeds of the Bonds will be delivered to the Escrow Agent on the date of issuance of the Bonds that are required to be disbursed to pay costs of issuance of the Bonds; and

WHEREAS, the Escrow Agent has agreed, without additional compensation to disburse the Bond proceeds received to pay costs of issuance under the terms of this Agreement;

Section 1. Deposit in the Costs of Issuance Fund.

The Escrow Agent has created on its books a special trust fund and escrow fund to be known as the Costs of Issuance Fund. The Escrow Agent agrees that upon receipt it will deposit to the credit of the Costs of Issuance Fund Account the sum of \$_____ to pay those costs of issuance set forth on Exhibit A. Such deposit, all proceeds therefrom, and all cash balances on deposit therein shall be the property of the Costs of Issuance Fund to pay those costs of issuance set forth on Exhibit A upon receipt of invoices. If any of the \$_____ deposit allocated for costs of issuance for the Bonds remains unspent on _____, 20__, the Escrow Agent shall transfer such unspent amount to the City, and this Agreement shall be deemed fully performed and terminated.

Section 2. Investments.

The Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder.

Section 3. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the costs of issuance identified herein shall be limited to the proceeds of the Bonds delivered to the Escrow Agent.

Section 4. Compensation.

The City shall pay to the Escrow Agent fees for performing the services hereunder and under the Escrow Agreement for the expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement and the Escrow Agreement pursuant to the terms of the Fee Schedule attached as Exhibit B. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against funds held under the Escrow Agreement for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

Section 5. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the City or the Escrow Agent at the address shown on Exhibit A to the Escrow Agreement.

Section 6. Washington Law Governs.

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the state of Washington.

EXECUTED as of the date first written above.

**CITY OF VANCOUVER,
WASHINGTON**

Treasurer

U.S. BANK NATIONAL ASSOCIATION

as Authorized Signer

Exhibit A - Costs of Issuance Schedule
Exhibit B - Fee Schedule

EXHIBIT A

Costs of Issuance

Bond Counsel Fee (K&L Gates LLP)

Escrow Agent Fee (U.S. Bank)

Escrow Verification Fee (_____)

Rating Agency Fee (_____)

Placement Agent Fee (Piper Sandler)

Total: \$

EXHIBIT B

FEE SCHEDULE

See Attached

CERTIFICATE

I, the undersigned, City Clerk of the City Council, 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-_____ of the City Council (the “Ordinance”), duly adopted at a regular meeting thereof held on the 20th day of July, 2020.

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 adoption of the Ordinance; that all other requirements and proceedings incident to the proper adoption 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 20th day of July, 2020.

City Clerk

SUMMARY

ORDINANCE NO. M-_____

AN ORDINANCE OF THE CITY OF VANCOUVER,
WASHINGTON, PROVIDING FOR THE ISSUANCE AND
SALE OF UP TO \$16,000,000 LIMITED TAX GENERAL
OBLIGATION REFUNDING BONDS OF THE CITY IN ONE
OR MORE SERIES AND DELEGATING AUTHORITY TO
APPROVE THE FINAL TERMS OF SAID BONDS.

The full text of this ordinance will be mailed upon request. Contact _____,
Records Officer at 487-8711, or via www.cityofvancouver.us (Go to City Government and
Public Records).