

**CITY OF MONROE, WASHINGTON**

**ORDINANCE NO. 015/2012**

AN ORDINANCE OF THE CITY OF MONROE, WASHINGTON, RELATING TO CONTRACTING INDEBTEDNESS; PROVIDING FOR THE ISSUANCE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2012 (TAXABLE), TO CURRENTLY REFUND A PORTION OF THE CITY'S LIMITED TAX GENERAL OBLIGATION BONDS, 2010 (TAXABLE); AND DELEGATING AUTHORITY TO THE CITY ADMINISTRATOR OR FINANCE DIRECTOR TO APPROVE THE FINAL TERMS OF THE BONDS.

PASSED JULY 10, 2012

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CITY OF MONROE, WASHINGTON

**ORDINANCE NO. 015/2012**

AN ORDINANCE of the City of Monroe, Washington, relating to contracting indebtedness; providing for the issuance of Limited Tax General Obligation Refunding Bonds, 2012 (Taxable), to currently refund a portion of the City's Limited Tax General Obligation Bonds, 2010 (Taxable); and delegating authority to the City Administrator or Finance Director to approve the final terms of the bonds.

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

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

- (a)     "Authorized Denomination" means \$5,000 or any integral multiple thereof within a maturity.
- (b)     "Beneficial Owner" means the owner of any beneficial interests in the Bonds.
- (c)     "Bond Fund" means the Limited Tax General Obligation Refunding Bond Fund, 2012, created by this ordinance for the payment of the Bonds.
- (d)     "Bond Register" means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of the Bonds.
- (e)     "Bond Registrar" means the Fiscal Agent.
- (f)     "Bonds" means the Limited Tax General Obligation Refunding Bonds, 2012 (Taxable), of the City issued pursuant to and for the purposes provided in this ordinance.
- (g)     "City" means the City of Monroe, Washington, a municipal corporation duly organized and existing under the laws of the State.
- (h)     "City Council" means the governing body of the City, acting in its legislative capacity.
- (i)     "Code" means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.
- (j)     "DTC" means The Depository Trust Company, New York, New York.
- (k)     "Fiscal Agent" means the fiscal agent of the State, as the same may be designated by the State from time to time.

(l) "Letter of Representations" means the Blanket Issuer Letter of Representations dated June 12, 1996, between the City and DTC, as it may be amended from time to time.

(m) "MSRB" means the Municipal Securities Rulemaking Board.

(n) "Owners" means, without distinction, the Registered Owner(s) and the Beneficial Owner(s).

(o) "Refunded Bonds" means the outstanding Limited Tax General Obligation Bonds, 2010 (Taxable), of the City maturing on November 1, 2012, issued pursuant to Ordinance No. 020/2010, the refunding of which has been provided for by this ordinance.

(p) "Refunding Plan" means:

(1) sending sufficient proceeds of the Bonds to the bond registrar of the Refunded Bonds to provide for the payment of the principal of and interest on the Refunded Bonds when due up to and including the closing date of the Bonds; and

(2) providing the notice of redemption/defeasance at least 30 days prior to the date of the call, payment and redemption on such date of all of the then-outstanding Refunded Bonds.

(q) "Registered Owner" means the person in whose name a Bond is registered on the Bond Register. For so long as the City utilizes the book-entry system for the Bonds under the Letter of Representations, Registered Owner shall mean DTC.

(r) "Rule 15c2-12" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

(s) "SEC" means the United States Securities and Exchange Commission.

(t) "State" means the State of Washington.

(u) "Undertaking" means the continuing disclosure agreement set forth in Section 16 of this ordinance.

(v) "Underwriter" means D.A. Davidson & Co. of Seattle, Washington.

## Section 2. Recitals and Findings.

(a) Pursuant to Ordinance No. 020/2010, the City heretofore issued its \$11,345,000 par value Limited Tax General Obligation Bonds, 2010 (Taxable) (the "2010 Bonds"), for the purpose of providing funds to redeem the City's Limited Tax General Obligation Bond Anticipation Note (Taxable) to acquire real estate located in the North Kelsey area of the City for governmental and economic development purposes, and by that ordinance reserved the right to redeem the 2010 Bonds maturing on November 1, 2012 prior to their

maturity on or after November 1, 2011, at a price of par plus accrued interest to the date fixed for redemption; and

(b) There are presently outstanding \$6,500,000 par value of 2010 Bonds maturing on November 1, 2012, and bearing interest at a rate of 1.255% (the "Refunded Bonds"); and

(c) After due consideration, it appears to the City Council that the Refunded Bonds may be refunded by the issuance and sale of the taxable limited tax general obligation refunding bonds authorized herein (the "Bonds"), which refunding will be effected by carrying out the Refunding Plan; and

(d) The City Council deems it to be in the best interests of the City to issue and sell the Bonds to carry out the Refunding Plan.

Section 3. Debt Capacity. The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes for the calendar year 2011 is \$1,470,214,608. The City has \$11,345,000 of limited tax general obligation bonds and notes outstanding, which is incurred within the limit of up to 1½% of the value of the taxable property within the City permitted for general municipal purposes. There are no unlimited tax general obligation bonds outstanding. The maximum amount of indebtedness authorized by this ordinance is \$6,700,000 and is issued within the limitation permitted for general municipal purposes without a vote.

Section 4. Purpose and Authorization of Bonds. The City shall borrow money on the credit of the City and issue the Bonds evidencing that indebtedness in the amount of not to exceed \$6,700,000 to carry out the Refunding Plan and to pay the costs of issuance and sale of the Bonds.

Section 5. Description of Bonds. The Bonds shall be called City of Monroe, Washington, Limited Tax General Obligation Refunding Bonds, 2012 (Taxable). The Bonds shall be issued in the aggregate principal amount of not to exceed \$6,700,000; shall be dated their date of initial delivery to the Underwriter; shall be in Authorized Denominations; and shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification.

The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) payable semiannually on each May 1 and November 1, commencing November 1, 2012, to the maturity or earlier redemption of the Bonds; and shall mature on November 1 in years and amounts and bear interest at the rates per annum as shall be determined pursuant to Section 17 hereof.

Section 6. Bond Registrar; Registration and Transfer of Bonds.

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

(b) Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Register shall contain the name and mailing address of the Registered Owner of each Bond and the principal amount and number of each of the Bonds held by each Registered Owner.

The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become either a Registered or Beneficial Owner of Bonds with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Beneficial Owners.

Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the 15 days preceding any principal payment or redemption date.

(c) DTC and the Book Entry System. The Bonds initially shall be registered in the name of Cede & Co., as the nominee of DTC. The Bonds so registered shall be held in fully immobilized form by DTC as depository in accordance with the provisions of the Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds regarding accuracy of any records maintained by DTC or DTC participants of any amount in respect of principal of or interest on the Bonds, or any notice which is permitted or required to be given to Registered Owners hereunder (except such notice as is required to be given by the Bond Registrar to DTC).

For as long as any Bonds are held in fully immobilized form, DTC, its nominee or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder and all references to registered owners, bondowners, bondholders or the like shall mean DTC or its nominee and, except for the purpose of the City's undertaking herein to provide continuing disclosure, shall not mean the Beneficial Owners. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except: (i) to any successor of DTC or its nominee, if that successor shall be qualified under any applicable laws to provide the services proposed to be provided by it; (ii) to any substitute depository appointed by the City or such substitute depository's successor; or (iii) to any person if the Bonds are no longer held in immobilized form.

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 City that it no longer wishes to continue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the City may 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.

If (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained or (ii) the City determines that the Bonds are to be in certificated form, the ownership of Bonds may be transferred to any person as provided herein and the Bonds no longer shall be held in fully immobilized form.

Section 7. Form and Execution of Bonds. The Bonds shall be prepared in a form consistent with the provisions of this ordinance and state law and shall be signed by the Mayor and City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon.

Only Bonds bearing a Certificate of Authentication in the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "Certificate Of Authentication. This Bond is one of the fully registered City of Monroe, Washington, Limited Tax General Obligation Refunding Bonds, 2012 (Taxable), described in the Bond Ordinance." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

If any officer whose manual or facsimile signature appears on the Bonds ceases to be an officer of the City authorized to sign bonds before the Bonds bearing his or her manual or facsimile signature are authenticated or delivered by the Bond Registrar or issued by the City, those Bonds nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

Section 8. Payment of Bonds. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. For as long as the Bonds are registered in the name of DTC or its nominee, payment of principal of and interest on the Bonds shall be made in the manner set forth in the Letter of Representations. If the Bonds cease to be in book-entry-only form, interest on the Bonds shall be paid by checks or drafts of the Bond Registrar mailed on the interest payment date to the Registered Owners at the addresses appearing on the Bond Register on the 15th day of the month preceding the interest payment date or by electronic transfer on the interest payment date. The City shall not be required to make electronic transfers except to a Registered Owner of Bonds pursuant to a request in writing (and at the sole expense of that Registered Owner) received at least 10 days before an interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the Registered Owners to the Bond Registrar.

Section 9. Redemption Provisions and Open Market Purchase of Bonds.

(a) Optional Redemption. The City Administrator or Finance Director may designate the Bonds as being subject to redemption at the option of the City prior to its maturity.

(b) Partial Redemptions. Portions of the principal amount of any Bond, in any Authorized Denomination, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same maturity and interest rate in any Authorized Denomination in the aggregate principal amount remaining unredeemed.

(c) Selection of Bonds for Redemption. If fewer than all of the outstanding Bonds within a maturity are to be redeemed prior to maturity, Bonds shall be selected for redemption randomly within a maturity in such manner as the Bond Registrar shall determine. Notwithstanding the foregoing, for as long as the Bonds are registered in the name of DTC or its nominee, selection of Bonds for redemption shall be in accordance with the Letter of Representations.

(d) Notice of Redemption. While the Bonds are held by DTC in book-entry only form, any notice of redemption shall be given at the time, to the entity and in the manner required by DTC in accordance with the Letter of Representations, and the Bond Registrar shall not be required to give any other notice of redemption. If the Bonds cease to be in book-entry only form unless waived by any Registered Owner of the Bonds to be redeemed, the City shall cause notice of any intended redemption of Bonds to be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of any Bond to be redeemed at the address appearing on the Bond Register at the time the Bond Registrar prepares the notice, and the requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the Registered or Beneficial Owner of any Bond.

In the case of an optional redemption, the notice may state that the City retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB, consistent with the Undertaking, to any nationally recognized rating agency which at the time maintains a rating on the Bonds at the request of the City, and to such other persons and with such additional information as the Finance Director shall determine, but these additional mailings shall not be a condition precedent to the redemption of Bonds.

(e) Effect of Redemption. Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption, unless the notice of redemption is rescinded as set forth above.

(f) Open Market Purchase. The City further reserves the right and option to purchase any or all of the Bonds in the open market at any time at any price acceptable to the City plus accrued interest to the date of purchase.

(g) Cancellation of Bonds. All Bonds purchased or redeemed under this section shall be canceled.

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

Section 11. Pledge of Taxes. For as long as any of the Bonds are outstanding, the City irrevocably pledges to include in its budget and levy taxes annually, within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City, on all of the taxable property within the City in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Bonds. The full faith, credit and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 12. Refunding or Defeasance of the Bonds. The City may issue refunding bonds pursuant to the laws of the State or use money available from any other lawful source to pay when due the principal of and interest on the Bonds, or any portion thereof included in a refunding or defeasance plan, and to redeem and retire, refund or defease all such then-outstanding Bonds (hereinafter collectively called the "defeased Bonds") and to pay the costs of the refunding or defeasance. If money and/or "government obligations" (as defined in chapter 39.53 RCW, as now or hereafter amended) maturing at a time or times and bearing interest in amounts (together with money, if necessary) sufficient to redeem and retire, refund or defease the defeased Bonds in accordance with their terms are set aside in a special trust fund or escrow account irrevocably pledged to that redemption, retirement or defeasance of defeased Bonds (hereinafter called the "trust account"), then all right and interest of the Owners of the defeased Bonds in the covenants of this ordinance and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. The Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds from the trust account. The City shall include in the refunding or defeasance plan such provisions as the City deems necessary for the random selection of any defeased Bonds that constitute less than all of a particular maturity of the Bonds, for notice of the defeasance to be given to the owners of the defeased Bonds and to such other persons as the City shall determine, and for any required replacement of Bond certificates for defeased Bonds. The defeased Bonds shall be deemed no longer outstanding, and the City may apply any money in any other fund or account established for the payment or redemption of the defeased Bonds to any lawful purposes as it shall determine.

If the Bonds are registered in the name of DTC or its nominee, notice of any defeasance of Bonds shall be given to DTC in the manner prescribed in the Letter of Representations for notices of redemption of Bonds.

Section 13. Bond Fund and Deposit of Bond Proceeds. The Bond Fund is hereby created and established in the office of the Finance Director as a special fund designated the Limited Tax General Obligation Refunding Bond Fund, 2012, for the purpose of paying principal of and interest on the Bonds. All taxes and other amounts allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund. The principal of and interest on the Bonds shall be paid out of the Bond Fund and, pending expenditure, money therein may be invested and the earnings used for the purpose of that fund.

Section 14. Call for Redemption of the Refunded Bonds. The City calls for redemption on the closing date of the Bonds all of the Refunded Bonds at par plus accrued interest. Such call for redemption shall be conditional on the delivery of the Bonds to the initial purchaser thereof.

The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to Ordinance No. 020/2010 in order to effect the redemption prior to their maturity of the Refunded Bonds.

Section 15. City Findings with Respect to Refunding. The City Council authorizes the City Administrator and Finance Director to issue the Bonds if it is in the best interest of the City and its taxpayers and in the public interest. In making such finding and determination, the City Administrator and Finance Director will give consideration to the fixed maturities of the Bonds and the Refunded Bonds, the costs of issuance of the Bonds and the known earned income from the investment of the proceeds of the issuance and sale of the Bonds pending payment and redemption of the Refunded Bonds.

Section 16. Undertaking to Provide Continuing Disclosure. To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds, the City makes the following written Undertaking for the benefit of holders of the Bonds:

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

(i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in subsection (b) of this section (“annual financial information”);

(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or

liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of term bonds, if any), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(iii) Timely notice of a failure by the City to provide required annual financial information on or before the date specified in subsection (b) of this section.

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

(i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to State local governmental units such as the City, as such principles may be changed from time to time, which statements shall not be audited, except, however, that if and when audited financial statements are otherwise prepared and available to the City they will be provided; (2) outstanding general obligation bonds; (3) assessed valuation for the fiscal year; (4) regular property tax levy rate; and (5) general fund revenues from other major tax sources;

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City’s fiscal year ending December 31, 2012; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Undertaking. The Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The City will give notice

to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. The Undertaking evidenced by this section shall inure to the benefit of the City and any Beneficial Owner of Bonds, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The City's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the City's obligations under this Undertaking shall terminate if those provisions of Rule 15c2-12 which require the City to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of nationally recognized bond counsel or other counsel familiar with federal securities laws delivered to the City, and the City provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the City learns of any failure to comply with the Undertaking, the City will proceed with due diligence to cause such noncompliance to be corrected. No failure by the City or other obligated person to comply with the Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any Beneficial Owner of a Bond shall be to take such actions as that Beneficial Owner deems necessary, including seeking an order of specific performance from an appropriate court, to compel the City or other obligated person to comply with the Undertaking.

(g) Designation of Official Responsible to Administer Undertaking. The Finance Director of the City (or such other officer of the City who may in the future perform the duties of that office) or his or her designee is authorized and directed in his or her discretion to take such further actions as may be necessary, appropriate or convenient to carry out the Undertaking of the City in respect of the Bonds set forth in this section and in accordance with Rule 15c2-12, including, without limitation, the following actions:

(i) Preparing and filing the annual financial information undertaken to be provided;

(ii) Determining whether any event specified in subsection (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;

(iii) Determining whether any person other than the City is an "obligated person" within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person in accordance with Rule 15c2-12;

(iv) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the City in carrying out the Undertaking; and

(v) Effecting any necessary amendment of the Undertaking.

Section 17. Sale of Bonds. The City Council has determined that it is in the best interest of the City to delegate to the City Administrator or Finance Director the authority to approve the final principal amount, dates, denominations, interest rates, payment dates, maturity dates, and redemption provisions of the Bonds, in the manner provided herein, provided that:

- (a) The aggregate principal amount of the Bonds does not exceed \$6,700,000;
- (b) The rate of interest for the Bonds may not exceed 2.75%;
- (c) The combined true interest cost to the City for all Bonds issued under this ordinance does not exceed 2.90%;
- (d) The purchase price for the Bonds may not be less than 99%;
- (e) The Bonds shall be issued subject to optional redemption provisions set forth in Section 9;
- (f) The Bonds shall be dated as of the date of their delivery, which date and time for the issuance and delivery of the Bonds is not later than November 1, 2012; and
- (g) Interest shall be payable at fixed rates semiannually on each May 1 and November 1, principal shall be payable annually on each November 1 and the final maturity shall not be later than November 1, 2015.

In determining the final principal amount, dates, denominations, interest rates, payment dates, maturity dates, and redemption provisions of the Bonds, the City Administrator or Finance Director, in consultation with other City officials and staff and advisors, shall take into account those factors that, in his or her judgment, will result in the lowest true interest cost on the Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable to the Bonds.

The Bonds will be printed at City expense and will be delivered to the Underwriter in accordance with this ordinance, with the approving legal opinion of Foster Pepper PLLC, municipal bond counsel of Seattle, Washington, regarding the Bonds.

Section 18. Official Statement. The City Council authorizes the City Administrator or Finance Director to approve a preliminary official statement in connection with the offering of the Bonds prepared pursuant to Section 17 of this ordinance and to “deem final” such preliminary official statement as of its date, except for the omission of information dependent upon the pricing of the Bonds and the completion of the purchase. The City agrees to cooperate with the Underwriter to deliver or cause to be delivered, within seven business days from the date of the sale of the Bonds and in sufficient time to accompany any confirmation that requests

payment from any customer of the Underwriter, copies of a final official statement in sufficient quantity to comply with Section (b)(4) of the Rule and the rules of the MSRB.

In addition, the City authorizes and approves the preparation, execution by the City Administrator or Finance Director and delivery to the Underwriter of a final official statement for the Bonds, in the form of the preliminary official statement, with such modifications and amendments thereto as shall be deemed necessary or desirable by the City. The City authorizes the City Administrator or Finance Director to approve the distribution by the Underwriter of that final official statement to potential purchasers and purchasers of the Bonds.

The authority to the City Administrator and Finance Director granted by Sections 17 and 18 shall remain in effect until withdrawn by the City Council.

Section 19. Supplemental Ordinances. The City Council from time to time and at any time may pass an ordinance or ordinances supplemental to this ordinance which supplemental ordinance or ordinances thereafter shall become a part of this ordinance, for any one or more of the following purposes:

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

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

Section 20. General Authorization and Ratification. The Mayor, City Administrator, Finance Director, City Clerk and other appropriate officers of the City are severally authorized and directed to take any actions and to execute documents as in their judgment may be necessary or desirable to carry out the terms of, and complete the transactions contemplated by, this ordinance and the Bond Purchase Contract (including everything necessary for the prompt delivery of the Bonds to the Underwriter and for the proper application, use and investment of the proceeds of the sale thereof), and all actions heretofore taken in furtherance thereof and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 21. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 22. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council of the City of Monroe, Washington, at a regular meeting thereof and APPROVED by the Mayor, this 10<sup>th</sup> day of July, 2012.

1<sup>st</sup> Reading: 6/19/12  
2<sup>nd</sup> Reading: 7/10/12  
Published: 7/17/12  
Effective: 7/22/12

CITY OF MONROE, WASHINGTON:



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Robert Zimmerman, Mayor

ATTEST/AUTHENTICATED:



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Eadye Martinson, City Clerk

APPROVED AS TO FORM:



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Zach Lell, City Attorney  
(Prepared by Bond Counsel)

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CERTIFICATION

I, the undersigned, City Clerk of the City of Monroe, Washington (the "City"), hereby certify as follows:

1. The attached copy of Ordinance No. 015/2012 (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on July 10, 2012, as that ordinance appears on the minute book of the City; and the Ordinance will be in full force and effect five days after publication in the City's official newspaper; and

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

IN WITNESS WHEREOF, I have hereunto set my hand this 10<sup>th</sup> day of July, 2012.

CITY OF MONROE, WASHINGTON

  
\_\_\_\_\_  
City Clerk