

City of Camas, Washington

**Unlimited Tax General
Obligation Bonds, 2000**

\$7,960,000

Preston|Gates|Ellis LLP

CITY OF CAMAS, WASHINGTON

ORDINANCE NO. 2277

AN ORDINANCE of the City of Camas, Washington, providing for the issuance and sale of unlimited tax general obligation bonds of the City in the principal sum of \$7,960,000 for the purpose of providing funds to expand and improve the City Library; and providing the form and terms the bonds.

ADOPTED: NOVEMBER 13, 2000

Prepared by:

PRESTON GATES & ELLIS LLP
Seattle, Washington

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WHEREAS, at an election held in the City of Camas, Washington (the "City") on March 14, 2000, the number and proportion of the qualified electors of the City required by law for the adoption thereof voted in favor of a proposition authorizing the issuance of bonds of the City in the aggregate principal amount of \$7,960,000 to provide funds to pay the cost of improving, expanding, and equipping the City Library as authorized by Ordinance No. 2255 of the City Council passed on January 10, 2000; and

WHEREAS, the City now desires to authorize the issuance of unlimited tax general obligation bonds in the principal amount of \$7,960,000 and to authorize the sale of such bonds;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CAMAS, WASHINGTON, DO ORDAIN AS FOLLOWS:

SECTION 1. Definitions. As used in this ordinance, the following words shall have the following meanings, unless a different meaning clearly appears from the context:

"Bond Fund" means the "City of Camas Unlimited Tax General Obligation Bond Redemption Fund."

"Bond Insurance Policy" means the municipal bond insurance policy issued by the Insurer insuring the payment when due of the principal of and interest on the Bonds as provided therein.

"Bond Register" means the registration records for the Bonds maintained by the Bond Registrar.

“Bond Registrar” means the fiscal agency of the State of Washington, in either Seattle, Washington or New York, New York, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying principal of and interest on the Bonds.

“Bonds” means the \$7,960,000 principal amount of the City of Camas, Washington, Unlimited Tax General Obligation Bonds, 2000, issued pursuant to and for the purposes provided in this ordinance.

“City” means the City of Camas, Washington, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of Washington.

“Code” means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department of the Internal Revenue Service, to the extent applicable to the Bonds.

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

“DTC” means The Depository Trust Company, of New York, New York, as depository for the Bonds, or any successor or substitute for the Bonds.

“Insurer” means Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance company or any successor thereto or assignee thereof, as issuer of a Bond Insurance Policy for the Bonds.

“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.

“NRMSIR” means a nationally recognized municipal securities information repository.

“Project” means the improvement, expansion, and equipping of the City Library as provided in Section 2.

“Project Fund” means the “City of Camas Library Construction Fund.”

“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, DTC shall be deemed to be the Registered Owner.

“Rule” means the SEC’s Rule 15c2-12 under the Securities Exchange Act of 1934.

“SEC” means the U.S. Securities and Exchange Commission.

SECTION 2. Findings and Authorization of Improvements. The City Council hereby finds that the public interest and benefit of the inhabitants of the City require that the City improve, expand and equip the City Library, including parking, additional land and technology equipment (the “Project”). The estimated cost of the Project and all costs incidental thereto and to the issuance of the Bonds is \$7,960,000, which shall be provided from the proceeds of sale of the Bonds.

SECTION 3. Authorization of Bonds. The City shall issue and sell the Bonds in the aggregate principal amount of \$7,960,000 to provide money to finance the Project and all costs incidental thereto and to the issuance of the Bonds. The Bonds shall be general obligations of the City; shall be designated “City of Camas, Washington, Unlimited Tax General Obligation Bonds, 2000”; shall be dated December 1, 2000; shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof; shall be numbered separately and in

such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification and control; shall bear interest (calculated based on a 360-day year of 12 30-day months) at the rates set forth below from their date, until the Bonds have been paid or their payment duly provided for, payable semiannually on the first day of each June and December, commencing June 1, 2001; and shall mature on December 1 of each year as follows:

Maturity Year (December 1)	Principal Amount	Interest Rates
2001	\$240,000	5.00%
2002	250,000	5.00
2003	265,000	5.00
2004	280,000	5.00
2005	290,000	5.00
2006	305,000	5.00
2007	320,000	5.00
2008	335,000	5.00
2009	355,000	5.00
2010	370,000	5.00
2011	390,000	5.00
2012	410,000	5.10
2013	430,000	5.10
2014	455,000	5.20
2015	475,000	5.30
2016	500,000	5.30
2017	530,000	5.40
2018	555,000	5.40
2019	585,000	5.50
2020	620,000	5.50

SECTION 4. Registration, Exchange and Payments.

(a) *Registrar/Bond Register.* The City hereby adopts the system of registration approved by the Washington State Finance Committee, which utilizes the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York, as registrar, authenticating agent, paying agent and transfer agent (collectively, the “Bond Registrar”). The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient

records for the registration and transfer of the Bonds (the “Bond Register”), which shall be open to inspection by the City. 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 on the Bonds.

(b) *Registered Ownership.* The City and the Bond Registrar may deem and treat the Registered Owner of each Bond as the absolute owner for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(h) hereof, but such registration may be transferred as herein provided. All such payments made as described in Section 4(h) shall be valid and shall satisfy the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* The Bonds shall initially 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 shall execute and deliver to DTC a Blanket Issuer Letter of Representations (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 with respect to the Bonds for the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice that 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), the

selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Bonds, or any consent given or other action taken by DTC 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, and all references in this ordinance to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in any Bonds.

(d) *Use of Depository.*

(i) The Bonds shall be registered initially in the name of CEDE & Co., as nominee of DTC, with a single Bond for each maturity in a denomination equal to the total principal amount of such maturity. 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 City pursuant to subsection (ii) below or such substitute depository's successor; or (C) to any person as provided in subsection (iv) below.

(ii) 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 to discontinue 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.

(iii) In the case of any transfer pursuant to clause (A) or (B) of subsection (i) above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together

with a written request on behalf of the City, issue a single new Bond for each maturity then outstanding, registered in the name of such successor or substitute depository, or its nominee, all as specified in such written request of the City.

(iv) 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 City determines that it is in the best interest of the beneficial owners of the Bonds that the Bonds be provided in certificated form, 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 City shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds in certificated form, to issue Bonds in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds, together with a written request on behalf of the City to the Bond Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are provided in such written request.

(e) *Transfer or Exchange of Registered Ownership; Change in Denominations.* The registered ownership of any Bond may be transferred or exchanged, but no transfer of any 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, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, 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 canceled 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, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on such interest payment date, or, in the case of any proposed redemption of the Bonds, after the mailing of notice of the call of such Bonds for redemption.

(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 rights of the Registered Owners of the Bonds.

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

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. For so long as all Bonds are in fully immobilized form, payments of principal and interest shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding

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

SECTION 5. Redemption and Purchase.

(a) *Optional Redemption.* The City hereby reserves the right to redeem the outstanding Bonds maturing on and after December 1, 2011 in whole or in part (maturities to be selected by the City and by lot within a maturity in such manner as DTC or the Bond Registrar, as appropriate, shall determine) on December 1, 2010, and on any date thereafter, at par, plus accrued interest to the date of redemption.

(b) *Partial Redemption.* If less than all of the principal amount of any 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, for the then unredeemed balance of the principal amount, a new Bond or Bonds, at the option of the Registered Owner, of like maturity and interest rate in any authorized denomination.

(c) *Notice of Redemption.* Written notice of any redemption of Bonds shall be given by the Bond Registrar on behalf of the City by first class mail, postage prepaid, not less than 30 days nor more than 60 days before the redemption date to the Registered Owners of Bonds that are to be redeemed at their last addresses shown on the Bond Register. So long as the Bonds are in book-entry form, notice of redemption shall be given as provided in the Letter of Representations. The Bond Registrar shall provide notice of redemption to the Insurer and to each NRMSIR or to the MSRB in accordance with Section 16.

The requirements of this section shall be deemed complied with when notice is mailed, whether or not it is actually received by the owner.

Each notice of redemption shall contain the following information: (1) the redemption date, (2) the redemption price, (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the Bonds to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon each Bond or portion called for redemption, and that interest shall cease to accrue from the redemption date, (5) that the Bonds are to be surrendered for payment at the principal office of the Bond Registrar, (6) the CUSIP numbers of all Bonds being redeemed, (7) the dated date of the Bonds, (8) the rate of interest for each Bond being redeemed, (9) the date of the notice, and (10) any other information needed to identify the Bonds being redeemed.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(d) *Effect of Redemption.* Unless the City has revoked a notice of redemption, the City shall transfer to the Bond Registrar amounts that, in addition to other money, if any, held by the Bond Registrar, will be sufficient to redeem, on the redemption date, all the Bonds to be redeemed. From the redemption date interest on each Bond to be redeemed shall cease to accrue.

(e) *Amendment of Notice Provisions.* The foregoing notice provisions of this section, 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.

(f) *Purchase on Open Market.* The City reserves the right to purchase any of the Bonds in the open market at any time and at any price.

SECTION 6. Creation of Bond Fund and Pledge of Taxes and Credit. A special fund of the City known as the “City of Camas Unlimited Tax General Obligation Bond Redemption Fund” (the “Bond Fund”), has been created in the office of the Finance Director of the City. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Bonds.

The City hereby irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes without limitation as to rate or amount and in amounts sufficient to pay such principal and interest 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 for the prompt payment of such principal and interest.

SECTION 7. Bonds Deemed To Be No Longer Outstanding. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, held in trust by a trustee, cash or noncallable government obligations, as such obligations are now or hereafter defined in RCW 39.53, or any combination of cash and/or noncallable government obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable government obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to

receive payment of principal, premium, if any, and interest from such special account, and Bond shall be deemed to be not outstanding under this ordinance.

Amounts paid by the Insurer for Bonds shall not be deemed to be paid and shall continue to be due and owing under this ordinance until paid by the City to the Insurer.

The Bond Registrar shall give written notice of defeasance to the owners of all Bonds so provided for within 30 days of the closing date and to the Insurer, to the SID, if any, and to each NRMSIR or to the MSRB in accordance with Section 16

SECTION 8. Tax Covenant; Special Designation. The City covenants to undertake all actions required to maintain the tax-exempt status of interest on the Bonds under Section 103 of the Code. The City hereby designates the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions. The City does not anticipate that it will issue more than \$10,000,000 in qualified tax-exempt obligations during 2000.

SECTION 9. Lost or Destroyed Bonds. If any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like amount, maturity and tenor to the Registered Owner upon the owner paying the expenses and charges of the Bond Registrar and the City in connection with preparation and authentication of the replacement Bond or Bonds and upon his or her filing with the Bond Registrar and the City evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to both.

SECTION 10. Form of the Bonds. The Bonds shall be in substantially the following form:

Municipal Bond Insurance Policy No. ____ (the "Policy") with respect to payments due for principal of and interest on this bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to the United States Trust Company of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON
CITY OF CAMAS
UNLIMITED TAX GENERAL OBLIGATION BOND, 2000

INTEREST RATE:

MATURITY DATE:

CUSIP NO:

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Camas, Washington, a municipal corporation organized and existing under and by virtue of the laws and Constitution of the State of 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 specified above, unless redeemed prior thereto as provided herein, together with interest on such Principal Amount from the date hereof or the most recent date to which interest has been paid or duly provided for at the Interest Rate set forth above payable semiannually on each June 1 and December 1, commencing June 1, 2001, until payment of the principal sum has been made or duly provided for. 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 from the City to DTC. In the event that the bonds of this issue are no longer held in fully immobilized form, interest on this bond shall be paid by check or draft mailed to the Registered Owner at the address appearing on the Bond Register on the 15th day of the month preceding the interest payment date, and principal of this bond shall be payable upon presentation and surrender of this bond by the Registered Owner at the principal office of the fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York (collectively the "Bond Registrar").

This bond is one of an issue of unlimited tax general obligation bonds of the City of like date and tenor, except as to number, interest rate and date of maturity, in the aggregate principal amount of \$7,960,000, issued pursuant to Ordinance No. 2277 of the City, passed November 13, 2000 (the "Bond Ordinance"), to provide financing to expand and improve the City Library.

The City has reserved the right to redeem the bonds of this issue maturing on or after December 1, 2011, on or after December 1, 2010, in whole or in part (maturities to be selected by the City and by lot within a maturity in such manner as DTC or the Bond Registrar shall determine), at par plus accrued interest to the date of redemption.

Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the redemption date by first class mail, postage prepaid, to the Registered Owner of any bond to be redeemed at the address appearing on the Bond Register. The requirements of the Bond Ordinance shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on all such bonds so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called for redemption are not redeemed upon presentation made pursuant to such call.

Portions of the principal sum of this bond in installments of \$5,000 or any integral multiple thereof may also be redeemed in accordance with the schedule set forth above, and if less than all of the principal sum hereof is to be redeemed, upon the surrender of this 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 hereof, at the option of the owner, a bond or bonds of like maturity and interest rate in any of the denominations authorized by the Bond Ordinance.

The City has designated the bonds of this issue as "qualified tax-exempt obligations" for purchase by financial institutions.

The City hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the City without limitation as to rate or amount and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on the bonds of this issue 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 pledge of tax levies 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.

Bonds are interchangeable for bonds of any authorized denomination of equal aggregate principal amount and of the same interest rate and maturity upon presentation and surrender to the Bond Registrar.

The bonds of this issue are issued in fully registered form in the denomination of \$5,000 each or any integral multiple thereof, provided that no bond shall represent more than one maturity. The City may deem the person in whose name this bond is registered to be the

absolute owner hereof for the purpose of receiving payment of the principal of and interest on this bond and for any and all other purposes whatsoever.

Reference also is made to the Bond Ordinance as more fully describing the covenants with and the rights of Registered Owners of the bonds or registered assigns and the meanings of capitalized terms appearing on this bond which are defined in such 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 (as hereinafter defined) until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

It is hereby certified and declared that this bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and ordinances of the City, that all acts, conditions and things required to be done precedent to and in the issuance of this bond and the bonds of this issue have happened, been done and performed, and that this bond and the bonds of this issue do not exceed any constitutional or statutory limitations.

IN WITNESS WHEREOF, the City of Camas, Washington, has caused this bond to be signed on behalf of the City with the manual or facsimile signature of the Mayor, to be attested by the manual or facsimile signature of the Clerk of the City, and the seal of the City to be reproduced or impressed hereon, as of this 1st day of December, 2000.

[SEAL]

CITY OF CAMAS, WASHINGTON

By /s/ manual or facsimile signature
Mayor

ATTEST:

 /s/ manual or facsimile signature
City Clerk

The Certificate of Authentication for the Bonds shall be in substantially the following form and shall appear on the front of each Bond:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within-referenced Ordinance No. 2277 of the City of Camas, Washington, and is one of the Unlimited Tax General Obligation Bonds, 2000, dated December 1, 2000.

WASHINGTON STATE FISCAL
AGENCY, as Bond Registrar

By _____
Authorized Signer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER
IDENTIFICATION NUMBER OF TRANSFEREE

[Empty rectangular box for Social Security or Taxpayer Identification Number]

(Please print or typewrite name and address, including zip code of Transferee)

_____ the within bond and all rights thereunder and does hereby irrevocably constitute and appoint _____ of _____, or its successor, as Agent to transfer said bond on the books kept by the Bond Register for registration thereof, with full power of substitution in the premises.

DATED: _____, _____.

SIGNATURE GUARANTEED:

NOTICE: Signature(s) must be guaranteed pursuant to law.

NOTE: The signature on this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SECTION 11. Execution of the Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the City Clerk, and shall have the seal of the City impressed or imprinted thereon. In case either or both of the officers who have signed or attested any of the Bonds cease to be

such officer before such Bonds have been actually issued and delivered, such Bonds shall be valid nevertheless and may be issued by the City with the same effect as though the persons who had signed or attested such Bonds had not ceased to be such officers, and any Bond may be signed or attested on behalf of the City by officers who at the date of actual execution of such Bond are the proper officers, although at the nominal date of execution of such Bond such officer was not an officer of the City.

Only Bonds that bear a Certificate of Authentication in the form set forth in Section 10, 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 and are entitled to the benefits of this ordinance.

In case either of the officers of the City who shall have executed the Bonds shall cease to be such 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 also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bond shall be the proper officers of the City although at the original date of such Bond any such person shall not have been such officer.

SECTION 12. Project Fund; Application of Proceeds of Bonds. A special fund of the City known as the “City of Camas Library Construction Fund” (the “Project Fund”) has been created by the Finance Director of the City. The Project Fund shall be used to pay the costs of the acquisitions and improvements described in Section 2.

At the time of delivery of the Bonds, the proceeds of the Bonds shall be deposited as follows:

(a) The accrued interest, if any, to the date of delivery shall be deposited to the Bond Fund and used to pay a portion of interest on the Bonds on June 1, 2001.

(b) The remaining proceeds shall be deposited into the Project Fund and used to pay the costs of the acquisitions and improvements described in Section 2 hereof and all costs incidental thereto and to the issuance of the Bonds.

Money remaining in the Project Fund after all of such costs have been paid or reimbursed, or the Council determines not to construct or acquire portions of such project, may be used to pay costs of other legally authorized public safety capital expenditures of the City or shall be deposited in the Bond Fund. Money in the Project Fund may be invested as permitted by law. All interest earned and profits derived from such investments shall be retained in and become a part of the Project Fund or deposited into the Bond Fund.

SECTION 13. Sale of the Bonds. The City Council finds that the purchase contract that has been distributed to the City Council is reasonable and that it is in the best interest of the City that the Bonds shall be sold upon the terms and conditions set forth in the purchase contract. The City accepts the purchase contract and authorizes the Finance Director or the Mayor to execute the purchase contract and deliver it to Banc of America Securities LLC (the "Underwriter"). The Bonds shall be issued and delivered to the Underwriter upon payment of the purchase price specified in the purchase contract.

SECTION 14. Official Statement. The City approves the preliminary official statement presented to the Council and authorizes the Underwriter's distribution of the preliminary official statement in connection with the offering of the Bonds. The City authorizes the Underwriter to

use the official statement, substantially in the form of the preliminary official statement, in connection with the sale of the Bonds. The Finance Director, the Mayor or the City Administrator are hereby authorized to review and approve on behalf of the City the final Official Statement relative to the Bonds with such additions and changes as may be deemed necessary or advisable to them.

SECTION 15. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or 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 16. Ongoing Disclosure.

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

(b) *Financial Statements/Operating Data.* The City agrees to provide or cause to be provided to each NRMSIR and to the SID, if any, in each case as designated by the SEC in accordance with the Rule, the following annual financial information and operating data for the prior fiscal year (commencing in 2001 for the fiscal year ended December 31, 2000):

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 and generally of the type included in the official statement for the Bonds under the heading "Comparative Statement of General Fund Revenues and Expenditures";

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

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

The information and data described above shall be provided on or before nine months after the end of the City's fiscal year. The City's current fiscal year ends December 31. The City may adjust such fiscal year by providing written notice of the change of fiscal year to each then existing NRMSIR and the SID, if any. In lieu of providing such annual financial information and operating data, the City may cross-reference to other documents provided to the NRMSIR, the SID or to the SEC and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

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 each then existing NRMSIR and the SID, if any.

(c) *Material Events.* The City agrees to provide or cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- Principal and interest payment delinquencies;
- Non-payment related defaults;

- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- Modifications to the rights of Bond owners;
- Bond calls (optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856);
- Defeasances;
- Release, substitution or sale of property, securing repayment of the Bonds; and
- Rating changes.

Solely for purposes of disclosure, and not intending to modify this undertaking, the City advises that no property or reserve account secure payment of the Bonds.

(d) *Notification Upon Failure to Provide Financial Data.* The City agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the MSRB and to the SID, if any, 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) *Termination/Modification.* The City's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance or payment in full of all of the Bonds. Any provision of this section shall be null and void if the City (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does

not apply to the Bonds and (2) notifies each NRMSIR and the SID, if any, of such opinion and the cancellation of this section.

The City may amend this section with an approving 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, (i) notice of such change shall be given in the same manner as for a material event under subsection (c), and (ii) 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.

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

SECTION 17. Bond Insurance

(a) *Acceptance of Insurance.* In accordance with the offer of the Underwriter to purchase the Bonds, the Council hereby approves the commitment of the Insurer to provide a bond insurance policy guaranteeing the payment when due of principal of and interest on the Bonds (the “Bond Insurance Policy”). The Council further authorizes and directs all proper officers, agents, attorneys and employees of the City to cooperate with the Insurer in preparing such additional agreements, certificates, and other documentation on behalf of the City as shall be necessary or advisable in providing for the Bond Insurance Policy.

(b) *Payments Under the Bond Insurance Policy.* As long as the Bond Insurance Policy shall be in full force and effect, the City and the Bond Registrar agree to comply with the following provisions:

(1) If, at least one day prior to an interest payment date, the City or the Bond Registrar determines that there will be insufficient funds in the Bond Fund to pay the principal of or interest on the Bonds on such interest payment date, the City or the Bond Registrar shall so notify the Insurer. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the City or the Bond Registrar has not so notified the Insurer at least one day prior to an interest payment date, the Insurer will make payments of principal or interest due on the Bonds on or before the first business day next following the date on which the Insurer shall have received notice of nonpayment from the City or the Bond Registrar.

(2) The City or the Bond Registrar shall, after giving notice to the Insurer as provided in subsection (1) above, make available to the Insurer and, at the Insurer’s

direction, to the United States Trust Company of New York, as insurance trustee for the Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration books of the City maintained by the Bond Registrar, and all records relating to the Bond Fund maintained under this ordinance.

(3) The City or the Bond Registrar shall provide the Insurer and the Insurance Trustee with a list of Registered Owners of Bonds entitled to receive principal or interest payments from the Insurer under the terms of the Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the Registered Owners of Bonds entitled to receive full or partial interest payments from the Insurer, and (ii) to pay principal on Bonds surrendered to the Insurance Trustee by the Registered Owners of Bonds entitled to receive full or partial principal payments from the Insurer.

(4) The City or the Bond Registrar shall, at the time it provides notice to the Insurer pursuant to subsection (1) above, notify Registered Owners of Bonds entitled to receive the payment of principal or interest thereon from the Insurer (i) as to the fact of such entitlement, (ii) that the Insurer will remit to them all or a part of the interest payments next coming due upon proof of bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Insurer, they must surrender their Bonds (along with an appropriate instrument of assignment satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of the Insurer) for payment to the Insurance Trustee, and not the Bond Registrar, and (iv) that should they be entitled to receive partial payment of principal from the Insurer, they must surrender their Bonds for payment thereon first to the Bond

Registrar, who shall note on such Bonds the portion of the principal paid by the Bond Registrar, and then, along with an appropriate instrument of assignment satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(5) In the event that the Bond Registrar has notice that any payment of principal of or interest on a Bond which has become due for payment and which is made to a bondholder by or on behalf of the City has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Bond Registrar shall, at the time the Insurer is notified pursuant to subsection (1) above, notify all Registered Owners that in the event that any Registered Owner's payment is so recovered, such Registered Owner will be entitled to payment from the Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Bond Registrar shall furnish to the Insurer its records evidencing the payments of principal of and interest on the Bonds which have been made by the Bond Registrar and subsequently recovered from Registered Owners and the dates on which such payments were made.

(6) In addition to those rights granted the Insurer under this ordinance, the Insurer shall, to the extent it makes payment of principal of or interest on Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Bond Registrar shall note the Insurer's rights as subrogee on the registration books of the City maintained by the Bond Registrar upon receipt from the Insurer of proof of the payment of interest thereon to the Registered Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Bond Registrar shall note the Insurer's

rights as subrogee on the registration books of the City maintained by the Bond Registrar upon surrender of the Bonds by the Registered Owners thereof together with proof of the payment of principal thereof.

(7) While the Bond Insurance Policy is in effect, the City shall furnish to the Insurer:

(i) as soon as practicable after the filing thereof, a copy of any financial statement and a copy of any audit and annual report of the City at no cost to the Insurer;

(ii) a copy of any notice to be given to the Registered Owners of the Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to this ordinance relating to the security for the Bonds at no cost to the Insurer; and

(iii) such additional information it may reasonably request.

(8) The City shall notify the Insurer of any failure of the City to provide relevant notices and certificates.

(9) The City will permit the Insurer to discuss the affairs, finances and accounts of the City or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the City. The City will permit the Insurer to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(10) The Insurer shall have the right to direct an accounting at the City's expense, and the City's failure to comply with such direction within 30 days after receipt of written notice of the direction from the Insurer shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended

so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Registered Owner of the Bonds.

(11) Notwithstanding any other provision of this ordinance, the City shall immediately notify the Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

(c) *Rights of Insurer.*

(1) Any provision of this ordinance expressly recognizing or granting rights in or to the Insurer may not be amended in any manner which affects the rights of the Insurer without the prior written consent of the Insurer.

(2) Unless otherwise provided in this section, the Insurer's consent shall be required in addition to bondholder consent, when required, for the following purposes: (i) execution and delivery of any amendment, supplement or change to or modification of this ordinance; (ii) removal of the Bond Registrar and selection and appointment of any successor Bond Registrar other than a successor state fiscal agent; and (iii) any initiation or approval of any action not described in (i) or (ii) above which requires bondholder consent.

(3) Any reorganization or liquidation plan with respect to the City must be acceptable to the Insurer. In the event of any reorganization or liquidation, the Insurer shall have the right to vote on behalf of all Bond holders who hold Ambac Assurance-insured Bonds absent a default by the Insurer under the Bond Insurance Policy.

(4) Anything in this ordinance to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, the Insurer shall be

entitled to control and direct the enforcement of all rights and remedies granted to the Bond holders or the Bond Registrar for the benefit of the Bond holders.

(5) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City and all covenants, agreements and other obligations of the City to the Registered Owners shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such Registered Owners.

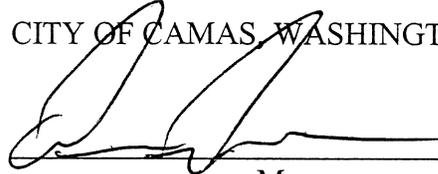
(6) To the extent that this ordinance confers upon or gives or grants to the Insurer any right, remedy or claim under or by reason of this ordinance, the Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

SECTION 18. General Authorization; Ratification of Prior Acts. The Finance Director and City Administrator and other appropriate officers of the City are authorized to take any actions and to execute documents as in their judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified.

SECTION 19. Effective Date. This ordinance shall be effective five days after its passage, approval and publication as provided by law.

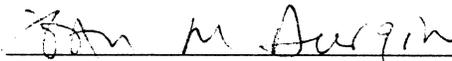
PASSED by the City Council of the City of Camas, Washington, this 13th day of November, 2000.

CITY OF CAMAS, WASHINGTON



Mayor

ATTEST:



City Clerk

-APPROVED AS TO FORM:



City Attorney

Joan Durgin - RE: Thank you

From: "Gregory, Deanna" <deanna.gregory@klgates.com>
To: "Joan Durgin" <jdurgin@ci.camass.wa.us>
Date: 2/11/2009 2:08 PM
Subject: RE: Thank you
CC: "McCullough, Edward" <edward.mccullough@klgates.com>, "Crawshaw-Lewis, Stacey" <stacey.crawshaw-lewis@klgates.com>

Hi Joan,

We would prefer that you spend the investment proceeds as soon as possible. Given the amount of time that has elapsed and the series of events that have happened since 2000, such as refunding those bonds in 2005, it is preferable if you spend the funds and not wait a year or two for property. If after brainstorming you cannot find capital projects related to the library to spend the funds on, please let us know and we can reevaluate the options. And speaking of good capital projects - we think that library books are a terrific idea and would fall into "equipping" the library as you pointed out.

Thanks and please let me know if you have any other questions.

Talk with you soon,
 Deanna

From: Joan Durgin [mailto:jdurgin@ci.camass.wa.us]
Sent: Wednesday, February 11, 2009 11:34 AM
To: Gregory, Deanna
Subject: Re: Thank you

Deanna - thank you to for coming down and having coffee at my favorite coffee shop. I too look forward to working with you and Stacey - you are so easy to talk to and obviously experience. And also thanks for the advice on the 2000 bonds. I immediately talked to our City Administrator and Library Director about spending this money as quickly as possible, so they are working on capital projects in the library to spend it on.

I do have one follow-up question. Can we spend some of this money on library books? The State Auditors accounting manual says these are capital items -and that is how we account for them - even though each book is about \$20, but they have a life of more than one year. It is not really a capital project, but it does "equip" the building. We budget about \$120,000 a year for books.

We do need to buy a parcel of land for a parking lot and still can't find an available seller, so the City Administrator was wondering if we could retain some of the money for a purchase in a year or two. I think he is resigned though to not having that option anymore, so if you say again to spend it as soon as possible, that is fine.

Joan

Joan Durgin
 Finance Director
 City of Camas
 PO Box 1055
 Camas, WA 98607
 360-834-2462

>>> "Gregory, Deanna" <deanna.gregory@klgates.com> 2/3/2009 8:55 AM >>>

Joan,

Thank you again for taking the time to meet with Stacey and myself last Friday morning. It was a pleasure meeting with you and we look forward to working with you in the future.

With regard to the unspent investment earnings from the City's 2000 UTGO Bond issue, we reviewed the election ordinance and the City may use the funds to improve, expand, equip and remodel the library building, including parking, equipment and additional lands and interest in lands, in the order and in the manner deemed most necessary and advisable by the City Council. As for timing, we recommend that the City spend the investment proceeds as soon as possible on projects that fit within this description. If all improvements to the library building have been made, the City may, by ordinance of the Council, use the proceeds to pay or redeem the Bonds. This may be challenging, however, because a large portion of the 2000 Bonds were refunded with proceeds of the City's 2005 UTGO Bonds. If the City does not have eligible projects, please let us know and we can look into payment or redemption options. To help give some background on the spending requirements for tax-exempt bonds I've attached an article from our office on post-issuance matters.

We have also began preparing material event notices for the City for its insured outstanding bonds and will send those to you for review shortly.

Thank you again for meeting with us and please let us know if you have any questions.

Deanna

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Deanna Gregory
K&L Preston Gates Ellis LLP
925 Fourth Avenue, Suite 2900
Seattle, Washington 98104-1158
direct 206.370.8128
mobile 206.349.0773
fax 206.370.6300
main 206.623.7580
deanna.gregory@klgates.com

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Memorandum

Date: April 15, 2009
To: Tina
From: Joan Durgin
Re: Library GO Bond interest earnings

Jan 30th I met with one partner and one associate from our bond attorney's office of Preston Gates & Ellis for a social meeting, and I asked about the remaining interest earnings of the 2000 GO bond issue. They were surprised that we still had some money unspent and said that we needed to spend them as soon as possible. Attached is a copy of our email correspondence after this meeting.

I notified Lloyd of this meeting and on Feb 12th we started having meetings with the city Library Director every two weeks to plan what to spend these monies on, to get cost estimates of each project and to discuss with the Library Board to get their approval.

On April 6th council workshop, the Library Director discussed the proposed plans with the city council and on the agenda of the April 20th council meeting is the ordinance of the budget amendment for the Library construction fund. Attached is the ordinance that is expected to be adopted on April 20th.

Not all the projects will be completely done by year end, nor will the interest earnings be completely spent this year, but most of it will be completed and it will all be done by about mid year 2010.

ORDINANCE NO. 2545

AN ORDINANCE appropriating \$550,000.00 from the Library Construction Fund to pay for books, the acquisition of land, machinery, and other improvements, and amending the Budget for the year 2009 to provide for such expenditure.

WHEREAS, the remodeling of the Library was financed through the issuance of General Obligation Bonds, and

WHEREAS, during construction, the Bond proceeds were invested and the City has received \$530,000.00 of investment earnings, and

WHEREAS, the City anticipates receiving an additional \$20,000.00 in investment earnings, and

WHEREAS, the Library Board has identified certain equipment needed and the acquisition of land for a parking lot as additional expenditures eligible for use of the Bond proceeds,

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CAMAS AS FOLLOWS:

Section I

There is hereby appropriated from the Library Construction Fund the sum of \$550,000.00 to be allocated as follows:

<u>Description</u>	<u>Account Number</u>	<u>Amount</u>
Library Books & other materials	320.00.594.720.69	\$100,000.00
Machinery and equipment	320.00.594.720.64	\$290,000.00
Land	320.00.594.720.61	\$105,000.00
Other Improvements	320.00.594.720.63	\$ 55,000.00

Section II

Ordinance No. 2528 and the Budget for the year 2009 are amended to provide for the aforestated expenditures.

Section III

This ordinance shall take force and be in effect five (5) days from and after its publication according to law.

PASSED by the Council and APPROVED by the Mayor this ____ day of April, 2009.

SIGNED: _____
Mayor

ATTEST: _____
Clerk

APPROVED as to form:

City Attorney

Joan Durgin - RE: quick question

From: "Neraas, Nancy (SEA)"
To: "Joan Durgin"
Date: 9/26/2006 11:08 AM
Subject: RE: quick question

Hello! The interest really should either go to the project fund or stay in the bond fund and be used for debt service. Typically at the end of a bond issue there is some left over and I know the auditor seems comfortable with that money being transferred out. It is impossible to levy the exact amount and not go over.

From: Joan Durgin [mailto:jdurgin@ci.cammas.wa.us]
Sent: Friday, September 22, 2006 2:39 PM
To: Neraas, Nancy (SEA)
Subject: quick question

Hi Nancy:

I have an easy question for you.... hope you don't mind me asking.

Regarding our \$7,960,000 voted GO Bond issue in 2000 to construct the library, the project has been done for several years and all bond proceeds spent, but we still have interest earnings of \$500,000 sitting in the project fund. The bond ordinance says all interest shall go into the project fund or bond fund. So any chance we don't have to put all of it in the bond fund? If we did, there we would not have to levy taxes to pay for the debt service for one year, but I would rather levy the taxes and use the interest elsewhere.

Joan Durgin
 Finance Director
 City of Camas, WA

360-834-2462 This communication is not intended or written by Preston Gates & Ellis LLP to be used, and it may not be used by you or any other person or entity, for the purpose of avoiding any penalties that may be imposed on you or any other person or entity under the United States Internal Revenue Code.

From: Joan Durgin
To: Lloyd Halverson
Date: 2/7/03 9:35AM
Subject: bond proceeds

I wanted to get back to you about what I found out about the city receiving rental income for awhile on property purchased by bond proceeds. I talked to our bond council and arbitrage specialists and they said that as long as no more than 10% of the proceeds are used for this, we will be fine and in compliance with the bond covenants and with the IRS. Since the bonds are tax exempt, we have limitations to not violate IRS rules and other requirements to fulfill - which I do.

Since we will be under the 10% rule, there is no limit how long we can rent the property; it just will be some tracking and recording for me to the IRS.

Hope that helps and allows you room to make decisions and plans.

Oh, and I have to tell you I made a mistake about the use of the bond interest; I went back and read the ordinance this week. It allows the bond proceeds to be use for the project, obviously, or for debt payments or for other public safety capital. My mistake was saying the interest earned could be used for these too. The interest can only be used for the project or for debt payments, not other capital. So the net effect really is the same, it is just the accounting and tracking in here that needs to be clear. Right now interest earnings and bond proceeds are commingled in investments and cash, but of course we know exactly how much interest has been earned to date. Sorry for the error.

May 17, 2001

Ms. Joan M. Durgin
City Clerk/Finance Director
City of Camas
616 N.E. 4th Avenue
Camas, WA 98607

Re: City of Camas, Washington, Unlimited Tax General Obligation
Bonds, 2000 - \$7,960,000

Dear Joan:

We are pleased to present you with one CD-ROM transcript of all proceedings in connection with the above-referenced financing.

Also, we are enclosing our bill for services rendered in connection with this issue.

I enjoyed working with you on this issue. Please feel free to call me with any questions or comments you might have.

Very truly yours,

PRESTON GATES & ELLIS LLP

By 
Nancy M. Neraas

NMN:cw

H:\BD1\TRANSCRIPT COVER LETTERS\16966-00011 TCL.DOC

Enclosure

A LAW FIRM

A LIMITED LIABILITY PARTNERSHIP INCLUDING OTHER LIMITED LIABILITY ENTITIES

*not make 10% for private purpose
proceeds \$/6 below 5.25%*

*Library bond
- excepts from arbitrage
cert.*

Deposits to the following fund may be invested at the highest rate of investment return available without any limitation on the duration of the investment:

Bond Fund¹

Deposits to the following fund may be invested at a rate of investment return that exceeds 5.259729% for a period that ends on December 1, 2003:

Project Fund

After December 1, 2003, deposits to the Project Fund must be invested at a rate of investment return that *does not* exceed 5.259729%.

ARBITRAGE REBATE RULES

Arbitrage rebate rules require that investment earnings in excess of 5.470514% be paid periodically to the IRS. The following charts describe the funds subject to rebate and the dates for any rebate payments:

The following fund is *not* subject to rebate:

Bond Fund

The following fund *is* subject to rebate:

Project Fund

The first rebate installment computation must be made for the Bonds no later than December 1, 2005 and at five year intervals thereafter. Each rebate payment must be made no later than 60 days after the computation date and must be made to the Internal Revenue Service Center, Ogden, Utah 84201 and must be accompanied by IRS Form 8038-T.

¹The Bond Fund may not be used to accumulate money for more than 13 months before it is spent to pay principal and interest on the Bonds.

Section 5. Term of Bonds and Sale or Disposition of Property.

The term of the Bonds is not longer than is reasonably necessary for the purposes described in the Ordinance. The City does not reasonably expect to sell, encumber or otherwise dispose of any property financed by the Bonds, except such parts or portions that may be disposed of because of normal wear, obsolescence or depreciation prior to the final maturity of the Bonds. The Net Sale Proceeds of the Bonds are not substantially in excess of the amounts necessary to accomplish the purposes for which the Bonds are issued.

**ARTICLE THREE
TEMPORARY INVESTMENT PERIODS**

Section 1. Temporary Period for Capital Expenditures.

The City reasonably expects to allocate the Net Sale Proceeds of the Bonds and the amounts received from investment of the Net Sale Proceeds of the Bonds to Capital Expenditures and reasonably expects to satisfy the Expenditure Test, the Time Test and the Due Diligence Test described in this Article. Accordingly, the Net Sale Proceeds of the Bonds qualify to be invested in Materially Higher Yield Investments until December 1, 2003.

Section 2. Expenditure Test.

The City reasonably expects to allocate at least 85% of the Net Sale Proceeds of the Bonds to Capital Expenditures by December 1, 2003.

Section 3. Time Test.

The City has incurred or within 6 months of December 1, 2000 the City reasonably expects to incur a substantial binding obligation (which does not have a contingency within the City's or a Related Party's control) to a third party to spend at least 5% of the Net Sale Proceeds of the Bonds on Capital Expenditures.

Section 4. Due Diligence Test.

The City reasonably expects that completion and allocation of the Net Sale Proceeds of the Bonds for Capital Expenditures will proceed with due diligence.

**ARTICLE FOUR
HEDGE BOND REPRESENTATIONS**

The City expects that an amount equal to 85% of the Net Sale Proceeds of the Bonds will be allocated for Capital Expenditures before December 1, 2003 and represents that not more than 50% of such proceeds of the Bonds will be invested in nonpurpose investments having a substantially guaranteed yield for four years or more.

Net proceeds 7,901,511.56

**ARTICLE FIVE
BOND FUND**

Section 1. General Qualification.

The Bond Fund is to be used primarily to achieve a proper matching of revenues with principal and interest requirements on the Bonds within each Bond Year and which will be completely depleted at least once each Bond Year except for a reasonable carryover amount that will not exceed the greater of (a) the earnings on the Bond Fund for the immediately preceding Bond Year, or (b) one-twelfth of the principal and interest payments on the Bonds for the immediately preceding Bond Year.

Section 2. Arbitrage Rebate Treatment.

The average maturity of the Bonds is at least five years and the Bonds have a fixed rate of interest that does not vary over their term. The City will exclude earnings on the money allocated to the Bond Fund from the calculation of arbitrage rebate.

**ARTICLE SIX
INVESTMENT LIMITATIONS**

Section 1. Project Fund and Costs of Issuance.

Money allocated to the credit of the Project Fund and to pay costs of issuance of the Bonds will not be invested in Materially Higher Yield Investments after December 1, 2003.

Section 2. Bond Fund.

Money allocated to the credit of the Bond Fund will not be invested in Materially Higher Yield Investments for a period that exceeds 13 months from the date such money is deposited therein.

Section 3. Minor Portion.

The Minor Portion may be invested in Materially Higher Yield Investments.

**ARTICLE SEVEN
DETERMINATION OF INVESTMENT YIELD**

Section 1. General Application.

The provisions of this Article provide rules for computing yield on the investments allocated to the Bonds for purposes of the yield limitation rules described in this Tax Certificate and for purposes of computation of any Rebate Amount.

Section 2. Computation Rule for Investments.

The yield on the investments allocated to all of the funds and accounts subject to yield or investment limitations described herein is computed under the economic accrual method, using the same compounding interval and financial conventions used to compute the yield on the Bonds. The yield on such an investment is the discount rate that, when used in computing the present value as of the date that the investment is first allocated to the Bonds of all unconditionally payable receipts from the investment, produces an amount equal to the present value of all unconditionally payable payments for the investment. As used in this section, "payments" means amounts to be actually or constructively paid to acquire the investment, and "receipts" means amounts to be actually or constructively received from the investment, such as earnings and return of principal. In addition, investments that are owned and allocated to the Bonds on the date of redemption of the Bonds are treated as sold for an amount equal to their value on the date of redemption of the Bonds.

Section 3. Rebate Payment.

Any amounts paid as Rebate Amounts are treated as a payment with respect to the investments that reduces the yield on that investment. Accordingly, if the City computes and makes payments of the Rebate Amount in accordance with the provisions of this Tax Certificate with respect to any fund or account that is subject to an investment limitation, such payments will be treated as reducing the yield on the investments in such fund or account to the permitted investment limitation.

Section 4. Value of Investment Allocation Rules.

(a) **General Rule.** The value of an investment will be determined using one of the following methods:

(1) **Outstanding Principal Amount Method.** In the case of a Plain Par Investment, the value any date is its outstanding stated principal amount, plus any accrued interest on that date.

(2) **Present Value Method.** In the case of a Fixed Rate Investment, the value on any date is the present value of the Fixed Rate Investment on that date.

(3) **Fair Market Value Method.** An investment may be valued on any date at its Fair Market Value as defined in Section 6(b) hereof.

(b) **Special Rule for Yield-Restricted Investments.** An investment allocated to the Bonds and subject to any yield restriction requirement described in this Tax Certificate must be valued at its Present Value.

(c) **Special Rule for Investments Previously Owned.** The Fair Market Value method of allocation described in paragraph (a)(3) hereof will be used for investments owned by the City before deposit into the funds or accounts described herein and for investments that cease

CITY OF CAMAS, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION BONDS, 2000
\$7,960,000

Bonds Dated: December 1, 2000
Opinion Dated: December 1, 2000

PRESTON GATES & ELLIS LLP

CITY OF CAMAS, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION BONDS, 2000
\$7,960,000

Record of Proceedings

1. Certificate of Transcript.
2. Certificate of the City Clerk stating the names and terms of office of the Mayor and City Council members.
3. Certificate of the Mayor setting forth the name of the City Clerk/Finance Director.
4. Certificate of the City Clerk stating the official newspaper of the City.
5. Certified copy of the proceedings of the City Council last fixing the time and place of regular meetings of the City Council.
6. Certificate of the Clark County Assessor regarding assessed valuation.
7. Certificate of the Finance Director as to the outstanding indebtedness of the City, including any lease-purchase or conditional sale contracts and any general obligation debt.
8. Bond Counsel's Calculation of Debt Limit.
9. Certified copy of Ordinance No. 2255 passed by the City Council on January 10, 2000, calling for an election to authorize general obligation bonds, copy of minutes of the January 10, 2000 regular meeting of the City Council showing passage of Ordinance No. 2255, and affidavit of publication of Ordinance No. 2255.
10. Publisher's affidavit of publication of the notice of closing registration books for the March 14, 2000 special election.
11. Publisher's affidavit of publication of the notice of special election
12. Copy of the ballot used at the special election, certified by the Clark County Auditor as a true and correct copy of such ballot.

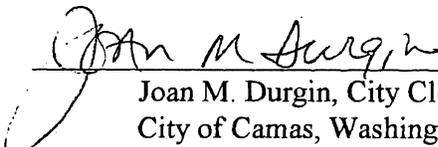
13. Certificate from the County Department of Elections stating:
 - a. the canvass of the results of the special election;
 - b. the number of votes cast within the City at the general county and state election next preceding the special bond election;
 - c. the number of bond elections held within the City in the calendar year the successful bond election was held; and
 - d. that all of the election officials who served at the special election subscribed to the oaths required of them by law, and that the same are now on file.
14. Certified copy of Ordinance No. 2277 authorizing the issuance and sale of the Bonds (the "Bond Ordinance").
15. Certified copy of minutes of the November 13, 2000 regular meeting of the City Council showing passage of the Bond Ordinance.
16. Affidavit of publication of the Bond Ordinance.
17. Offer of Banc of America Securities LLC to purchase the Bonds.
18. Preliminary Official Statement.
19. Official Statement and certificate relating thereto.
20. Arbitrage and Tax Certification, Underwriter's Representations and Bond Yield Report.
21. Signature Identification and Nonlitigation Certificate.
22. Commitment for municipal bond insurance of Ambac Assurance Corporation ("Ambac").
23. Copy of Bond Insurance Policy.
24. Certificate of Ambac regarding the Bond Insurance Policy.
25. Opinion of General Counsel to Ambac regarding the Bond Insurance Policy and the Official Statement.
26. Certificates of Manual Signature with Certificate of Mailing to the Secretary of State's Office.
27. The Depository Trust Company's Blanket Issuer Letter of Representations.

28. Certificate regarding Authentication, Registration and Delivery of the Bonds.
29. Certificate of Authorization of Authorized Signer for The Bank of New York.
30. Copy of IRS Form 8038-G with affidavit of mailing
31. Rating letters.
32. Bond Form 101, with cover letter.
33. Specimen Bond.
34. Certificate of Payment and Delivery
35. Receipt for Bonds.
36. Underwriter's Closing Memorandum.
37. Final approving legal opinion of Preston Gates & Ellis LLP and reliance letter to Ambac.

CERTIFICATE FOR TRANSCRIPT

I, Joan M. Durgin, City Clerk of the City of Camas, Washington, do hereby certify that the ordinances contained in the transcript for the City of Camas, Washington, Unlimited Tax General Obligation Bonds, 2000 have not been repealed or amended (unless otherwise noted) and all of the officers last certified as holding City offices have continued to hold their respective offices from such date to and including the date of this certificate.

Dated this 1st day of December, 2000.



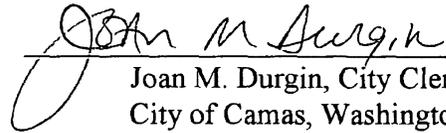
Joan M. Durgin, City Clerk
City of Camas, Washington

CERTIFICATE

I, Joan M. Durgin, City Clerk of the City of Camas, do hereby certify that the present Camas City Councilmembers and the expiration dates of their terms are as follows:

	<u>Term Expires</u>
Dean Dossett, Mayor	December 31, 2003
Greg Anderson	December 31, 2003
Paul Dennis	December 31, 2001
Helen Gerde	December 31, 2003
Mary Kufeldt-Antle	December 31, 2001
Peter Nicholls	December 31, 2001
Dale Thomas	December 31, 2003
C.R. "Woody" Woodruff	December 31, 2003

Dated as of this 1st day of December, 2000.

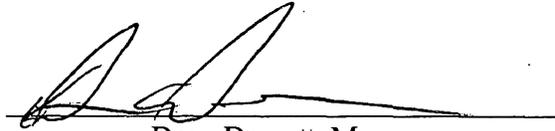


Joan M. Durgin, City Clerk
City of Camas, Washington

CERTIFICATE

I, Dean Dossett, Mayor of the City of Camas, Washington, do hereby certify that Joan M. Durgin is the duly appointed City Clerk and Finance Director of the City of Camas.

Dated as of this 1st day of December, 2000.

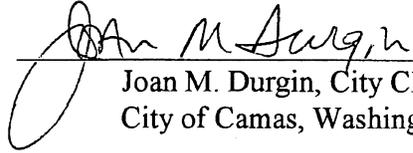
A handwritten signature in black ink, appearing to read 'D. Dossett', is written over a horizontal line.

Dean Dossett, Mayor
City of Camas, Washington

CERTIFICATE

I, Joan M. Durgin, City Clerk of the City of Camas, Washington, do hereby certify that *The Post-Record* is the official newspaper for publishing City Council's action and business.

Dated as of this 1st day of December, 2000.

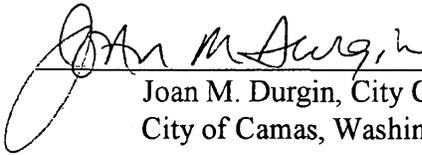


Joan M. Durgin, City Clerk
City of Camas, Washington

CERTIFICATE

I, Joan M. Durgin, City Clerk of the City of Camas, Washington, do hereby certify that the attached is a true and correct copy of the proceedings of the City Council setting the date, time, and place for regular meetings of the City Council.

Dated as of this 1st day of December, 2000.

A handwritten signature in cursive script, appearing to read "Joan M. Durgin", is written over a horizontal line.

Joan M. Durgin, City Clerk
City of Camas, Washington

AN ORDINANCE providing for the time and place of meetings for the Council of the city of Camas.

THE CITY COUNCIL OF THE CITY OF CAMAS DO ORDAIN AS FOLLOWS:

Section I.

The Council of the city of Camas shall meet on the second (2nd) and fourth (4th) Mondays of each month at the hour of 7:00 o'clock P.M.; provided, however, that in the event either of said Mondays shall fall on a legal holiday, as designated by R.C.W. 1.16.050, such council meeting shall be held on the following Tuesday at the same hour.

Section II.

All meetings of the Council of the city of Camas shall be held in the Council Chambers in the City Hall of Camas, Washington.

Section III.

The Council may, by resolution, advance said meeting time by one (1) hour if the time system prevailing in the city shall change seasonally from standard time to daylight or fast time.

Section IV.

That Ordinances No. 748 and 771 of the City of Camas are hereby repealed.

Section V.

This Ordinance shall be in force and effect five (5) days after its publication according to law.

Passed by the Council and approved by the Mayor this 12th day of April, 1955.

SIGNED: E. A. Paschke
Mayor

ATTEST: Dale E. Scarborough
Clerk

APPROVED, as to form:

Robert W. Odell
City Attorney



Clark County
Department of Assessment & GIS
Courthouse – 1200 Franklin Street
PO Box 5000
Vancouver WA 98666-5000
360-397-2391

CERTIFICATE OF ASSESSED VALUATION

I, Ben Gassaway, as Assessor of Clark County, Washington, HEREBY CERTIFY that the value of taxable property within the City of Camas, Clark County, Washington, as fixed in 1999 for the purpose of 2000 General Obligation Bonds tax levies, is \$1,867,227,188.

DATED as of October 26, 2000.

CLARK COUNTY, WASHINGTON

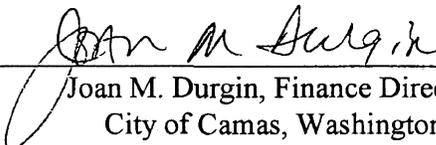
A handwritten signature in cursive script, appearing to read 'Ben Gassaway', is written over a horizontal line. The signature is fluid and extends to the right of the line.

Ben Gassaway
Clark County Assessor

CERTIFICATE REGARDING OUTSTANDING DEBT

I, Joan M. Durgin, Finance Director of the City of Camas, Washington (the "City"), do hereby certify that the City has outstanding the following general obligation debt (not including the Unlimited Tax General Obligation Bonds, 2000, issued as of this date):

Unlimited tax general obligation bonds and notes	\$ <u>880,000</u>
Lease-purchase agreements	\$ _____
Conditional sales contracts	\$ _____
Limited tax general obligation bonds	\$ <u>2,490,000</u>
Other general obligation debt (Public Works Trust Fund, and CERB Loans) Dated as of this 1st day of December, 2000.	\$ <u>2,560,860</u>



Joan M. Durgin, Finance Director
City of Camas, Washington

BOND COUNSEL'S CALCULATION OF DEBT LIMIT
CITY OF CAMAS

Value of taxable property within the City of Camas, Washington, as set in 1999 for purposes of 2000 regular and excess levies, per statement of the Clark County Assessor: \$ 1,867,227,188

Nonvoted Indebtedness:

Nonvoted debt ceiling per RCW 39.36.020:
1.5% of value of taxable property \$ 28,008,407

Less:

Nonvoted debt outstanding per Certificate of the Finance Director (5,050,861)

Remaining nonvoted debt capacity per RCW 39.36.020: \$ 22,957,546

Total Debt Ceiling for General Municipal Purposes, Voted and Nonvoted, per RCW 39.36.020:

2.5% value of taxable property \$ 46,680,679

Less:

Voted debt outstanding per certificate of the Finance Director (880,000)

Proposed Unlimited Tax General Obligation Bonds (7,960,000)

Nonvoted debt (see above) (5,050,861)

Total debt (13,890,861)

Remaining debt capacity unused for general municipal purposes: \$ 32,789,818

Based upon the statement of assessed valuation of the Clark County Assessor, the Certificate of the City of Camas' Finance Director regarding bonds, conditional sale contracts and leases outstanding as of December 1, 2000, execution and delivery of the Unlimited Tax General Obligation Bonds, 2000 by the City of Camas, Washington will be within the constitutional and statutory limits for voted, nonvoted and total indebtedness.

Dated as of this 1st day of December, 2000.

PRESTON GATES & ELLIS LLP

By Nancy M Neraas
Nancy M. Neraas

ORDINANCE NO. 2255

AN ordinance providing for the submission to the qualified electors of the City of Camas at an election to be held on March 14, 2000, of a proposition authorizing the City to issue its general obligation bonds in the aggregate principal amount of not to exceed \$7,960,000 for the purpose of providing funds to expand and improve the City Library.

PASSED: JANUARY 10, 2000

PREPARED BY:

PRESTON GATES & ELLIS LLP
5000 Bank of America Tower
701 Fifth Avenue
Seattle, Washington 98104-7078

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* This Table of Contents is not a part of the following ordinance.

ORDINANCE NO. 2255

AN ordinance providing for the submission to the qualified electors of the City of Camas at an election to be held on March 14, 2000, of a proposition authorizing the City to issue its general obligation bonds in the aggregate principal amount of not to exceed \$7,960,000 for the purpose of providing funds to expand and improve the City Library.

WHEREAS, the best interests of the inhabitants of the City of Camas (the "City") require the City to improve, expand and remodel the building housing the City Library; and

WHEREAS, to provide financing for the acquisition, construction and equipping of such library improvements it is deemed necessary and advisable that the City issue and sell its unlimited tax levy general obligation bonds in the principal amount of not to exceed \$7,960,000 (the "Bonds"); and

WHEREAS, the constitution and laws of the State of Washington provide that the question of whether or not the City may issue the Bonds be submitted to the qualified electors of the City for their ratification or rejection;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CAMAS, DO
ORDAIN AS FOLLOWS:

Section 1. Findings; Construction and Equipping of Library Building Improvements.

The City Council hereby finds that the best interests of the inhabitants of the City require the City to improve, expand, equip and remodel the City Library Building, including parking, acquisition of equipment and additional lands and interests in lands, all in the order and in the manner deemed most necessary and advisable by the City Council (the "Library Building Improvements"). The estimated cost of the Library Building Improvements, including incidental costs and costs related to issuing and selling the Bonds as provided in this ordinance, is estimated

to be \$7,960,000. Without limitation, the costs of all necessary consulting services, design, inspection and testing, administrative expenses and other costs incurred in connection with the acquisition, construction, equipping and financing of the Library Building Improvements shall be deemed a part of its cost.

The City Council shall determine the exact specifications for the Library Building Improvements. If the City Council, by ordinance, shall determine that it has become impractical to acquire, construct or equip any portion of the Library Building Improvements by reason of changed conditions, or costs substantially in excess of the amount of bond proceeds or tax levies estimated to be available, the City shall not be required to acquire, construct or equip such portions. If all of the Library Building Improvements have been constructed or acquired or duly provided for, or found to be impractical, the City may apply the bond proceeds or any portion thereof to the payment, redemption or defeasance of the Bonds in such manner as the City Council, by ordinance and in its discretion, shall determine.

Section 2. Authorization of Bonds. For the purpose of providing the funds necessary to pay the costs of the Library Building Improvements, together with incidental costs and costs related to the sale and issuance of the Bonds, the City shall issue and sell its general obligation bonds in the aggregate principal amount of not to exceed \$7,960,000. The Bonds shall be issued in an amount not exceeding the amount approved by the electors of the City and not exceeding the amount permitted by the constitution and laws of the State of Washington. The balance, if any, of the cost of the Library Building Improvements shall be paid out of any other legally available funds. The Bond proceeds shall not be used for the replacement of equipment or for other than a capital purpose.

The Bonds shall be issued in such amounts and at such time or times as found necessary and advisable by the City Council and as permitted by law. The Bonds may be issued in one or more series and shall bear interest payable at a rate or rates authorized by the City Council. The Bonds shall mature in such amounts and at such times within a maximum term of twenty one years from date of issue, all as authorized by the City Council and as provided by law. The Bonds shall be general obligations of the City and, unless paid from other sources, both principal of and interest on the Bonds shall be payable out of annual tax levies to be made upon all the taxable property within the City without limitation as to rate or amount and in excess of any constitutional or statutory tax limitation. The exact date, form, terms, options of redemption, maturities, covenants and manner of sale of the Bonds shall be as hereafter fixed by ordinance or ordinances of the City Council. After voter approval of the Bond proposition and in anticipation of the issuance of such Bonds, the City may issue short-term obligations as authorized by Chapter 39.50 RCW.

Section 3. Bond Election. It is hereby found and declared that an emergency exists requiring the submission to the qualified electors of the City of a proposition authorizing the City to issue Bonds for the purposes of undertaking the Library Building Improvements, at an election to be held on March 14, 2000. The Clark County Auditor as ex officio supervisor of elections is hereby requested to find the existence of such emergency and to assume jurisdiction of and to call and conduct said general election to be held within the City and to submit to the qualified electors of the City the proposition hereinafter set forth.

The City Clerk is hereby authorized and directed, not less than 45 days prior to such election date, to certify the proposition to the Clark County Auditor in substantially the following form:

CITY OF CAMAS

PROPOSITION NO. _____

LIBRARY GENERAL OBLIGATION BONDS - \$7,960,000

For improving, expanding and equipping the City Library, including parking, additional land and technology equipment, shall the City of Camas issue general obligation bonds in the principal amount of \$7,960,000, maturing within a maximum of twenty one years from date of issue, and shall annual tax levies in excess of regular property tax levies be authorized to repay said bonds, all as provided in City Ordinance No. 2255?

BONDS, YES

BONDS, NO

Certification of such proposition by the Clerk of the City to the Clark County Auditor, in accordance with law, prior to the date of such election, and any other acts consistent with the authority, and prior to the effective date, of this ordinance, are hereby ratified.

Section 4. Severability. In the event that any one or more of the provisions of this ordinance shall for any reason be held to be invalid, such invalidity shall not affect or invalidate any other provision of this ordinance or the Bonds, but this ordinance and the Bonds shall be construed and enforced as if such invalid provision had not been contained herein; provided, however, that any provision which shall for any reason be held by reason of its extent to be invalid shall be deemed to be in effect to the extent permitted by law.

Section 5. Effective Date. This ordinance shall become effective five days after its passage and publication.