

ORDINANCE NO. 2419

AN ORDINANCE of the City of Camas, Washington, authorizing the issuance and sale of an unlimited tax general obligation refunding bond of the City in the aggregate principal amount of \$5,432,000 to refund certain outstanding unlimited tax general obligation bonds of the City; authorizing the appointment of an escrow agent and the execution of an escrow agreement; and providing the form and terms of the refunding bond.

WHEREAS, the City of Camas, Washington (the "City") has outstanding its Unlimited Tax General Obligation Bonds, 2000, dated December 1, 2000, issued pursuant to Ordinance No. 2277, in the original principal amount of \$7,960,000 (the "2000 Bonds"), currently outstanding in the amount of \$6,925,000; and

WHEREAS, the 2000 Bonds maturing on and after December 1, 2011 (the "Refunded Bonds") are callable for redemption on December 1, 2010, in whole or in part on any date, at a price of par plus accrued interest to the date of redemption; and

WHEREAS, after due consideration it appears to the City Council that the Refunded Bonds may be refunded by the issuance and sale of the unlimited tax general obligation refunding bond of the City authorized herein to realize a savings to the City and its taxpayers; and

WHEREAS, in order to effect such refunding in the manner that will be most advantageous to the City and its taxpayers, it is hereby found necessary and advisable that an escrow agent be appointed and that certain obligations be purchased out of the proceeds of sale of the refunding bond; and

WHEREAS, the City has received a proposal from Bank of America, N.A., Seattle, Washington to purchase the Bond on the terms and conditions set forth herein;

or amended with respect thereto by the United States Treasury Department of the Internal Revenue Service, to the extent applicable to the Bond.

Council means the duly constituted City Council as the general legislative authority of the City.

Escrow Agreement means the Escrow Deposit Agreement to be dated as of the date of closing and delivery of the Bond substantially in the form on file with the City.

Escrow Agent means Wells Fargo Bank, National Association.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW, as such chapter may be hereafter amended or restated.

2000 Bond Ordinance means Ordinance No. 2277 adopted by the City Council on November 13, 2000.

2000 Bonds means the City of Camas, Washington, Unlimited Tax General Obligation Bonds, 2000, dated December 1, 2000, issued pursuant to the 2000 Bond Ordinance.

Refunded Bonds means the 2000 Bonds maturing on and after December 1, 2011.

Refunding Account means the account of that name established pursuant to Section 7.

Rule means the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934.

Section 2. Purpose and Authorization of the Bond. For the purpose of providing for the refunding of the Refunded Bonds and thereby effecting a savings to the City and its taxpayers, the City shall issue its unlimited tax general obligation refunding bond in the principal amount of \$5,432,000 (the "Bond"). The Bond shall be designated the "City of Camas, Washington, Unlimited Tax General Obligation Refunding Bond, 2005"; shall be dated the date of its delivery to the Bank; shall be issued in fully registered form in the denomination of

maturity, a prepayment fee shall be assessed equal to the lesser of (a) the amount calculated in accordance with Exhibit B hereto or (b) the following percentages of the amount prepaid, as determined for the period in which the amount is prepaid:

December 1, 2015 – November 30, 2016: 2.9% of the amount prepaid.

December 1, 2016 – November 30, 2017: 2.4% of the amount prepaid.

December 1, 2017 – November 30, 2018: 2.0% of the amount prepaid.

December 1, 2018 – November 30, 2019: 1.5% of the amount prepaid.

December 1, 2019 – November 30, 2020: 1.0% of the amount prepaid.

Section 5. Form of the Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1

\$5,432,000

STATE OF WASHINGTON

CITY OF CAMAS, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2005

INTEREST RATE: 3.70%

MATURITY DATE: December 1, 2020

REGISTERED OWNER: Bank of America, N.A.

PRINCIPAL AMOUNT: Five Million Four Hundred Thirty-Two Thousand and 00/100 Dollars

The City of Camas, Washington (the "City"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount set forth 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 calculated on the basis of a 360-day year with twelve 30-day months. Principal and interest on the Bond shall be payable beginning on December 1, 2005, with interest payable semiannually thereafter on the first days of each June and December and principal payable annual on the first days of

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the City, in the office of the City Finance Director, as to both principal and interest as noted in the registration blank below. No transfer hereof shall be valid unless made by the Registered Owner or his/her duly authorized agent in writing, and similarly noted hereon. All payments of principal of and interest on this bond shall be made by the City with full acquittance by the City Finance Director's check, or by warrant of the City, made payable to the last Registered Owner as shown hereon and on the registration books of the City and delivered to such owner or mailed to him at his/her address noted hereon and on the registration books of the City.

| Date of Registration | Name and Address of Registered Owner | Signature of Registrar |
|-------------------------|--|---------------------------|
| October 11, 2005 | Bank of America, N.A. 800 Fifth Avenue, Floor 34 Seattle, Washington 98104 | Finance Director |

Section 6. Execution of the Bond. The Bond 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.

Only the Bond that bears a Registration Certificate in the form set forth in Section 5, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Registration Certificate shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

In case either of the officers of the City who shall have executed the Bond shall cease to be such officer or officers of the City before the Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bond 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. The Bond may also be signed and attested on behalf of the City by such persons as at

(b) the redemption price of the Refunded Bonds (100% of the principal amount thereof) on December 1, 2010.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(c) *Escrow Agent/Escrow Agreement.* To carry out the advance refunding and defeasance of the Refunded Bonds, the Finance Director is hereby authorized to appoint as escrow agent a bank or trust company qualified by law to perform the duties described herein (the "Escrow Agent"). A beginning cash balance, if any, and Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Bond remaining in the Refunding Account after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the Bond.

In order to carry out the purposes of this section, the Finance Director is authorized and directed to execute and deliver to the Escrow Agent, the Escrow Agreement.

(d) *Implementation of Refunding Plan.* The City hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Refunded Bonds to make the payments described in subsection (a) of this Section.

The City hereby irrevocably calls the Refunded Bonds for redemption on December 1, 2010 in accordance with the provisions of Section 5 of the 2000 Bond Ordinance, authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities. Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the final

The City hereby designates the Bond as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions.

Section 9. Bond Fund; Tax Levy Payments. The Finance Director is hereby authorized and directed to create a fund to be used for the payment of debt service on the Bond, to be designated as the “Unlimited Tax General Obligation Refunding Bond Fund, 2005” (the “Bond Fund”). The City hereby irrevocably covenants that, unless the principal of and interest on the Bond 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 10. Lost, Stolen or Destroyed Bond. If the Bond is lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond of like amount, date, and tenor to the registered owner thereof upon the owner paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City with indemnity satisfactory to the Bond Registrar.

Section 11. Sale of Bond; Authorization to Officials and Agents; Ratification of Prior Actions. The Council hereby authorizes the sale of the Bond to Bank of America, N.A., Seattle, Washington pursuant to its proposal to purchase. The City shall pay the Bank an origination fee of \$5,432 and the Bank’s legal fees, up to a maximum of \$1,000, upon the closing and delivery of the Bond. Banc of America Securities LLC shall act as the structuring agent and shall arrange

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 Bond.

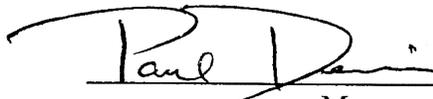
Section 15. Reporting Requirements. The Bond is exempt from the ongoing disclosure requirements of Securities and Exchange Commission Rule 15c2-12.

The City hereby covenants and agrees for as long as the Bond remains outstanding, it will provide to the Bank copies of the (a) the City's budget within 90 days of commencement of the new budget cycle, (b) the City's internally-prepared, unaudited annual financial statement within eight months of the end of the fiscal year and (c) the City's audited financial statements for each fiscal year, within 10 days of receipt thereof.

Section 16. Effective Date. This ordinance shall be effective five days from and after its passage, approval and publication as required by law.

PASSED by the City Council of the City of Camas, Washington at a regular meeting held this 3rd day of October, 2005.

CITY OF CAMAS, WASHINGTON



Mayor

ATTEST:



City Clerk

CITY OF CAMAS, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION
REFUNDING BOND, 2005 –
\$5,432,000

Bond Dated: October 11, 2005
Opinion Dated: October 11, 2005

PRESTON GATES & ELLIS LLP

CITY OF CAMAS, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2005
\$5,432,000

Record of Proceedings

ORGANIZATIONAL DOCUMENTS

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.

AUTHORIZING DOCUMENTS

9. Certified copy of Ordinance No. 2419 authorizing the issuance and sale of the Bond (the "Bond Ordinance").
10. Certified copy of minutes of the October 3, 2005 regular meeting of the City Council showing passage of the Bond Ordinance.
11. Affidavit of publication of the Bond Ordinance.
12. Proposal of Bank of America, N.A. to purchase the Bond.

REFUNDING DOCUMENTS

13. Escrow Deposit Agreement.
14. Certificate of Escrow Agent.

15. Escrow Verification Report.

CLOSING DOCUMENTS

16. Federal Tax Certificate, Certificate of the Structuring Agent and Financing Summary.
17. Signature Identification and Nonlitigation Certificate.
18. Certificate of Investigation at Private Sale.
19. Copy of IRS Form 8038-G.
20. Bond Form 101, with cover letter.
21. Specimen Bond.
22. Certificate of Payment and Delivery
23. Receipt for Bond.
24. Bank's Closing Memorandum.

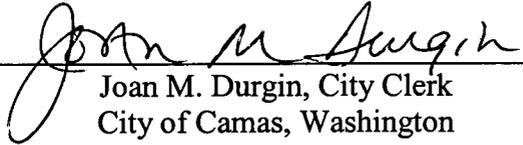
OPINIONS

25. Defeasance Opinion.
26. Final approving legal opinion of Preston Gates & Ellis LLP.

CERTIFICATE FOR TRANSCRIPT

I, Joan M. Durgin, the City Clerk of the City of Camas, Washington, do hereby certify that the within and attached documents are in each case true and correct copies of the originals of such documents and that none of the resolutions, ordinances, proceedings, statements or certificates contained herein have been repealed, rescinded or canceled 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 11th day of October, 2005.

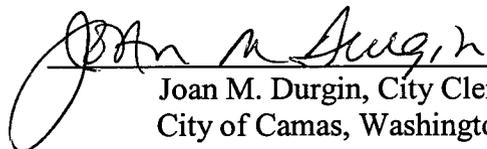

Joan M. Durgin, City Clerk
City of Camas, Washington

CERTIFICATE

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

| | <u>Name</u> | <u>Term Expires</u> |
|-------------------|--------------------|---------------------|
| Mayor: | Paul Dennis | December 31, 2007 |
| Councilmember: | Greg Anderson | December 31, 2005 |
| Councilmember: | Linda Dietzman | December 31, 2007 |
| Councilmember: | Helen Gerde | December 31, 2007 |
| Councilmember: | Scott Higgins | December 31, 2005 |
| Councilmember: | Mary Kufeldt-Antle | December 31, 2005 |
| Councilmember: | Melissa Smith | December 31, 2005 |
| Council At Large: | Liz Pike | December 31, 2007 |

Dated this 11th day of October, 2005.



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

CERTIFICATE

I, Paul Dennis, 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 11th day of October, 2005.

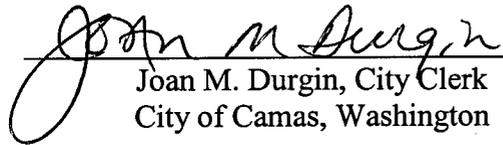
A handwritten signature in black ink, appearing to read "Paul Dennis", is written over a horizontal line. The signature is stylized with a large, sweeping initial "P".

Paul Dennis, 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.

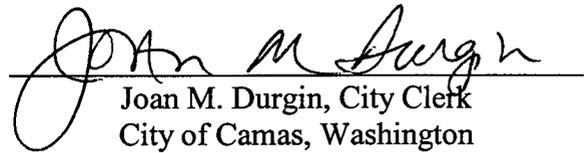
Dated as of this 11th day of October, 2005.


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 11th day of October, 2005.


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

ORDINANCE NO. 2412

AN ORDINANCE amending Camas Municipal Code Sections 2.04.020 and 2.04.050, revising the schedule for City Council meetings and workshops

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

Section I

The Camas Municipal Code Section 2.04.020 is hereby amended to provide as follows:

Camas Municipal Code 2.04.020- Meetings - Time - Designations:

The City Council shall meet on the first and third Mondays of each month at the hour of 7:00 p.m.; provided, however, that in the event either of said Mondays shall fall on a legal holiday, as designated in RCW 1.16.050, such council meeting shall be held on the following Tuesday at the same hour; and provided further, that in those years that a fourth Monday shall be December 24th, such council meeting shall be held on the following Wednesday at the same hour.

Section II

Section 2.04.050 of the Camas Municipal Code is hereby amended to provide as follows:

Camas Municipal Code 2.04.050 - Workshops:

The City Council shall conduct workshop meetings on the first and third Mondays of each month at the hour of 4:30 p.m.; provided, however, that in the event either of said Mondays shall fall on a legal holiday as designated in RCW 1.16.050, such workshop meeting shall be held on the following Tuesday at the same hour. No final action as that term is defined in the Open Public Meetings Act shall be taken at any workshop meeting.

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 11 day of July, 2005.

.SIGNED: _____

Mayor

ATTEST: _____

Clerk

APPROVED as to form:

City Attorney



proud past, promising future

CLARK COUNTY
WASHINGTON

DEPARTMENT OF ASSESSMENT AND GIS

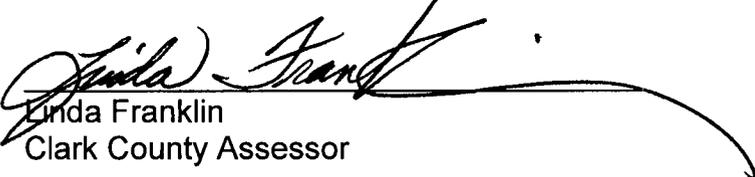
Linda Franklin, Assessor

CERTIFICATE OF ASSESSED VALUATION

I, Linda Franklin, 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 2004 for the purpose of 2005 General Obligation Bonds tax levies, is \$2,268,427,637 (Total Assessed Value \$2,287,914,212 minus Senior Exemption Value \$19,537,950 plus TAV Value \$51,375).

DATED as of October 6, 2005.

CLARK COUNTY, WASHINGTON

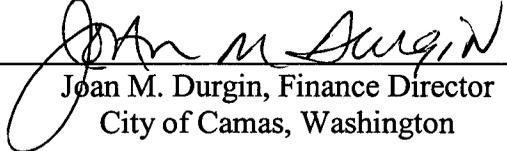

Linda Franklin
Clark County Assessor

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 Bond, 2005, issued as of this date):

| | |
|--|------------------------|
| Unlimited tax general obligation bonds and notes | \$ <u>7,435,000.00</u> |
| Lease-purchase agreements | \$ _____ |
| Conditional sales contracts | \$ _____ |
| Limited tax general obligation bonds | \$ <u>1,730,000.00</u> |

Dated as of this 11th day of October, 2005.



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 2004 for purposes of 2005 regular and excess levies, per statement of the Clark County Assessor: \$ 2,268,427,637

Nonvoted Indebtedness:

Nonvoted debt ceiling per RCW 39.36.020:
1.5% of value of taxable property \$ 34,026,414

Less:

Nonvoted debt outstanding per Certificate of the Finance Director (1,730,000)

Remaining nonvoted debt capacity per RCW 39.36.020: \$ 32,296,414

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

2.5% value of taxable property \$ 56,710,690

Less:

Voted debt outstanding per certificate of the Finance Director (7,435,000)

Proposed Unlimited Tax General Obligation Refunding Bond (the "Bond") (5,432,000)

Amount of Bonds being refunded by the Bond 4,950,000

Nonvoted debt (see above) (1,730,000)

Total debt (9,647,000)

Remaining debt capacity unused for general municipal purposes: \$ 47,063,690

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 October, 2005, execution and delivery of the Unlimited Tax General Obligation Refunding Bond, 2005 by the City of Camas, Washington will be within the constitutional and statutory limits for voted, nonvoted and total indebtedness.

Dated as of this 11th day of October, 2005.

PRESTON GATES & ELLIS LLP

By Nancy Meraas
Nancy M. Neraas

CERTIFICATE

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

1. That the attached Ordinance is a true and correct copy of Ordinance No. 2419 of the City Council (the "Ordinance"), duly adopted at a regular meeting thereof held on the 3rd day of October, 2005.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the adoption of the Ordinance; that all other requirements and proceedings incident to the proper adoption of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of October, 2005.



City Clerk

ORDINANCE NO. 2419

AN ORDINANCE of the City of Camas, Washington, authorizing the issuance and sale of an unlimited tax general obligation refunding bond of the City in the aggregate principal amount of \$5,432,000 to refund certain outstanding unlimited tax general obligation bonds of the City; authorizing the appointment of an escrow agent and the execution of an escrow agreement; and providing the form and terms of the refunding bond.

WHEREAS, the City of Camas, Washington (the "City") has outstanding its Unlimited Tax General Obligation Bonds, 2000, dated December 1, 2000, issued pursuant to Ordinance No. 2277, in the original principal amount of \$7,960,000 (the "2000 Bonds"), currently outstanding in the amount of \$6,925,000; and

WHEREAS, the 2000 Bonds maturing on and after December 1, 2011 (the "Refunded Bonds") are callable for redemption on December 1, 2010, in whole or in part on any date, at a price of par plus accrued interest to the date of redemption; and

WHEREAS, after due consideration it appears to the City Council that the Refunded Bonds may be refunded by the issuance and sale of the unlimited tax general obligation refunding bond of the City authorized herein to realize a savings to the City and its taxpayers; and

WHEREAS, in order to effect such refunding in the manner that will be most advantageous to the City and its taxpayers, it is hereby found necessary and advisable that an escrow agent be appointed and that certain obligations be purchased out of the proceeds of sale of the refunding bond; and

WHEREAS, the City has received a proposal from Bank of America, N.A., Seattle, Washington to purchase the Bond on the terms and conditions set forth herein;

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:

Acquired Obligations means the Government Obligations acquired by the City pursuant to Section 7 and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds.

Bank means Bank of America, N.A., its successor or assigns.

Bond means the \$5,432,000 principal amount of the City of Camas, Washington Unlimited Tax General Obligation Refunding Bond, 2005 issued pursuant to this ordinance.

Bond Fund means the City of Camas Unlimited Tax General Obligation Bond Redemption Fund, 2005 created pursuant to Section 9.

Bond Register means the books or records maintained by the Bond Registrar for the registration and transfer of the Bond containing the name and mailing address of the owner of the Bond or nominee of such owner and such other information as the Bond Registrar shall determine.

Bond Registrar means the Finance Director of the City who will register and authenticate the Bond, maintain the Bond Register, effect transfer of ownership of the Bond and pay principal of and interest on the Bond.

City means the City of Camas, Washington, a municipal corporation 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 Bond.

Council means the duly constituted City Council as the general legislative authority of the City.

Escrow Agreement means the Escrow Deposit Agreement to be dated as of the date of closing and delivery of the Bond substantially in the form on file with the City.

Escrow Agent means Wells Fargo Bank, National Association.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW, as such chapter may be hereafter amended or restated.

2000 Bond Ordinance means Ordinance No. 2277 adopted by the City Council on November 13, 2000.

2000 Bonds means the City of Camas, Washington, Unlimited Tax General Obligation Bonds, 2000, dated December 1, 2000, issued pursuant to the 2000 Bond Ordinance.

Refunded Bonds means the 2000 Bonds maturing on and after December 1, 2011.

Refunding Account means the account of that name established pursuant to Section 7.

Rule means the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934.

Section 2. Purpose and Authorization of the Bond. For the purpose of providing for the refunding of the Refunded Bonds and thereby effecting a savings to the City and its taxpayers, the City shall issue its unlimited tax general obligation refunding bond in the principal amount of \$5,432,000 (the "Bond"). The Bond shall be designated the "City of Camas, Washington, Unlimited Tax General Obligation Refunding Bond, 2005"; shall be dated the date of its delivery to the Bank; shall be issued in fully registered form in the denomination of

\$5,432,000; and shall bear interest from its date at the rate of 3.70% per annum (calculated on the basis of a 360-day year with twelve 30-day months), payable on the first day of each June and December, commencing December 1, 2005, and shall be payable in principal installments on the first day of each December as shown in Exhibit A, with final payments of all remaining principal and interest nevertheless payable at maturity on December 1, 2020. Payments shall be applied first to interest and then to principal.

Section 3. Registration, Payment and Transfer. The City Finance Director shall act as authenticating trustee, transfer agent, paying agent and registrar for the Bond (collectively, the “Bond Registrar”). Both principal of and interest on the Bond may be payable in lawful money of the United States of America. Installments of the principal of and interest on the Bond shall be paid by check, wire or electronic transfer on the date due to the Bank. Upon final payment of all installments and interest thereon, the Bond shall be submitted to the Bond Registrar for cancellation and surrender.

The Bond Register shall be maintained by the Bond Registrar, and shall contain the name and mailing address of the registered owner of the Bond or nominee of such registered owner.

The Bond may be transferred only on the Bond Register maintained by the Bond Registrar for that purpose upon the surrender thereof by the registered owner or nominee or his/her duly authorized agent and only if endorsed in the manner provided thereon, and thereupon a new fully registered Bond of like principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor. Such transfer or exchange shall be without cost to the registered owner or transferee.

Section 4. Prepayment. The City may not prepay principal of the Bond prior to December 1, 2015. Thereafter, upon any prepayment of principal of the Bond prior to its

maturity, a prepayment fee shall be assessed equal to the lesser of (a) the amount calculated in accordance with Exhibit B hereto or (b) the following percentages of the amount prepaid, as determined for the period in which the amount is prepaid:

December 1, 2015 – November 30, 2016: 2.9% of the amount prepaid.

December 1, 2016 – November 30, 2017: 2.4% of the amount prepaid.

December 1, 2017 – November 30, 2018: 2.0% of the amount prepaid.

December 1, 2018 – November 30, 2019: 1.5% of the amount prepaid.

December 1, 2019 – November 30, 2020: 1.0% of the amount prepaid.

Section 5. Form of the Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1

\$5,432,000

STATE OF WASHINGTON

CITY OF CAMAS, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2005

INTEREST RATE: 3.70%

MATURITY DATE: December 1, 2020

REGISTERED OWNER: Bank of America, N.A.

PRINCIPAL AMOUNT: Five Million Four Hundred Thirty-Two Thousand and 00/100
Dollars

The City of Camas, Washington (the "City"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount set forth 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 calculated on the basis of a 360-day year with twelve 30-day months. Principal and interest on the Bond shall be payable beginning on December 1, 2005, with interest payable semiannually thereafter on the first days of each June and December and principal payable annual on the first days of

each December, with final payments of all remaining principal and accrued interest nevertheless payable on the Maturity Date. Payments shall be applied first to interest and then to principal.

If the City shall default in making any payment required under this bond or in fulfilling any covenants of the Bond Ordinance (as defined below), this bond, at the option of the Registered Owner, shall accrue interest at a fixed rate of 5.70% per annum until such default is cured or this bond is redeemed in full.

The City may prepay all or a portion of the outstanding principal amount of this bond without notice to the Registered Owner. However, such prepayment may be subject to a prepayment fee as described in the Bond Ordinance.

Reference is also made to Ordinance No. _____ (the "Bond Ordinance") as more fully describing the covenants with and the rights of the Registered Owner of this bond.

The City has irrevocably covenanted that it will make annual levies of taxes without limitation as to rate or amount upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

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 duly adopted ordinances of the City, and that all acts, conditions and things required to have happened, been done and performed precedent to and in the issuance hereof have happened, been done and performed.

IN WITNESS WHEREOF, the City of Camas, Washington, has caused this bond to be signed with the manual or facsimile signature of the Mayor, to be attested by the manual or facsimile signature of the City Clerk, and to be impressed with the official seal of the City, as of this 11th day of October, 2005.

CITY OF CAMAS, WASHINGTON

By /s/ manual or facsimile
Mayor

ATTEST:

 /s/ manual or facsimile
City Clerk

[SEAL]

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the City, in the office of the City Finance Director, as to both principal and interest as noted in the registration blank below. No transfer hereof shall be valid unless made by the Registered Owner or his/her duly authorized agent in writing, and similarly noted hereon. All payments of principal of and interest on this bond shall be made by the City with full acquittance by the City Finance Director's check, or by warrant of the City, made payable to the last Registered Owner as shown hereon and on the registration books of the City and delivered to such owner or mailed to him at his/her address noted hereon and on the registration books of the City.

| Date of Registration | Name and Address of Registered Owner | Signature of Registrar |
|-------------------------|--|---------------------------|
| October 11, 2005 | Bank of America, N.A. 800 Fifth Avenue, Floor 34 Seattle, Washington 98104 | Finance Director |

Section 6. Execution of the Bond. The Bond 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.

Only the Bond that bears a Registration Certificate in the form set forth in Section 5, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Registration Certificate shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

In case either of the officers of the City who shall have executed the Bond shall cease to be such officer or officers of the City before the Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bond 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. The 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 7. Refunding Plan and Procedures.

(a) *Refunding Plan.* For the purpose of realizing a debt service savings and benefiting the taxpayers of the City, the Council proposes to issue refunding bonds for the purpose of providing for the payment of the principal of and interest on and the redemption price of the Refunded Bonds on December 1, 2010 (the “Refunding Plan”).

(b) *Refunding Account.* There is hereby authorized to be created in the City of Camas Unlimited Tax General Obligation Bond Redemption Fund, 2005, an account known as the “Refunding Account,” which account is to be drawn upon for the sole purpose of paying the principal of and interest on the Refunded Bonds until their date of redemption and of paying costs related to the refunding of the Refunded Bonds.

The proceeds of sale of the Bond shall be credited to the Refunding Account.

Money in the Refunding Account shall be used immediately upon receipt to defease the Refunded Bonds as authorized by the 2000 Bond Ordinance and to pay costs of issuance. The City shall defease the Refunded Bonds and discharge such obligations by the use of money in the Refunding Account to purchase certain Government Obligations (which obligations so purchased, are herein called “Acquired Obligations”), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of:

(a) interest on the Refunded Bonds due and payable through and including December 1, 2010; and

(b) the redemption price of the Refunded Bonds (100% of the principal amount thereof) on December 1, 2010.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(c) *Escrow Agent/Escrow Agreement.* To carry out the advance refunding and defeasance of the Refunded Bonds, the Finance Director is hereby authorized to appoint as escrow agent a bank or trust company qualified by law to perform the duties described herein (the "Escrow Agent"). A beginning cash balance, if any, and Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Bond remaining in the Refunding Account after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the Bond.

In order to carry out the purposes of this section, the Finance Director is authorized and directed to execute and deliver to the Escrow Agent, the Escrow Agreement.

(d) *Implementation of Refunding Plan.* The City hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Refunded Bonds to make the payments described in subsection (a) of this Section.

The City hereby irrevocably calls the Refunded Bonds for redemption on December 1, 2010 in accordance with the provisions of Section 5 of the 2000 Bond Ordinance, authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities. Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the final

establishment of the escrow account and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the redemption of the Refunded Bonds in accordance with the applicable provisions of the 2000 Bond Ordinance. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notices therefor. The costs of publication of such notices shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the Finance Director, or, at the direction of the Finance Director, to the fiscal agency or agencies of the State of Washington, sums sufficient to pay, when due, the payments specified in of subsection (a). All such sums shall be paid from the money and Acquired Obligations deposited with said Escrow Agent pursuant to this ordinance, and the income therefrom and proceeds thereof. All such sums so paid to the Finance Director shall be credited to the Refunding Account. All money and Acquired Obligations deposited with the bank and any income therefrom shall be held, invested (but only at the direction of the Finance Director) and applied in accordance with the provisions of this ordinance and with the laws of the State of Washington for the benefit of the City and owners of the Refunded Bonds.

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

Section 8. Tax Covenants. The City covenants to undertake all actions required to maintain the tax-exempt status of interest on the Bond under Section 103 of the Code as set forth in the arbitrage and tax certification that will be executed at the closing of the Bond.

The City hereby designates the Bond as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions.

Section 9. Bond Fund; Tax Levy Payments. The Finance Director is hereby authorized and directed to create a fund to be used for the payment of debt service on the Bond, to be designated as the “Unlimited Tax General Obligation Refunding Bond Fund, 2005” (the “Bond Fund”). The City hereby irrevocably covenants that, unless the principal of and interest on the Bond 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 10. Lost, Stolen or Destroyed Bond. If the Bond is lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond of like amount, date, and tenor to the registered owner thereof upon the owner paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City with indemnity satisfactory to the Bond Registrar.

Section 11. Sale of Bond; Authorization to Officials and Agents; Ratification of Prior Actions. The Council hereby authorizes the sale of the Bond to Bank of America, N.A., Seattle, Washington pursuant to its proposal to purchase. The City shall pay the Bank an origination fee of \$5,432 and the Bank’s legal fees, up to a maximum of \$1,000, upon the closing and delivery of the Bond. Banc of America Securities LLC shall act as the structuring agent and shall arrange

the placement of the Bond with Bank of America, N.A. The City shall pay a fee of \$19,012 to Banc of America Securities LLC upon the closing and delivery of the Bond to Bank of America, N.A. The proper officials of the City are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Bond to the Bank and for the proper application and use of the proceeds of sale thereof.

Section 12. Bond Not Arbitrage Bond; Not Private Activity Bond. The City hereby covenants with the owner of the Bond for as long as it remains outstanding that the City will not make use of the proceeds of sale of the Bond or any other funds or obligations of the City which may be deemed to be proceeds of the Bond pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder which will cause the Bond to be an "arbitrage bond" within the meaning of such section and said regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bond) and the applicable regulations thereunder throughout the term of the Bond.

The City further covenants that it will not take any action or permit any action to be taken that would cause the Bond to constitute a "private activity bond" under Section 141 of the Code.

The City hereby designates the Bond as a "qualified tax-exempt obligation" under Section 265(b) of the Code. The City does not expect to issue tax-exempt obligations in an aggregate principal amount in excess of \$10,000,000 during calendar year 2005.

Section 13. Prior Acts. Any act taken pursuant to the authority of this ordinance but prior to its effective date is hereby ratified and confirmed.

Section 14. 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 Bond.

Section 15. Reporting Requirements. The Bond is exempt from the ongoing disclosure requirements of Securities and Exchange Commission Rule 15c2-12.

The City hereby covenants and agrees for as long as the Bond remains outstanding, it will provide to the Bank copies of the (a) the City's budget within 90 days of commencement of the new budget cycle, (b) the City's internally-prepared, unaudited annual financial statement within eight months of the end of the fiscal year and (c) the City's audited financial statements for each fiscal year, within 10 days of receipt thereof.

Section 16. Effective Date. This ordinance shall be effective five days from and after its passage, approval and publication as required by law.

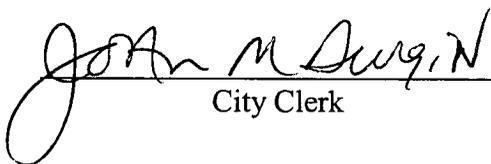
PASSED by the City Council of the City of Camas, Washington at a regular meeting held this 3rd day of October, 2005.

CITY OF CAMAS, WASHINGTON



Mayor

ATTEST:



City Clerk

BOND DEBT SERVICE

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|-----------|--------|--------------|--------------|---------------------|
| 10/11/2005 | | | | | |
| 12/01/2005 | 99,000 | 3.700% | 27,914.44 | 126,914.44 | 126,914.44 |
| 06/01/2006 | | | 98,660.50 | 98,660.50 | |
| 12/01/2006 | 36,000 | 3.700% | 98,660.50 | 134,660.50 | 233,321.00 |
| 06/01/2007 | | | 97,994.50 | 97,994.50 | |
| 12/01/2007 | 38,000 | 3.700% | 97,994.50 | 135,994.50 | 233,989.00 |
| 06/01/2008 | | | 97,291.50 | 97,291.50 | |
| 12/01/2008 | 39,000 | 3.700% | 97,291.50 | 136,291.50 | 233,583.00 |
| 06/01/2009 | | | 96,570.00 | 96,570.00 | |
| 12/01/2009 | 41,000 | 3.700% | 96,570.00 | 137,570.00 | 234,140.00 |
| 06/01/2010 | | | 95,811.50 | 95,811.50 | |
| 12/01/2010 | 42,000 | 3.700% | 95,811.50 | 137,811.50 | 233,623.00 |
| 06/01/2011 | | | 95,034.50 | 95,034.50 | |
| 12/01/2011 | 434,000 | 3.700% | 95,034.50 | 529,034.50 | 624,069.00 |
| 06/01/2012 | | | 87,005.50 | 87,005.50 | |
| 12/01/2012 | 450,000 | 3.700% | 87,005.50 | 537,005.50 | 624,011.00 |
| 06/01/2013 | | | 78,680.50 | 78,680.50 | |
| 12/01/2013 | 466,000 | 3.700% | 78,680.50 | 544,680.50 | 623,361.00 |
| 06/01/2014 | | | 70,059.50 | 70,059.50 | |
| 12/01/2014 | 486,000 | 3.700% | 70,059.50 | 556,059.50 | 626,119.00 |
| 06/01/2015 | | | 61,068.50 | 61,068.50 | |
| 12/01/2015 | 500,000 | 3.700% | 61,068.50 | 561,068.50 | 622,137.00 |
| 06/01/2016 | | | 51,818.50 | 51,818.50 | |
| 12/01/2016 | 519,000 | 3.700% | 51,818.50 | 570,818.50 | 622,637.00 |
| 06/01/2017 | | | 42,217.00 | 42,217.00 | |
| 12/01/2017 | 542,000 | 3.700% | 42,217.00 | 584,217.00 | 626,434.00 |
| 06/01/2018 | | | 32,190.00 | 32,190.00 | |
| 12/01/2018 | 558,000 | 3.700% | 32,190.00 | 590,190.00 | 622,380.00 |
| 06/01/2019 | | | 21,867.00 | 21,867.00 | |
| 12/01/2019 | 579,000 | 3.700% | 21,867.00 | 600,867.00 | 622,734.00 |
| 06/01/2020 | | | 11,155.50 | 11,155.50 | |
| 12/01/2020 | 603,000 | 3.700% | 11,155.50 | 614,155.50 | 625,311.00 |
| | 5,432,000 | | 2,102,763.44 | 7,534,763.44 | 7,534,763.44 |

Exhibit B

Prepayment Fee Calculation

The Prepayment Fee shall be the sum of fees calculated separately for each Prepaid Installment, as follows:

- (1) Determine the amount of interest which would have accrued each month for the Prepaid Installment, had it remained outstanding until the applicable Original Payment Date at the Initial Cost of Funds Rate applicable to the Prepaid Installment;
- (2) Subtract from each monthly interest amount determined in (1) above, the amount of interest that would accrue for that Prepaid Installment if it were reinvested from the date of prepayment through the Original Payment Date, at the Treasury Rate;
- (3) If (1) above, minus (2) above, for the Prepaid Installment is greater than zero, discount the monthly difference to the date of prepayment by the Treasury Rate. The sum of the discounted monthly differences is the prepayment fee for that Prepaid Installment, plus
- (4) An amount equal to all out-of-pocket costs and expenses the Bank reasonably expects to incur in liquidation and reinvestment of such prepaid funds.

For purposes of this Exhibit B, the capitalized terms used herein and not otherwise defined have the following meanings:

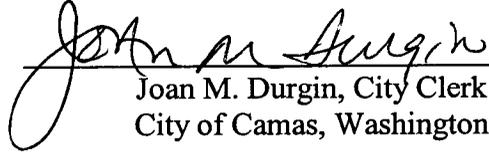
- (1) "Banking Day" means a day, other than a Saturday or a Sunday, on which the Bank is open for business for banking functions in Washington.
- (2) "Initial Cost of Funds Rate" means 4.78% per annum, being the fixed interest rate of interest per annum representing, in the Bank's sole and absolute discretion, Borrower's cost of purchasing funds, or the cost of purchasing and exchanging funds through swaps or other derivative products, for an amount and under terms reflecting the characteristics of the Bond.
- (3) "Original Payment Dates" means the dates on which principal of the Bond would have been paid if there had been no prepayment.
- (4) "Prepaid Installment" means the portion of the prepaid principal of the Bond that would have been paid on a single Original Payment Date.
- (5) "Treasury Rate" means the interest rate yield for U.S. Government Treasury Securities that the Bank determines could be obtained by reinvesting a specified Prepaid Installment in such securities from the date of prepayment through the Original Payment Date.

Bank may adjust the Treasury Rate to reflect the difference between the terms of such investments and the terms of the Bond, such as compounding, accrual basis, or other costs and terms. The Treasury Rate and the Initial Cost of Funds Rate are the Bank's estimate only, and the Bank is under no obligation to actually reinvest any prepayment. The rates shall be based on information from either the Telerate or Reuters information services, The Wall Street Journal, or other information sources the Bank deems appropriate.

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 minutes of the regular meeting of the City Council held on October 3, 2005, showing the passage of Ordinance No. 2419.

Dated as of this 11th day of October, 2005.


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



Regular Council Meeting
7:00 p.m.
October 3, 2005

CALL TO ORDER: Mayor Paul Dennis presided.

FLAG SALUTE:

COUNCIL:

Present: Anderson, Higgins, Dietzman, Gerde, Pike, Kufeldt-Antle, and Smith

STAFF MEMBERS: Altfilish, Brachmann, Chaney, Durgin, Halverson, Knapp, and Snell.

Brachmann asked that item "F" on the consent agenda be moved to Public Works/Planning, as item "D".

CONSENT AGENDA: It was moved by Gerde, seconded by Kufeldt-Antle, and carried that the Consent Agenda be approved.

- a) Approve minutes of the regular meeting of September 19, 2005 and workshop minutes of September 19, 2005.
- b) Approve claims checks 45520 thru 45533, and 47385 thru 47514 in the amount of \$ 668,328.94.
- c) Authorize release of retainage for SS-466, NE 3rd Avenue & East First Avenue Storm Improvements, to RC Northwest in the amount of \$1,518.25.
- d) Declare police vehicle-1987 Mazda B-2000 Pick-up- as surplus and disposed of according to law.
- e) Authorize Pay Estimate No. 2/Final, for WS-612, NE 2nd/Joy Street Sanitary Manhole Replacement, to George Schmid & Sons, Inc., in the amount of \$2,054.00, and accept project as complete.
- f) Moved to Public Works/Planning as Item "D".
- g) Authorize Mayor to sign Change Order No. 4, P-747, Klickitat Park, for Creagan Excavating, Inc., for construction of a storm water runoff ditch on the eastside of the project along the existing rock retaining wall for Deer Creek 7, in the amount of \$2,980.76.
- h) Authorize Pay Estimate No. 6 for P-747, Klickitat Park, to Creagan Excavating, Inc., in the amount of \$113,529.63.
- i) Authorize Pay estimate No. 16, S-356 NW Lake Road/SE First Ave. Road Improvements to Tapani Underground, Inc., in the amount of \$252,287.08.
- j) Authorize Pay Estimate No. 3, S-435, NE 3rd Avenue/NE Lechner Street Intersection Improvement, to Integrity Excavating & Construction, in the amount of \$56,975.41.
- k) Award bid to Ben-Ko-Matic for Towed Spreader in the amount of \$20,740.87. This is an Ice/Snow Control Sander.

- l) Authorize the Mayor to sign Investment Services Agreement with Clark County.

NON-AGENDA ITEMS:

Youth Council:

Megan Bower was the Youth Council representative in attendance, from Camas High School. Ms. Bower stated that the Youth Council is making preparations for a candidate forum night. The event will be held at the High School Theater, October 17, 7:30 p.m.

Council:

Gerde advised that she will be attending the Regional Transportation Council (RTC) meeting tomorrow, 10/04/05. She will be representing Camas, Washougal and the Port of Camas/Washougal.

Pike distributed photographs that accompanied the incident report received by council members earlier in the day. The incident was at the Camas Library. This is related to filtering/not filtering on the internet at Library.

Mayor:

Mayor Dennis announced that there will be a ground breaking ceremony tomorrow at Reality Engineering in the Camas Meadows Business Park. The ground breaking will be at 10:00 a.m.

Proclamation:

Mayor Dennis read a proclamation for DECA week.

POLICE DEPARTMENT:

Ordinance No. 2418:

It was moved by Smith, seconded by Anderson and carried that Ordinance No. 2418, amending 5.20 of the Camas Municipal Code relating to Business Licenses and Regulations for Special Events, be read by title only.

It was moved by Gerde, seconded by Smith and carried that Ordinance No. 2418 be adopted and published according to law.

FINANCE DEPARTMENT:

Ordinance No. 2419:

It was moved by Kufeldt-Antle, seconded by Smith and carried that Ordinance No. 2419, authorizing the issuance and sale of an unlimited tax general obligation refunding bond of the City in the aggregate principal amount of \$5,432,000.00 to refund certain outstanding unlimited tax general obligation bonds of the City; authorizing the appointment of an escrow agent and the execution of a escrow agreement; and providing the form and terms of the refunding bond, be read by title only.

It was moved by Kufeldt-Antle, seconded by Higgins and carried that Ordinance No. 2419 be adopted and published according to law.

PLANNING/PUBLIC WORKS:

Drewfs Farm Preliminary

Plat:

The site is located on the north side of NW Fargo Street approximately 400 feet west and north of the NW Fargo Street/NW Ivy Street intersection. The developers wish to establish up to a 72 lot residential subdivision in the R-15 zone. This has been presented to and approved by the Planning Commission.

It was moved by Pike, seconded by Anderson and carried with an amendment to conditions that stipulate that a geotechnical company will monitor the storm water ponds quarterly for a period of two (2) years, the end of the warranty period.

Ordinance No. 2420:

It was moved by Smith, seconded by Dietzman and carried that Ordinance No. 2420, restricting heavy truck traffic on NE 38th Avenue from NE Everett Street to NE Hayes Street and NE Franklin Street from NE 38th Avenue to NE 43rd Avenue, be read by title only.

It was moved by Gerde, seconded by Anderson and carried that Ordinance No. 2420 be adopted and published according to law.

Bid Award-SS472:

This project will be for storm pond maintenance in Parker Estates. It will be in two phases, one beginning this fall and the other half done next year. The second phase will deal with removing silt from the pond.

It was moved by Kufeldt-Antle, seconded by Higgins and carried to authorize award of SS-472, 2005 Parker Estates Storm Pond Maintenance, to Brant Construction.

ADJOURNMENT:

The meeting adjourned at 7:50 p.m.



Mayor



City Clerk

Affidavit of Publication

STATE OF WASHINGTON }
COUNTY OF CLARK }

I, Michael Gouagner being first duly sworn, depose and say that I am the owner, editor, publisher of The Post-Record, a weekly newspaper. That said newspaper is a legal newspaper and has been approved as a legal newspaper by order of the superior court in the county in which it is published and it is now and has been for more than six months prior to the date of the publication hereinafter to, published in the English language continuously as a weekly newspaper in Camas, Clark County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication

Ordinance No. 2419
On October 3, 2005, the Camas City Council enacted Ordinance No. 2419 authorizing the issuance and sale of an unlimited tax general obligation refunding bond in the aggregate principal amount of \$5,432,000 to refund certain outstanding unlimited tax general obligation bonds of the city; authorizing the appointment of an escrow agent and the execution of an escrow agreement; and providing the form and terms of the refunding bond. The full text of the ordinance will be mailed to any person upon request.

DATED this 4th day of October, 2005.
/s/Joan M. Durgin, City Clerk
No. 6126—Oct. 11, 2005

of said newspaper, that the _____

Ordinance No. 2419

a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for _____ successive and consecutive weeks in the following issues;

Issue date Oct. 11, 2005

Issue date _____

The fee charged for the above publication was:

\$ 11.70

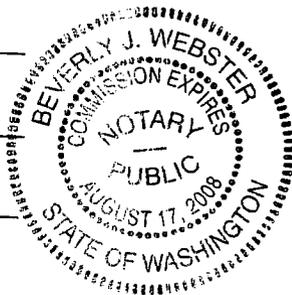
[Signature]
Publisher

Subscribed and sworn to before me this 12th

day of October 2005

[Signature]

Notary Public in and for the State of Washington, Residing at Camas, Washington





Nancy Nuereberg
Senior Vice President

Government Banking
WA1-501-34-03
800 5th Avenue, 34th Floor
Seattle, WA 98104

Tel 206.358.6279
Fax 206.358.8818
nancy.d.nuereberg@bankofamerica.com

September 26, 2005

Joan Durgin
Finance Director
City of Camas
616 NE 4th Avenue
Camas, WA 98607

Delivered via e-mail to: jdurgin@ci.camasa.wa.us

Dear Ms. Durgin:

Bank of America N. A. (the "Bank") is pleased to provide the attached proposal for a new term loan (the "Credit Facility") to the City of Camas.

The rates and terms for the Credit Facility are attached to this letter, as Exhibit A, Summary of Terms and Conditions. The terms and conditions are not all-inclusive, but generally describe the proposal offered to you. Please keep the contents of this letter confidential.

We appreciate the opportunity to present you with this proposal and look forward to working with you to complete the transaction. Please call me at (206) 358-6279, or Tana Aardal at (206) 358-8935 to discuss any question or comments you may have regarding this proposal.

Sincerely,

Bank of America, N.A.


Nancy D. Nuereberg
Senior Credit Products Officer


Tana Aardal
Senior Client Manager

cc: Bob Yeasting, Yeasting & Associates
Nancy Neraas, Preston Gates & Ellis
Alan Schulkin, Schulkin Law
Jane Towery, Banc of America Securities LLC
Suzanne Eide, Banc of America Securities LLC
Brennan Church, Bank of America



Exhibit A
Summary of Terms and Conditions
(For Discussion Purposes Only)

BORROWER: City of Camas, Washington

LENDER: Bank of America N.A. ("Bank ")

CREDIT FACILITY: \$5,432,000 Tax-Exempt Bank Qualified, Term Loan (the "Credit Facility").

MATURITY DATE: December 1, 2020.

CLOSING DATE: October 11, 2005.

PURPOSE: Proceeds of the Bond will be used to (a) provide the funds needed to advance refund the callable portions of Borrower's outstanding 2000 Unlimited Tax General Obligation Bonds and (b) pay costs associated with issuing the Bonds.

SECURITY: Unlimited Tax General Obligation of Borrower.

INTEREST RATE: Fixed Rate of 3.70%, calculated on a 30/360-day basis.

ORIGINATION FEE: Borrower agrees to pay Bank an origination fee of 10 bp. This fee shall be deemed fully earned and payable upon closing.

EXPENSES: Borrower will pay all reasonable costs and expenses associated with the preparation and review of all documentation executed in connection with the Credit Facility, including Bank's attorneys' fees, whether or not the Credit Facility is closed; Borrower's outside legal counsel fees; and any other costs associated with documenting and closing the Credit Facility, including any structuring fee charged by Banc of America Securities.

REPAYMENT:

- Interest on the Credit Facility shall be repaid semi-annually each June 1 and December 1, beginning December 1, 2005.
- Principal on the Credit Facility shall be repaid annually on December 1 each year, beginning December 1, 2005.

Tentative principal repayment schedule reflected in "Attachment 1", subject to final rate and terms:

PREPAYMENT: The City may not prepay principal of the Bond prior to December 1, 2015. Thereafter, upon any prepayment of principal of the Bond prior to its maturity, a prepayment fee shall be assessed equal to the lesser of (a) the amount calculated in accordance with Attachment 2 hereto, or (b) the following percentages of the amount prepaid, as determined for the period in which the amount is prepaid:

- December 1, 2015 – November 30, 2016:
2.9% of the amount prepaid.
- December 1, 2016 – November 30, 2017:
2.4% of the amount prepaid.
- December 1, 2017 – November 30, 2018:
2.0% of the amount prepaid.
- December 1, 2018 – November 30, 2019:
1.5% of the amount prepaid.
- December 1, 2019 – November 30, 2020:
1.0% of the amount prepaid

DEFAULT INTEREST: If there occurs (a) any nonpayment of principal, interest, fees or other amounts when due, or (b) failure to maintain the tax-exempt status of the Bond, then the Bank may increase the interest rate by two (2.0) percentage points.

FINANCIAL REPORTING REQUIREMENTS:

- Annual State Audit Report of the Borrower within 10 days of receipt from State Auditor.
- Borrower's internally prepared unaudited annual financial statement within eight months of its fiscal year end.
- Within 90 days of commencement of the new budget cycle, a copy of Borrower's budget for the new period.

DOCUMENTATION:

- All documentation, including the form of legal opinion to be issued by Borrower's legal counsel, is subject to review and approval by Bank's legal counsel.

Documentation to include:

- A legal opinion of nationally recognized bond counsel, in form and substance acceptable to Bank and its legal counsel, that (i) the Ordinance and all documents related to the Credit Facility have been properly adopted, authorized and executed; and (ii) the Ordinance and all documents related to the Credit Facility constitute a legally binding obligation of the Borrower, enforceable according to their terms (subject to standard exceptions); (iii) interest payable on the Credit Facility is excludable from net income for purposes of federal income taxes; and (iv) Borrower has designated the Credit Facility as a "qualified tax-exempt obligation".
- A copy of the Ordinance passed by the City Council authorizing the issuance of the Bond Anticipation Notes and Bonds;
- Receipt of the original signed Bond at closing.

This Summary of Terms and Conditions does not constitute a commitment to lend by Bank of America or any of its affiliates and is presented for discussion purposes only. The actual terms and conditions upon which Bank of America may extend credit to Borrower is subject to satisfactory completion of due diligence, necessary credit approval and such other terms and conditions as determined by Bank of America, in its sole discretion.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, TO EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.



Attachment 1
Debt Service Schedule

| <u>Payment Date</u> | | <u>Principal Amount</u> |
|---------------------|----|-------------------------|
| 12/1/2005 | \$ | 99,000 |
| 12/1/2006 | \$ | 36,000 |
| 12/1/2007 | \$ | 38,000 |
| 12/1/2008 | \$ | 39,000 |
| 12/1/2009 | \$ | 41,000 |
| 12/1/2010 | \$ | 42,000 |
| 12/1/2011 | \$ | 434,000 |
| 12/1/2012 | \$ | 450,000 |
| 12/1/2013 | \$ | 466,000 |
| 12/1/2014 | \$ | 486,000 |
| 12/1/2015 | \$ | 500,000 |
| 12/1/2016 | \$ | 519,000 |
| 12/1/2017 | \$ | 542,000 |
| 12/1/2018 | \$ | 558,000 |
| 12/1/2019 | \$ | 579,000 |
| 12/1/2020 | \$ | <u>603,000</u> |
| | \$ | 5,432,000 |

Attachment 2 Prepayment Fee Calculation

The Prepayment Fee shall be the sum of fees calculated separately for each Prepaid Installment, as follows:

- (1) Determine the amount of interest which would have accrued each month for the Prepaid Installment, had it remained outstanding until the applicable Original Payment Date at the Initial Cost of Funds Rate applicable to the Prepaid Installment;
- (2) Subtract from each monthly interest amount determined in (1) above, the amount of interest that would accrue for that Prepaid Installment if it were reinvested from the date of prepayment through the Original Payment Date, at the Treasury Rate;
- (3) If (1) above, minus (2) above, for the Prepaid Installment is greater than zero, discount the monthly difference to the date of prepayment by the Treasury Rate. The sum of the discounted monthly differences is the prepayment fee for that Prepaid Installment, plus
- (4) An amount equal to all out-of-pocket costs and expenses the Bank reasonably expects to incur in liquidation and reinvestment of such prepaid funds.

For purposes of this Exhibit A, the capitalized terms used herein and not otherwise defined have the following meanings:

- (1) "Banking Day" means a day, other than a Saturday or a Sunday, on which the Bank is open for business for banking functions in Washington.
- (2) "Initial Cost of Funds Rate" means 4.78% per annum, being the fixed interest rate of interest per annum representing, in the Bank's sole and absolute discretion, Borrower's cost of purchasing funds, or the cost of purchasing and exchanging funds through swaps or other derivative products, for an amount and under terms reflecting the characteristics of the Bond.
- (3) "Original Payment Dates" means the dates on which principal of the Bond would have been paid if there had been no prepayment.
- (4) "Prepaid Installment" means the portion of the prepaid principal of the Bond that would have been paid on a single Original Payment Date.
- (5) "Treasury Rate" means the interest rate yield for U.S. Government Treasury Securities that the Bank determines could be obtained by reinvesting a specified Prepaid Installment in such securities from the date of prepayment through the Original Payment Date.

Bank may adjust the Treasury Rate to reflect the difference between the terms of such investments and the terms of the Bond, such as compounding, accrual basis, or other costs and terms. The Treasury Rate and the Initial Cost of Funds Rate are Bank's estimate only, and the Bank is under no obligation to actually reinvest any prepayment. The rates shall be based on information from either the Telerate or Reuters information services, The Wall Street Journal, or other information sources the Bank deems appropriate.

ESCROW DEPOSIT AGREEMENT

CITY OF CAMAS, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2005

THIS ESCROW AGREEMENT, dated as of October 11, 2005 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the City of Camas, Washington (herein called the "City") and Wells Fargo Bank, National Association, Portland, Oregon, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The notice addresses of the City and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESSETH:

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

WHEREAS, pursuant to Ordinance No. 2419, passed on October 3, 2005 (the "Bond Ordinance"), the City has determined to issue its Unlimited Tax General Obligation Refunding Bond, 2005 (the "Refunding Bond"). A portion of the Refunding Bond is being used to refund the Refunded Bonds; and

WHEREAS, the Escrow Agent has reviewed the Bond Ordinance and this Agreement, and is willing to serve as Escrow Agent hereunder.

WHEREAS, McGladrey & Pullen, LLP, Certified Public Accountants, of Minneapolis, Minnesota, has prepared a verification report which is dated October 3, 2005 (the "Verification Report") relating to the source and use of funds available to accomplish the refunding of the Refunded Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of the debt service due on the Refunded Bonds; and

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

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

WHEREAS, the Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to provide for the payment of the

principal of, interest on and redemption premium (if any) on the Refunded Bonds when due as shown on Exhibit C; and

WHEREAS, the City desires that, concurrently with the delivery of the Bonds to the purchasers thereof, certain of the proceeds of the Bonds, together with certain other available funds of the City, shall be applied to purchase certain Government Obligations hereinafter defined as the "Escrowed Securities" for deposit to the credit of the Refunding Account created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in the Refunding Account; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide money that, together with cash balances from time to time on deposit in the Refunding Account, will be sufficient to pay interest on and the principal or redemption price of the Refunded Bonds as they become due and payable; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the City desires to establish the Refunding Account at the principal corporate trust office of the Escrow Agent; and

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

Article 1. Definitions

Section 1.1. Definitions.

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

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

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

Paying Agent means the Bank of New York, New York, New York as the fiscal agency of the State of Washington.

Refunding Account means the account authorized by the Bond Ordinance to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

Section 1.2. Other Definitions.

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

Section 1.3. Interpretations.

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

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Refunding Account.

Concurrently with the sale and delivery of the Refunding Bond the City shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Refunding Account, the funds sufficient to purchase the Escrowed Securities and pay costs of issuance described in Exhibit D attached hereto, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the City in writing.

Article 3. Creation and Operation of Refunding Account

Section 3.1. Refunding Account.

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

Section 3.2. Payment of Principal and Interest.

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

Section 3.3. Sufficiency of Refunding Account.

The City represents that, based upon the information provided in the schedules prepared by the Underwriter, the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Refunding Account will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Bonds as such interest comes due and the principal of the Refunded Bonds as the Refunded Bonds are paid on an optional redemption date prior to maturity, all as more fully set forth in Exhibit E attached hereto. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Refunding Account shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2. hereof, the City shall timely deposit in the Refunding Account, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Refunding Account or the City's failure to make additional deposits thereto.

Section 3.4. Trust Fund.

The Escrow Agent shall hold at all times the Refunding Account, the Escrowed Securities and all other assets of the Refunding Account, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Refunding Account to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Refunding Account only as set forth herein. The Escrowed Securities, the Refunding Account and other assets of the Refunding Account shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the City, and the Escrow Agent shall have no right to title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement.

Article 4. Limitation on Investments

Section 4.1. Investments.

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

Section 4.2. Substitution of Securities.

At the written request of the City, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Refunding Account, or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase the Refunded Bonds or Government Obligations which do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a firm of certified public accountants that such transaction will not cause the amount of money and securities in the Refunding Account to be reduced below an amount sufficient to provide for the full and timely payment of principal of and interest on all of the remaining Refunded Bonds as they become due, taking into account any optional redemption thereof exercised by the City in connection with such transaction; and (b) the Escrow Agent shall have received the unqualified written legal opinion of its bond counsel or tax counsel to the effect that such transaction will not cause any of the Bonds or Refunded Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

Article 5. Application of Cash Balances

Section 5.1. In General.

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

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

The City hereby irrevocably calls the Refunded Bonds for redemption on their earliest redemption dates, as shown on Appendix A attached hereto.

Section 6.2. Notice of Redemption/Notice of Defeasance.

The Escrow Agent agrees to give a notice of defeasance and a notice of the redemption of the Refunded Bonds to the Paying Agent for dissemination in accordance with the terms of Ordinance No. 2277 of the City and in substantially the forms attached hereto as Appendices A and B and as described on said Appendices A and B to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following the execution of this Agreement, and the notice of redemption shall be given in accordance with Ordinance No. 2277 authorizing the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of the notice of redemption of the Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

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

Section 7.2. Reports.

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

Article 8. Concerning the Paying Agent and Escrow Agent

Section 8.1. Representations.

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

Section 8.2. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Refunding Account.

Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Refunding Account or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the City promptly of any such occurrence.

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

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

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

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

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or want of good faith. If any controversy arises between the parties hereto or with any third person, Escrow Agent shall not be required to determine the same or to take any action in the premises, but it may, in its discretion, institute such interpleader or other proceedings in connection therewith as it may deem proper, and in following either course, it shall not be liable, except as provided above.

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

necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the City at any time.

The Escrow Agent may execute any of its trusts or powers and perform any of its duties under this Agreement by or through attorneys, agents or employees. The Escrow Agent may consult with counsel of its choice with respect to any question relating to its duties and responsibilities hereunder or otherwise in connection herewith, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or not taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Escrow Agent shall be entitled to rely and shall be protected in acting in reliance upon any instructions or directions furnished to it in writing or pursuant to the provisions of this Agreement and shall be entitled to treat as genuine, and as the document it purports to be, any letter, paper or other document furnished to it and reasonably believed by it to be genuine and to have been signed and presented by the proper party or parties. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document.

Section 8.3. Compensation.

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

If the Escrow Agent renders any service hereunder not provided for in this Agreement, or the Escrow Agent is made a party to or intervenes in any litigation pertaining to this Agreement or institutes interpleader proceedings relative hereto, the Escrow Agent shall be compensated reasonably by the City for such extraordinary services and reimbursed for any and all reasonable claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket and incidental expenses and legal fees occasioned thereby.

Section 8.4. Successor Escrow Agents.

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

vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

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

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

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.4 are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the Escrowed Securities and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent. Notwithstanding any of the foregoing provisions to the contrary, any entity into which the Escrow Agent may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion or consolidation to which it shall be a party or any entity to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business, provided such entity shall be eligible under this Section 8.4, shall be the successor to such Escrow Agent without the executing or filing of any paper or any further act.

Article 9. Miscellaneous

Section 9.1. Notice.

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

Section 9.2. Termination of Responsibilities.

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the City, the

owners of the Refunded Bonds or to any other person or persons in connection with this Agreement.

Section 9.3. Binding Agreement.

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

Section 9.4. Severability.

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

Section 9.5. Washington Law Governs.

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

Section 9.6. Time of the Essence.

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

Section 9.7. Notice to Moody's

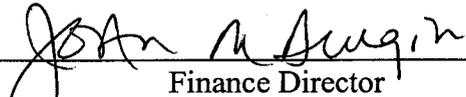
In the event that this agreement or any provision thereof is severed, amended or revoked, the City shall provide written notice of such severance, amendment or revocation to Moody's Investors Service at 99 Church Street, New York, New York, 10007, Attention: Public Finance Rating Desk/Refunded Bonds.

Section 9.8. Amendments.

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

EXECUTED as of the date first written above.

CITY OF CAMAS, WASHINGTON



Finance Director

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

Authorized Signer

- Exhibit A — Addresses of the City and the Escrow Agent
- Exhibit B — Description of the Refunded Bonds
- Exhibit C — Schedule of Debt Service on the Refunded Bonds
- Exhibit D — Description of Beginning Cash Deposit (if any) and Escrowed Securities
- Exhibit E — Refunding Account Cash Flow
- Appendix A — Notice of Redemption for the 2000 Bonds
- Appendix B — Notice of Defeasance for the 2000 Bonds
- Appendix C — Fee Schedule

EXECUTED as of the date first written above.

CITY OF CAMAS, WASHINGTON

Finance Director

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**



Authorized Signer

- Exhibit A — Addresses of the City and the Escrow Agent
- Exhibit B — Description of the Refunded Bonds
- Exhibit C — Schedule of Debt Service on the Refunded Bonds
- Exhibit D — Description of Beginning Cash Deposit (if any) and Escrowed Securities
- Exhibit E — Refunding Account Cash Flow
- Appendix A — Notice of Redemption for the 2000 Bonds
- Appendix B — Notice of Defeasance for the 2000 Bonds
- Appendix C — Fee Schedule

EXHIBIT A
Addresses of the City and Escrow Agent

City: City of Camas
616 NE Fourth Avenue
Camas, WA 98607
Attention: Finance Director

Escrow Agent: Wells Fargo Bank, National Association
Wells Fargo Center, 11th Floor
1300 SW 5th Avenue
MAC P6101-114
Portland, OR 97201-5688
Attention: Doreen Rowe

EXHIBIT B
Description of the Refunded Bonds

City of Camas, Washington
Unlimited Tax General Obligation Bonds, 2000
("Refunded Bonds")

| Maturity Years (December 1) | Principal Amounts | Interest Rates |
|--------------------------------|-------------------|----------------|
| 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 |

EXHIBIT C
Schedule of Debt Service on the Refunded Bonds

| Date | Interest | Principal/ Redemption Price | Total |
|------------------|------------------------|--------------------------------|------------------------|
| December 1, 2005 | \$ 131,270.00 | \$ -- | \$ 131,270.00 |
| June 1, 2006 | 131,270.00 | -- | 131,270.00 |
| December 1, 2006 | 131,270.00 | -- | 131,270.00 |
| June 1, 2007 | 131,270.00 | -- | 131,270.00 |
| December 1, 2007 | 131,270.00 | -- | 131,270.00 |
| June 1, 2008 | 131,270.00 | -- | 131,270.00 |
| December 1, 2008 | 131,270.00 | -- | 131,270.00 |
| June 1, 2009 | 131,270.00 | -- | 131,270.00 |
| December 1, 2009 | 131,270.00 | -- | 131,270.00 |
| June 1, 2010 | 131,270.00 | -- | 131,270.00 |
| December 1, 2010 | <u>131,270.00</u> | <u>4,950,000.00</u> | <u>5,081,270.00</u> |
| Total | <u>\$ 1,443,970.00</u> | <u>\$ 4,950,000.00</u> | <u>\$ 6,393,970.00</u> |

EXHIBIT D
Escrow Deposit

I. Beginning Cash Balance \$0.83

II. Other Obligations

| <u>Description</u> | <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Total Cost</u> |
|--------------------|----------------------|-------------------------------|----------------------|-------------------------------|
| SLG – Certificate | December 1, 2005 | \$ 19,999.17 | 0.00% | \$ 19,999.17 |
| SLG – Certificate | December 1, 2005 | 84,675.83 | 0.00 | 84,675.83 |
| SLG – Certificate | June 1, 2006 | 35,841.00 | 0.00 | 35,841.00 |
| SLG – Note | December 1, 2006 | 35,841.00 | 0.00 | 35,841.00 |
| SLG – Note | June 1, 2007 | 35,841.00 | 0.00 | 35,841.00 |
| SLG – Note | December 1, 2007 | 35,841.00 | 0.00 | 35,841.00 |
| SLG – Note | June 1, 2008 | 35,841.00 | 0.00 | 35,841.00 |
| SLG – Note | December 1, 2008 | 35,841.00 | 0.00 | 35,841.00 |
| SLG – Note | June 1, 2009 | 35,841.00 | 0.00 | 35,841.00 |
| SLG – Note | December 1, 2009 | 35,841.00 | 0.00 | 35,841.00 |
| SLG – Note | June 1, 2010 | 35,841.00 | 0.00 | 35,841.00 |
| SLG – Note | December 1, 2010 | 4,759,552.00 | 4.01 | 4,759,552.00 |
| SLG – Note | December 1, 2010 | <u>226,288.00</u> | 0.00 | <u>226,288.00</u> |
| TOTAL | | <u>\$ 5,413,084.00</u> | | <u>\$ 5,413,084.00</u> |

III. Costs of Issuance

| | |
|---|----------------------------|
| Escrow Agent Fee (Wells Fargo) | \$ 2,000.00 |
| Escrow Verification (McGladrey & Pullen) | 2,000.00 |
| Bond Counsel Fee (Preston Gates & Ellis LLP) | 7,500.00 |
| Financial Advisor Fee (Yeasting & Associates) | 1,800.00 |
| Bank Counsel Fee (A Schulkin) | <u>1,000.00</u> |
| TOTAL: | <u>\$ 14,300.00</u> |

EXHIBIT E
Refunding Account Cash Flow

| Date | Escrow Requirement | Net Escrow Receipts | Excess Receipts | Cash Balance |
|------------------|-------------------------------|--------------------------------|----------------------------|-------------------------|
| October 11, 2005 | \$ -- | \$ 0.83 | \$ 0.83 | \$ 0.83 |
| December 1, 2005 | 131,270.00 | 131,269.97 | -0.03 | 0.80 |
| June 1, 2006 | 131,270.00 | 131,270.02 | 0.02 | 0.82 |
| December 1, 2006 | 131,270.00 | 131,270.02 | 0.02 | 0.84 |
| June 1, 2007 | 131,270.00 | 131,270.02 | 0.02 | 0.86 |
| December 1, 2007 | 131,270.00 | 131,270.02 | 0.02 | 0.88 |
| June 1, 2008 | 131,270.00 | 131,270.02 | 0.02 | 0.90 |
| December 1, 2008 | 131,270.00 | 131,270.02 | 0.02 | 0.92 |
| June 1, 2009 | 131,270.00 | 131,270.02 | 0.02 | 0.94 |
| December 1, 2009 | 131,270.00 | 131,270.02 | 0.02 | 0.96 |
| June 1, 2010 | 131,270.00 | 131,270.02 | 0.02 | 0.98 |
| December 1, 2010 | <u>5,081,270.00</u> | <u>5,081,269.02</u> | <u>-0.98</u> | 0.00 |
| | \$ 6,393,970.00 | \$ 6,393,970.00 | \$ 0.00 | |

APPENDIX A
Notice of Redemption*
City of Camas, Washington
Unlimited Tax General Obligation Bonds, 2000

NOTICE IS HEREBY GIVEN that the City of Camas, Washington, has called for redemption on December 1, 2010, its then outstanding Unlimited Tax General Obligation Bonds, 2000 (the "Bonds").

The Bonds will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to December 1, 2010. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

| | | |
|--|------|--|
| The Bank of New York Fiscal Agency Department 101 Barclay Street -7E New York, NY 10286 | -or- | Wells Fargo Bank, National Association Corporate Trust Department 14th Floor - M/S 257 999 Third Avenue Seattle, WA 98104 |
|--|------|--|

Interest on all Bonds or portions thereof that are redeemed shall cease to accrue on December 1, 2010.

The following Bonds are being redeemed:

| Maturity Years (December 1) | Principal Amounts | Interest Rates | CUSIP Nos. |
|--------------------------------|----------------------|-------------------|------------|
| 2011 | \$ 390,000 | 5.00% | 131861DH6 |
| 2012 | 410,000 | 5.10 | 131861DJ2 |
| 2013 | 430,000 | 5.10 | 131861DK9 |
| 2014 | 455,000 | 5.20 | 131861DL7 |
| 2015 | 475,000 | 5.30 | 131861DM5 |
| 2016 | 500,000 | 5.30 | 131861DN3 |
| 2017 | 530,000 | 5.40 | 131861DP8 |
| 2018 | 555,000 | 5.40 | 131861DQ6 |
| 2019 | 585,000 | 5.50 | 131861DR4 |
| 2020 | 620,000 | 5.50 | 131861DS2 |

* This notice shall be given not more than 60 nor less than 30 days prior to December 1, 2010 by first class mail to each registered owner of the Refunded Bonds. In addition notice shall be mailed at least 35 days prior to December 1, 2010 to The Depository Trust Company of New York, New York; Banc of America Securities LLC, Seattle, Washington; Ambac Assurance Corporation, New York, New York; and Standard & Poor's.

By Order of the City of Camas, Washington

The Bank of New York, as Paying Agent

Dated: _____.

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

APPENDIX B
Notice of Defeasance*
City of Camas, Washington
Unlimited Tax General Obligation Bonds, 2000

NOTICE IS HEREBY GIVEN to the owners of that portion of the above captioned bonds with respect to which, pursuant to an Escrow Agreement dated October 11, 2005, by and between the City of Camas, Washington (the "City"), and Wells Fargo Bank, National Association, Portland Oregon (the "Escrow Agent"), the City has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the "Defeased Bonds"). Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to Section 7 of Ordinance No. 2277 of the City authorizing the Defeased Bonds, but will be paid by application of the assets in such escrow.

The Defeased Bonds are described as follows:

City of Camas, Washington, Unlimited Tax General Obligation Bonds, 2000

(Dated December 1, 2000)

| <u>Maturity Date (December 1)</u> | <u>Interest Rate</u> | <u>Par Amount Defeased</u> | <u>Call Date (at 100%)</u> | <u>CUSIP Nos.</u> |
|---------------------------------------|----------------------|--------------------------------|--------------------------------|-------------------|
| 2011 | 5.00% | \$ 390,000 | 12/01/2010 | 131861DH6 |
| 2012 | 5.10 | 410,000 | 12/01/2010 | 131861DJ2 |
| 2013 | 5.10 | 430,000 | 12/01/2010 | 131861DK9 |
| 2014 | 5.20 | 455,000 | 12/01/2010 | 131861DL7 |
| 2015 | 5.30 | 475,000 | 12/01/2010 | 131861DM5 |
| 2016 | 5.30 | 500,000 | 12/01/2010 | 131861DN3 |
| 2017 | 5.40 | 530,000 | 12/01/2010 | 131861DP8 |
| 2018 | 5.40 | 555,000 | 12/01/2010 | 131861DQ6 |
| 2019 | 5.50 | 585,000 | 12/01/2010 | 131861DR4 |
| 2020 | 5.50 | 620,000 | 12/01/2010 | 131861DS2 |

* This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; The Bank of New York, as Fiscal Agent; Ambac Assurance Corporation, New York, New York; Moody's Investors Service, New York, New York; and Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc., New York, New York, to the MSRB and to the NRMSIRs.

Bond Numbers of Defeased Bonds

Information for Individual Registered Owner

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

[Date]

Wells Fargo Bank, National Association, Portland, Oregon, as Escrow Agent

APPENDIX C
Fee Schedule

Escrow Agent Fee: \$2,000.00

CERTIFICATE OF ESCROW AGENT

I, the undersigned authorized officer of Wells Fargo Bank, National Association, Portland, Oregon (the "Escrow Agent"), do hereby certify, with respect to the refunding of certain outstanding unlimited tax general obligation bonds (the "Refunded Bonds"), of the City of Camas, Washington (the "City") and more particularly described in Ordinance No. 2419 of the City passed on October 3, 2005 (the "Bond Ordinance"), as follows:

1. The Escrow Agent has established a refunding account (the "Refunding Account") pursuant to the Escrow Deposit Agreement between the City and the Escrow Agent dated October 11, 2005 (the "Escrow Agreement").

2. The Escrow Agent has received from Bank of America, N.A., as purchaser, \$5,407,556.00 of the proceeds of the City's Unlimited Tax General Obligation Refunding Bond, 2005 (the "Bond"), and has applied such sum as follows:

a. \$5,413,084.00 was applied to purchase U.S. Government Obligations (as shown in Exhibit D to the Escrow Deposit Agreement) and \$0.83 was retained as a beginning cash balance;

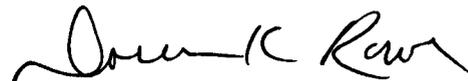
b. \$14,300.00 was deposited in the Refunding Account and will be used to pay the cost of issuance of the Bond as shown in Exhibit D of the Escrow Agreement.

3. The Government Obligations described in Exhibit D of the Escrow Agreement will be deposited in the Refunding Account as of their dates of purchase to be held in trust for the security and benefit of the owners of the Refunded Bonds and will be applied, together with interest thereon, as provided in the Bond Ordinance and the Escrow Agreement.

4. Attached to this certificate is evidence of the authority of the undersigned to execute this certificate and the Escrow Agreements on behalf of the Escrow Agent.

DATED October 11, 2005.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, PORTLAND, OREGON



Title: Doreen K. Rowe
Vice President



Wells Fargo Bank, N.A.
Corporate Trust Services

Certified Copy of General Signature
Resolution Relating to Execution
of Written Instruments

I, Alice J. Garrett, an Assistant Secretary of Wells Fargo Bank, National Association, a national banking association organized under the laws of the United States of America (the "Bank"), hereby certify that:

The following is a true and correct extract from resolutions duly adopted by the Board of Directors of the Bank on November 25, 2003, and that no modification, amendment, rescission or revocation of such resolutions has occurred affecting such extract as of the date of this certificate, and that the resolutions remain in full force and effect on the date hereof:

RESOLVED, that agreements, instruments, or other documents, including amendments and modifications thereto, relating to or affecting the property or business and affairs of the Bank, whether acting for its own account or in a fiduciary or other representative capacity, may be executed in its name by the persons hereinafter authorized;

FURTHER RESOLVED, that for the purposes of these resolutions, "Executive Officer" shall mean any person specifically designated as an Executive Officer of the Bank by resolution of the Board of Directors, and "Signing Officer" shall mean the Chairman of the Board, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, the Treasurer, any Vice President, any Assistant Vice President, any person whose title includes the word "Officer" (e.g., Commercial Banking Officer, Personal Banking Officer, Trust Officer), or any other person whose title has been or is hereafter designated by the Board of Directors as a title for an officer of the Bank, and such officers are hereby authorized to sign agreements, instruments and other documents on behalf of the Bank in accordance with the signing authorities conferred in Parts A, B and C of these resolutions;

A. Executive Officers

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President and any Executive Officer of the Bank, acting alone, may execute agreements, guaranties, instruments or other documents which such officer may deem necessary, proper or expedient to the conduct of the business of the Bank;

B. Vice Presidents and Above

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President and any Vice President, acting alone, may execute on behalf of the Bank:

Deeds, leases, assignments, bills of sale, purchase agreements and other instruments of conveyance to purchase, sell, lease or sublease to or from a third party real property, or any interest therein, for the Bank's own account; provided, however, that such agreements, instruments and other documents may also be signed as hereinafter provided with respect to real property acquired by the Bank in connection with collateral for a loan.

Bonds of indemnity and powers of attorney; provided, however, that proxies to vote stock in a corporation or to vote other interests in other legal entities and stock and bond powers may also be signed as hereinafter provided.

C. Signing Officers

FURTHER RESOLVED, that any Signing Officer, acting alone, may execute on behalf of the Bank, whether acting for its own account or in a fiduciary or other representative capacity:

* * *

Receipts for any funds or other property paid or delivered to the Bank.

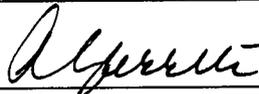
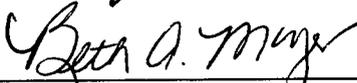
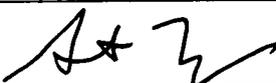
Guaranties of signatures, whether appearing as endorsements of bonds, certificates of stock, or other securities, including without limitation medallion guaranties provided in connection with a medallion stamp, or otherwise.

Agreements and proposals to provide services to or receive services from third parties.

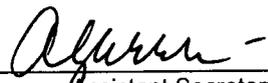
Trust indentures, declarations of trust, trust and agency agreements, pooling and servicing agreements, fiscal and paying agency agreements, acceptances thereof, consents thereto and any similar agreements, however denominated, to which the Bank is a party in a fiduciary or other representative capacity; certificates of authentication or other indicia of valid issuance with respect to bonds, notes, debentures and other securities or obligations issued under any indenture, mortgage, trust or other agreement; certificates for securities deposited, interim certificates and other certificates for and on behalf of the Bank as depository or agent; countersignatures of stocks, bonds, notes, debentures, voting trust certificates, participation certificates and other certificates, instruments, obligations or other securities on behalf of the Bank as trustee, fiscal and paying agent, transfer agent, registrar or in another similar capacity; and certificates of cancellation and cremation of stocks, bonds, debentures or other securities.

FURTHER RESOLVED, that the signature of the Secretary or of any Assistant Secretary of the Bank shall be required to certify any resolution adopted by the Board of Directors of the Bank or any committee thereof, the incumbency, title or signature of any officer of the Bank and any designation of authority under these resolutions or otherwise, and the Secretary or any Assistant Secretary of the Bank may also certify any records or other documents created in the ordinary course of the business of the Bank.

I further certify that on October 11, 2005, the following named person is/was a duly appointed, qualified and acting Signing Officer of Wells Fargo Bank, N.A., that their correct title and genuine signature appears beside their name, and that on said date they were duly authorized to act on behalf of the Bank as set forth in the foregoing resolution:

| Name | Title | Signature |
|------------------|---------------------------------|---|
| Alice J. Garrett | Vice President Trust Officer |  |
| Beth Moyer | Vice President Trust Officer |  |
| Doreen K. Rowe | Vice President Trust Officer |  |
| Scott Thompson | Vice President Trust Officer |  |

IN WITNESS WHEREOF, I have hereunto signed my name this 11 day of October, 2005.



Assistant Secretary

*** Redacted [Indicates portions of the resolutions have intentionally been omitted because the sections are not relevant to the transaction for which this certification has been requested.]

McGladrey & Pullen

Certified Public Accountants

Independent Accountant's Verification Report

City of Camas
616 NE Fourth Avenue
Camas, Washington

Yeasting & Associates
1111 Third Avenue, Suite 2500
Seattle, Washington

Preston Gates & Ellis LLP
925 Fourth Avenue, Suite 2900
Seattle, Washington

Bank of America, N.A.
800 Fifth Avenue, 34th Floor
Seattle, Washington

Wells Fargo Bank, National Association
Wells Fargo Center
1300 SW Fifth Avenue, 11th Floor
Portland, Oregon

Pursuant to the request of Bank of America, N.A. (the "Placement Agent") on behalf of the City of Camas, Washington (the "Issuer"), we have performed certain procedures, as discussed below, in connection with the Issuer's proposed issuance of \$5,432,000 Unlimited Tax General Obligation Refunding Bond, 2005, dated October 11, 2005 (the "2005 Bond").

A portion of the proceeds from the 2005 Bond will be used to advance refund those bonds originally scheduled to mature in the years 2011 through 2020 (the "Refunded Bonds") of the Issuer's outstanding Unlimited Tax General Obligation Bonds, 2000, dated December 1, 2000 (the "2000 Bonds").

The procedures were performed solely to assist the addressees of this report in evaluating the mathematical accuracy of certain schedules prepared by the Placement Agent which indicate that:

- there will be sufficient funds available in an escrow account to be established on October 11, 2005 to pay the remaining debt service payments related to the Refunded Bonds (the "Escrow Requirements"), assuming the Refunded Bonds will be redeemed at par on December 1, 2010; and
- the yield on the United States Treasury Securities — State and Local Government Series (the "SLGS") to be purchased on October 11, 2005 with 2005 Bond proceeds (the "2005 SLGS") is less than the yield on the 2005 Bond.

The procedures we performed are summarized below.

1. We independently calculated the future cash receipts from the 2005 SLGS (Exhibit A-1) and one SLGS to be purchased with funds to be provided by the Issuer (the "Prior-Money SLGS") (Exhibit A), compared the future cash receipts to the Placement Agent's schedules and found the future cash receipts to be in agreement.
2. We independently calculated the Escrow Requirements related to the Refunded Bonds using information from the Official Statement for the 2000 Bonds, compared the Escrow Requirements to the Placement Agent's schedules and found the Escrow Requirements to be in agreement.

3. Using the results of our independent calculations described in procedures 1 and 2 above and using an assumed initial cash deposit of \$0.83 (eighty-three cents) to the escrow account on October 11, 2005, we prepared an escrow account cash flow schedule (attached hereto as Exhibit A). The resulting cash flow schedule indicates that there will be sufficient funds available in the escrow account to pay the Escrow Requirements on a timely basis.
4. We compared the rate table date (i.e., September 23, 2005) set forth on the SLGS Confirmation of Subscription Receipt to Form PD 4262 Department of the Treasury — Bureau of the Public Debt — SLGS Table for Use on September 23, 2005 (the “SLGS Rate Table”), and found the dates to be the same.
5. We compared the interest rate for each SLGS to the SLGS Rate Table and found each interest rate to be equal to or less than the applicable maximum allowable interest rate for use on September 23, 2005.
6. We compared the terms (i.e., the principal amounts, interest rates, issue dates, maturity dates and first interest payment dates) of the SLGS to be acquired on October 11, 2005, as summarized herein, to the final SLGS subscription forms provided by the Placement Agent; we found the terms to be in agreement.
7. We compared pertinent terms of the Refunded Bonds (i.e., debt service payment dates, annual maturity amounts, interest rates and optional redemption provisions), as summarized on Exhibit A-2, to the Official Statement for the 2000 Bonds provided by the Placement Agent; we found the terms to be in agreement.
8. We independently calculated the yield on the 2005 SLGS and the yield on the 2005 Bond, assuming a settlement date of October 11, 2005. The term “yield,” as used herein, means that yield which, when used in computing the present value of all payments of principal and interest on an obligation compounded semiannually using a 30/360-day year basis, produces an amount equal to: in the case of the 2005 SLGS, the purchase price of the 2005 SLGS; and, in the case of the 2005 Bond, the issue price to the public as represented by the Placement Agent. The results of our yield calculations, which are listed below, were compared to the yield calculations provided by the Placement Agent; we found the yields to be in agreement.

| | Yield | Exhibit |
|----------------------|------------|---------|
| • Yield on 2005 SLGS | 3.7001346% | A-1 |
| • Yield on 2005 Bond | 3.7003996% | B |

Based on performing the agreed-upon procedures, we have found that those schedules provided by the Placement Agent, when compared to those schedules prepared by us (attached hereto as Exhibits), are arithmetically accurate and reflect, based on the assumptions set forth herein, that:

- there will be sufficient funds available in the escrow account to pay the Escrow Requirements; and
- the yield on the 2005 SLGS is less than the yield on the 2005 Bond.

This engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants (the “AICPA”). The sufficiency of these procedures is solely the responsibility of the specified users of the report. We make no representation regarding the sufficiency of the procedures summarized above, either for the purpose for which this report has been requested or for any other purpose.

City of Camas, Washington
Preston Gates & Ellis LLP
Wells Fargo Bank, National Association
Yeasting & Associates
Bank of America, N.A.
October 11, 2005
Page 3

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the anticipated escrow account cash sufficiency or yield calculations. Accordingly, in accordance with standards for attestation services established by the AICPA, we cannot express such an opinion. Had we performed an examination or performed additional procedures, other matters might have come to our attention that would have been reported to you.

The results of our independent calculations with respect to the proposed transactions are summarized in the accompanying exhibits. The original computations, along with related characteristics and assumptions contained herein, were provided by the Placement Agent on behalf of the Issuer. We relied solely on this information and these assumptions and limited our work to performing those procedures set forth above.

This report is issued solely for the information of, and assistance to, the addressees of this report and is not to be quoted or referred to in any document, except for required closing transaction documents. Additionally, this report should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under the terms of our engagement, we have no obligation to update this report because of events or transactions occurring subsequent to the date of this report.

McGladrey & Pullen, LLP

Minneapolis, Minnesota
October 11, 2005

City of Camas, Washington

Escrow Account Cash Flow

| Date | Total Cash Receipts From | | Escrow Requirements Related to Refunded Bonds (Exhibits A-2) | Cash Balance |
|---|----------------------------|---------------------|--|-----------------|
| | 2005 SLGS (Exhibit A-1) | Prior-Money SLGS | | |
| Initial cash deposit on October 11, 2005 | \$ - | \$ - | \$ - | \$ 0.83 |
| 12/01/05 | 111,270.80 | 19,999.17 (a) | 131,270.00 | 0.80 |
| 06/01/06 | 131,270.02 | - | 131,270.00 | 0.82 |
| 12/01/06 | 131,270.02 | - | 131,270.00 | 0.84 |
| 06/01/07 | 131,270.02 | - | 131,270.00 | 0.86 |
| 12/01/07 | 131,270.02 | - | 131,270.00 | 0.88 |
| 06/01/08 | 131,270.02 | - | 131,270.00 | 0.90 |
| 12/01/08 | 131,270.02 | - | 131,270.00 | 0.92 |
| 06/01/09 | 131,270.02 | - | 131,270.00 | 0.94 |
| 12/01/09 | 131,270.02 | - | 131,270.00 | 0.96 |
| 06/01/10 | 131,270.02 | - | 131,270.00 | 0.98 |
| 12/01/10 | 5,081,269.02 | - | 5,081,270.00 | 0.00 |
| | <u>\$ 6,373,970.00</u> | <u>\$ 19,999.17</u> | <u>\$ 6,393,970.00</u> | |

(a) Represents the cash receipt from a 0.00 percent, \$19,999.17 SLGS Certificate.

City of Camas, Washington

Cash Receipts From and Yield on 2005 SLGS

| Receipt Date | Type | Interest Rate | Principal | Interest | Total Cash Receipts From 2005 SLGS | Present Value on October 11, 2005 Using a Yield of 3.7001346% |
|--------------|-------|---------------|------------------------|----------------------|------------------------------------|---|
| 12/01/05 | Cert. | 0.00% | \$ 84,675.83 | \$ 26,594.97 | \$ 111,270.80 | \$ 110,705.64 |
| 06/01/06 | Cert. | 0.00% | 35,841.00 | 95,429.02 | 131,270.02 | 128,230.92 |
| 12/01/06 | Note | 0.00% | 35,841.00 | 95,429.02 | 131,270.02 | 125,901.65 |
| 06/01/07 | Note | 0.00% | 35,841.00 | 95,429.02 | 131,270.02 | 123,614.70 |
| 12/01/07 | Note | 0.00% | 35,841.00 | 95,429.02 | 131,270.02 | 121,369.28 |
| 06/01/08 | Note | 0.00% | 35,841.00 | 95,429.02 | 131,270.02 | 119,164.66 |
| 12/01/08 | Note | 0.00% | 35,841.00 | 95,429.02 | 131,270.02 | 117,000.08 |
| 06/01/09 | Note | 0.00% | 35,841.00 | 95,429.02 | 131,270.02 | 114,874.82 |
| 12/01/09 | Note | 0.00% | 35,841.00 | 95,429.02 | 131,270.02 | 112,788.16 |
| 06/01/10 | Note | 0.00% | 35,841.00 | 95,429.02 | 131,270.02 | 110,739.41 |
| 12/01/10 | Note | (a) | 4,985,840.00 | 95,429.02 | 5,081,269.02 | 4,208,695.51 |
| | | | <u>\$ 5,393,084.83</u> | <u>\$ 980,885.17</u> | <u>\$ 6,373,970.00</u> | <u>\$ 5,393,084.83</u> |

Purchase price of 2005 SLGS

\$ 5,393,084.83

(a) Consists of a 0.00 percent, \$226,288 SLGS Note and a 4.01 percent, \$4,759,552 SLGS Note.

The sum of the present values of future cash receipts from the 2005 SLGS, on October 11, 2005 using a yield of 3.7001346 percent, is equal to the purchase price of the 2005 SLGS; therefore, the yield on the 2005 SLGS is equal to 3.7001346 percent.

City of Camas, Washington

Escrow Requirements Related to Refunded Bonds

| Date | Principal | Interest | Escrow Requirements Related to Refunded Bonds |
|----------|---------------------|------------------------|---|
| 12/01/05 | \$ - | \$ 131,270.00 | \$ 131,270.00 |
| 06/01/06 | - | 131,270.00 | 131,270.00 |
| 12/01/06 | - | 131,270.00 | 131,270.00 |
| 06/01/07 | - | 131,270.00 | 131,270.00 |
| 12/01/07 | - | 131,270.00 | 131,270.00 |
| 06/01/08 | - | 131,270.00 | 131,270.00 |
| 12/01/08 | - | 131,270.00 | 131,270.00 |
| 06/01/09 | - | 131,270.00 | 131,270.00 |
| 12/01/09 | - | 131,270.00 | 131,270.00 |
| 06/01/10 | - | 131,270.00 | 131,270.00 |
| 12/01/10 | 4,950,000 (1) | 131,270.00 | 5,081,270.00 |
| | <u>\$ 4,950,000</u> | <u>\$ 1,443,970.00</u> | <u>\$ 6,393,970.00</u> |

(1) Consists of the following bonds to be optionally redeemed at par on December 1, 2010:

| Maturity Date (December 1) | Principal | Interest Rate |
|----------------------------|---------------------|---------------|
| 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% |
| | <u>\$ 4,950,000</u> | |

City of Camas, Washington

Estimated Sources and Uses of Funds

Sources:

| | |
|-------------------------------|------------------------|
| Principal amount of 2005 Bond | \$ 5,432,000.00 |
| Funds provided by Issuer | 20,000.00 |
| | <u>\$ 5,452,000.00</u> |

Uses:

| | |
|--|------------------------|
| Purchase price of 2005 SLGS | \$ 5,393,084.83 |
| Purchase price of Prior-Money SLGS | 19,999.17 |
| Initial cash deposit to escrow account | 0.83 |
| Issuance costs | 38,744.00 |
| Contingency | 171.17 |
| | <u>\$ 5,452,000.00</u> |

City of Camas, Washington

Yield on 2005 Bond

| Debt Service Payment Date | Principal | Interest Rate | Interest | Total Debt Service | Present Value on October 11, 2005 Using a Yield of 3.7003996% |
|---------------------------|-----------|---------------|--------------|--------------------|---|
| 12/01/05 | \$ 99,000 | 3.70% | \$ 27,914.44 | \$ 126,914.44 | \$ 126,269.78 |
| 06/01/06 | - | - | 98,660.50 | 98,660.50 | 96,376.20 |
| 12/01/06 | 36,000 | 3.70% | 98,660.50 | 134,660.50 | 129,153.09 |
| 06/01/07 | - | - | 97,994.50 | 97,994.50 | 92,279.33 |
| 12/01/07 | 38,000 | 3.70% | 97,994.50 | 135,994.50 | 125,736.73 |
| 06/01/08 | - | - | 97,291.50 | 97,291.50 | 88,318.94 |
| 12/01/08 | 39,000 | 3.70% | 97,291.50 | 136,291.50 | 121,474.70 |
| 06/01/09 | - | - | 96,570.00 | 96,570.00 | 84,507.92 |
| 12/01/09 | 41,000 | 3.70% | 96,570.00 | 137,570.00 | 118,199.88 |
| 06/01/10 | - | - | 95,811.50 | 95,811.50 | 80,825.62 |
| 12/01/10 | 42,000 | 3.70% | 95,811.50 | 137,811.50 | 114,144.50 |
| 06/01/11 | - | - | 95,034.50 | 95,034.50 | 77,283.88 |
| 12/01/11 | 434,000 | 3.70% | 95,034.50 | 529,034.50 | 422,405.67 |
| 06/01/12 | - | - | 87,005.50 | 87,005.50 | 68,207.25 |
| 12/01/12 | 450,000 | 3.70% | 87,005.50 | 537,005.50 | 413,333.59 |
| 06/01/13 | - | - | 78,680.50 | 78,680.50 | 59,460.31 |
| 12/01/13 | 466,000 | 3.70% | 78,680.50 | 544,680.50 | 404,147.62 |
| 06/01/14 | - | - | 70,059.50 | 70,059.50 | 51,039.14 |
| 12/01/14 | 486,000 | 3.70% | 70,059.50 | 556,059.50 | 397,736.72 |
| 06/01/15 | - | - | 61,068.50 | 61,068.50 | 42,887.41 |
| 12/01/15 | 500,000 | 3.70% | 61,068.50 | 561,068.50 | 386,871.33 |
| 06/01/16 | - | - | 51,818.50 | 51,818.50 | 35,081.13 |
| 12/01/16 | 519,000 | 3.70% | 51,818.50 | 570,818.50 | 379,424.11 |
| 06/01/17 | - | - | 42,217.00 | 42,217.00 | 27,551.95 |
| 12/01/17 | 542,000 | 3.70% | 42,217.00 | 584,217.00 | 374,349.54 |
| 06/01/18 | - | - | 32,190.00 | 32,190.00 | 20,251.73 |
| 12/01/18 | 558,000 | 3.70% | 32,190.00 | 590,190.00 | 364,561.83 |

(Continued)

City of Camas, Washington

Yield on 2005 Bond (Continued)

| Debt Service Payment Date | Principal | Interest Rate | Interest | Total Debt Service | Present Value on October 11, 2005 Using a Yield of 3.7003996% |
|---------------------------|---------------------|---------------|------------------------|------------------------|---|
| 06/01/19 | - | - | 21,867.00 | 21,867.00 | 13,261.93 |
| 12/01/19 | 579,000 | 3.70% | 21,867.00 | 600,867.00 | 357,794.72 |
| 06/01/20 | - | - | 11,155.50 | 11,155.50 | 6,522.03 |
| 12/01/20 | 603,000 | 3.70% | 11,155.50 | 614,155.50 | 352,541.42 |
| | <u>\$ 5,432,000</u> | | <u>\$ 2,102,763.44</u> | <u>\$ 7,534,763.44</u> | <u>\$ 5,432,000.00</u> |

Issue price of 2005 Bond for yield calculation purposes:

Principal amount of 2005 Bond \$ 5,432,000.00

The sum of the present values of debt service payments to be made on the 2005 Bond, on October 11, 2005 using a yield of 3.7003996 percent, is equal to the issue price of the 2005 Bond for yield calculation purposes; therefore, the yield on the 2005 Bond is equal to 3.7003996 percent.

FEDERAL TAX CERTIFICATE

I, the undersigned officer of the City of Camas, Washington (the "City"), make this certification for the benefit of all persons interested in the exclusion from gross income for federal income tax purposes of the interest to be paid on the City's Unlimited Tax General Obligation Refunding Bond, 2005 (the "Bond"), which is being issued in the aggregate principal amount of \$5,432,000 and delivered simultaneously with the delivery of this certificate. I do hereby certify as follows in good faith on the date of issue of the Bond:

1. Responsible Officer. I am the duly chosen, qualified and acting officer of the City for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the City. I am the officer of the City charged, along with other officers of the City, with responsibility for issuing the Bond.

2. Code and Regulations. The Bond is subject to the requirements of sections 141, 148, 149 and 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations (the "Regulations") heretofore promulgated under sections 141, 148, 149 and 150 of the Code. These provisions of the Code and Regulations impose restrictions on the use of bond-financed facilities and on the investment of bond proceeds. This certificate is being executed and delivered pursuant to sections 1.141-1 through 1.141-15, 1.148-0 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2 of the Regulations.

3. Definitions. The capitalized terms used in this certificate (unless otherwise defined) that are defined in the ordinance authorizing the issuance of the Bond passed on October 3, 2005 (the "Bond Ordinance") shall for all purposes hereof have the meanings therein specified. All terms defined in the Code or Regulations shall for all purposes of this certificate have the same meanings as given to those terms in the Code and Regulations unless the context clearly requires otherwise.

4. Reasonable Expectations. The facts and estimates that are set forth in this certificate are accurate. The expectations that are set forth in this certificate are reasonable in light of such facts and estimates. There are no other facts or estimates that would materially change such expectations. In connection with this certificate, the undersigned has to the extent necessary reviewed the certifications set forth herein with other representatives of the City as to such accuracy and reasonableness. The undersigned has also relied, to the extent appropriate, on representations set forth in the certificate of Banc of America Securities LLC, the structuring agent for the Bond (the "Structuring Agent"), attached hereto as Exhibit A and the report of McGladrey & Pullen LLP, certified public accountants, dated October 11, 2005 (the "Report"). The undersigned is aware of no fact, estimate or circumstance that would create any doubt regarding the accuracy or reasonableness of all or any portion of such documents.

5. Description of Governmental Purpose. The City is issuing the Bond pursuant to the Bond Ordinance (a) to provide funds that will be used to advance refund and defease a portion of the City's Unlimited Tax General Obligation Bonds, 2000 (the "Prior Bonds"), pursuant to the Escrow Agreement and (b) to pay the costs of issuance of the Bond. The Report details all relevant aspects of the application of the proceeds of the Bond and the City's program

to refund the Prior Bonds. Specifically, all of the Prior Bonds maturing on December 1, 2011 through December 1, 2020, inclusive, in the amount of \$4,950,000 (the "Refunded Bonds") will be called for redemption and retired with proceeds of the Bond. The Refunded Bonds are being defeased in order to achieve a present-value savings in the debt service payable by the City. The first date on which the Refunded Bonds are subject to optional redemption is December 1, 2010 and on such date all of the Refunded Bonds will be called for redemption in advance of their scheduled maturities and retired with proceeds of the Bond. The City has no present intent to issue any additional bonds. The Bond is the first advance refunding of the Prior Bonds, all of which financed capital expenditures.

6. The Prior Bonds. No portion of the purchase price of any of the Prior Bonds represents a loan made from the proceeds of another tax-exempt obligation. All of the sale and investment proceeds allocable to the Prior Bonds have been expended, except for approximately \$520,000 (the "Construction Fund Amount") on deposit in the Construction Fund for the Prior Bonds. No portion of the proceeds of the Prior Bonds was used to pay the principal of, or interest on, any other issue of governmental obligations. In addition, other than to the extent of preliminary expenditures (i.e., architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of a project, other than land acquisition, site preparation, and similar costs incident to commencement of construction), no portion of the proceeds of the Prior Bonds was used to reimburse the City for any expenditures made by the City prior to the respective issuance date of the Prior Bonds or 60 days prior to the date that the City adopted a declaration of intent to reimburse itself from proceeds of the Prior Bonds.

7. Use of Amounts Allocable to Prior Bonds. Other than amounts described in paragraph 6 above, there are no amounts on hand that represent proceeds of the Prior Bonds, replacement proceeds of the Prior Bonds or accumulated earnings on such proceeds. The City will contribute \$20,000 of the Construction Fund Amount to the refunding of the Refunded Bonds.

8. Expenditure of Proceeds of the Bond. The sale proceeds from the issuance of the Bond will be \$5,432,000. No portion of the purchase price of the Bond is provided by the issuance of any other issue of obligations. The sale proceeds will be expended as follows:

(a) The amount of \$5,393,084.00 will be deposited in the escrow fund established pursuant to the Escrow Agreement (the "Refunding Account") and used on the date hereof to purchase United States Treasury Certificates of Indebtedness and Notes, State and Local Government Series (the "Escrowed Securities"), the proceeds of which will be used as described in the Report to pay the principal of, and interest and redemption premium, if any, on, the Refunded Bonds. No portion of the proceeds of the Bond is expected to be used to pay any interest on, or principal of, any issue of governmental obligations other than the Bond and the Refunded Bonds.

(b) The amount of \$38,744.00 will be disbursed to pay costs of issuance of the Bond.

(c) The amount of \$171.17 represents a rounding amount and will be deposited in the costs of issuance fund and used to pay any additional costs of issuance on the Bond.

(d) The amount of \$0.83 will be deposited as the initial cash balance in the Refunding Account and disbursed on December 1, 2005, to pay debt service on the Refunded Bonds.

9. Pre-issuance Accrued Interest. The Bond is dated as of the initial date of delivery to the Bank, and the City will not receive accrued interest on the Bond.

10. Investment Proceeds. Except for earnings on the amounts described in paragraphs 8(b) and 8(c), all amounts received by the City, such as interest and dividends, resulting from the investment of any original proceeds or investment proceeds of the Bond will be deposited in the Refunding Account for the Refunded Bonds and used to pay the principal of, and interest and redemption premium, if any, on, the Refunded Bonds. Earnings on the amounts described in paragraphs 8(b) and 8(c) will be used for one of the purposes described in such paragraphs.

11. Transferred Proceeds. The City expects to spend the remaining portion of the Construction Fund Amount prior to December 31, 2009. Accordingly, there are no transferred proceeds with respect to the Bond because all of the proceeds of Refunded Bonds have been or will be expended prior to the first dates on which amounts are disbursed from the Refunding Account to pay principal of the Refunded Bonds.

12. No Replacement Proceeds. Other than amounts described herein, there are no amounts that have a sufficiently direct nexus to the Bond or to the governmental purposes of the Bond, including the expected use of amounts to pay debt service on the Refunded Bonds, that the amounts would have been used for such purpose if the proceeds of the Bond were not used or to be used for such purpose.

(a) No Sinking Funds. Other than to the extent described herein, there is no debt service fund, redemption fund, reserve fund, replacement fund, or similar fund reasonably expected to be used directly or indirectly to pay principal or interest on the Bond.

(b) No Pledged Funds. Other than amounts described herein, there is no amount that is directly or indirectly, other than solely by reason of the mere availability or preliminary earmarking, pledged to pay principal or interest on the Bond, or to a guarantor of part or all of the Bond, such that such pledge provides reasonable assurance that such amount will be available to pay principal or interest on the Bond if the City encounters financial difficulty. For purposes of this certification, an amount is treated as so pledged if it is held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the holders or the guarantor of the Bond.

(c) No Other Replacement Proceeds. There are no other replacement proceeds allocable to the Bond because the City reasonably expects that the term of the Bond will not be longer than is reasonably necessary for the governmental purposes of the Bond. Furthermore, if the term of the Bond is longer than is reasonably necessary for the governmental purposes of the Bond, the City does not reasonably expect to have available amounts during the portion of such period that is longer than is reasonably necessary. The Bond would be issued to achieve a debt service savings independent of any arbitrage benefit as evidenced by the expectation that the Bond reasonably would have been issued if the interest on the Bond were included in gross

income (assuming that the hypothetical taxable interest rate would be the same as the actual tax-exempt interest rate).

(d) Weighted Average Maturity. The weighted average maturity of the Bond, which has been computed by the Structuring Agent as set forth on Exhibit A, does not exceed the remaining weighted average maturity of the Refunded Bonds and the weighted average maturity of the Refunded Bonds is not greater than 120 percent of the weighted average estimated economic life of the portion of the project financed by the Refunded Bonds, determined in accordance with section 147(b) of the Code. Such weighted average estimated economic life is determined in accordance with the following assumptions: (a) The weighted average was determined by taking into account the respective costs of each of the assets financed by the Refunded Bonds; (b) the reasonably expected economic life of an asset was determined as of the later of the date hereof or the date on which such asset is expected to be placed in service (i.e., available for use for the intended purposes of such asset); (c) the economic lives used in making this determination are not greater than the useful lives used for depreciation under section 167 of the Code prior to the enactment of the current system of depreciation in effect under section 168 of the Code (i.e., the “mid-point lives”) under the asset depreciation range (“ADR”) system of section 167(m) of the Code, as set forth in Revenue Procedure 83-35, 1983-1 C.B. 745, where applicable, and the “guideline lives” under Revenue Procedure 62-21, 1962-2 C.B. 418, in the case of structures; and (d) land or any interest therein has not been taken into account in determining the average reasonably expected economic life of such project, unless 25 percent or more of the net proceeds of any issue is to be used to finance land.

13. No Excess Gross Proceeds. Except for the amounts described in paragraph 8(c) above, earnings on the amounts described in paragraphs 8(b) and 8(c) above, all gross proceeds of the Bond, which include amounts on deposit in the Bond Fund and investment earnings on such amount and on sale proceeds of the Bond, are allocable to:

(a) the payment of principal, interest or call premium on the Refunded Bonds as described in paragraph 8(a) above;

(b) the payment of costs of issuance of the Bond as described in paragraph 8(b) above;

(c) a reasonably required reserve or replacement fund as described in paragraph 7 above and paragraph 16 below;

(d) the payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Bond or investments of Bond proceeds;

(e) transferred proceeds allocable to expenditures for the governmental purpose of the Prior Bonds as described in paragraph 7 above (if any); and

(f) replacement proceeds in a sinking fund (such as the Bond Fund) for the Bond.

Investment earnings on the amounts described in paragraphs 8(b) and 8(c) are expected to be de minimis; therefore, the sum of the investment earnings on the amounts described in

paragraphs 8(b) and 8(c), and the amount in paragraph 8(c) will be less than one percent of the original proceeds of the Bond.

14. Yield on the Bond. For the purposes of this certificate, the yield on the Bond is the discount rate that, when used in computing the present value as of the issue date of the Bond, of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the Bond, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Bond as of the issue date. For purposes of determining the yield on the Bond, the issue price of the Bond is the price paid for the Bond by Bank of America, N.A. Based upon the representations of the Structuring Agent set forth in Exhibit A hereto, the issue price of the Bond aggregated \$5,432,000.

The yield with respect to that portion of the Bond subject to optional redemption is computed by treating such Bond as retired at the stated redemption price at the final maturity date because (a) the City has no present intention to redeem prior to maturity the portion of the Bond that is subject to optional redemption; (b) no portion of the Bond is subject to optional redemption at any time for a price less than the retirement price at final maturity plus accrued interest; (c) no portion of the Bond is subject to optional redemption within five years of the issue date of the Bond; (d) no portion of the Bond subject to optional redemption is issued at an issue price that exceeds the stated redemption price at maturity of such Bond by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity of such portion of the Bond and the number of complete years to the first optional redemption date for such Bond; and (e) no portion of the Bond subject to optional redemption bears interest at a rate that increases during the term of the Bond.

The yield on the Bond calculated in this manner, as shown in the Report, is 3.700400 percent.

15. Temporary Periods and Yield Restriction.

(a) Uninvested Amounts. The amounts described in paragraph 8(d) will not be invested and, therefore, are not subject to yield restriction.

(b) Issuance Costs. It is expected that the amount described in paragraph 8(b) will be disbursed within 13 months of the date hereof for costs of issuing the Bond; therefore, such amount will be invested for an allowable temporary period. To the extent any portion of the amount described in paragraph 8(b) is not expended within 13 months, the City will take steps to restrict the investment of such amounts to a yield which is not materially higher than the yield on the Bond.

(c) Rounding Amount. The amount described in paragraph 8(c) will be invested at a yield that is not higher than the yield on the Bond.

(d) Yield on the Escrowed Securities. The yield on the Escrowed Securities is computed using the same compounding interval and financial conventions used to compute the yield on the Bond. The yield on the Escrowed Securities is the discount rate that, when used in computing the present value as of the date the Escrowed Securities were first allocated to the Bond of all unconditionally payable receipts to be actually or constructively received from the

Escrowed Securities, produces an amount equal to the amounts to be actually or constructively paid for the Escrowed Securities. The Escrowed Securities are all yield-restricted nonpurpose investments that are a single class of investments and that are treated as a single investment because all of the Escrowed Securities were purchased with Bond proceeds and held in a refunding escrow as described in paragraph 8(a) above. Such purchase price is equal to the price paid by the City to the United States for the Escrowed Securities. As shown in the Report, the yield on the Escrowed Securities determined in this manner is 3.700135 percent, a yield that is not higher than the yield on the Bond.

Pursuant to section 1.148-9(g) of the Regulations, the City hereby elects to waive the temporary period available with respect to those proceeds of the Bond deposited in the Refunding Account as described in paragraph 8(a) above to the extent such proceeds are used to purchase investments the proceeds of which are to be used to pay debt service on the Refunded Bonds.

The City has covenanted in the Bond Ordinance to comply with, among other things, the requirements of section 148(f) of the Code and, if required, the City will satisfy this requirement with respect to earnings on the Escrowed Securities out of funds other than those in the Refunding Account.

16. Bond Fund. Pursuant to the Bond Ordinance, the City has created a new debt service fund designated the "Unlimited Tax General Obligation Bond Redemption Fund" (the "Bond Fund") and the proceeds from all taxes levied, assessed and collected for and on account of the Bond are to be deposited in such Bond Fund. The City expects that taxes levied, assessed and collected for and on account of the Bond will be sufficient each year to pay such debt service. All amounts which will be depleted at least once each bond year, except for a reasonable carryover amount not in excess of the greater of the earnings on such portion of the Bond Fund for the immediately preceding bond year or one-twelfth of the principal and interest payments on the Bond for the immediately preceding bond year, will constitute a bona fide debt service fund. The Bond Fund will be used primarily to achieve a proper matching of revenues and principal and interest payments on the Bond within each bond year. Amounts held in the Bond Fund will be invested at an unrestricted yield because such amounts will be expended within 13 months of the date such amounts are received.

17. Waiver of Minor Portion. Pursuant to section 1.148-9(g) of the Regulations, the City hereby elects to waive the minor portion available under section 1.148-9(f) of the Regulations.

18. Issue. There are no other obligations that (a) are sold at substantially the same time as the Bond (i.e., within 15 days), (b) are sold pursuant to the same plan of financing with the Bond, and (c) will be paid out of substantially the same source of funds as the Bond.

19. Compliance With Rebate Requirements. The City expects to qualify for an exception to the requirements of section 148(f) of the Code relating to required rebate to the United States. In the event the City does not qualify for such exception, the City has covenanted in the Bond Ordinance that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the Bond, within the

meaning of section 148(f) of the Code be rebated to the federal government. Specifically, the City will (a) maintain records regarding the investment of the gross proceeds of the Bond as may be required to calculate such rebatable arbitrage earnings separately from records of amounts on deposit in the funds and accounts of the City which are allocable to other bond issues of the City or moneys which do not represent gross proceeds of any bonds of the City, (b) calculate at such intervals as may be required by applicable Regulations, the amount of rebatable arbitrage earnings, if any, earned from the investment of the gross proceeds of the Bond and (c) pay, not less often than every fifth anniversary date of the delivery of the Bond and within 60 days following the final maturity of the Bond, or on such other dates required or permitted by applicable Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bond that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's-length and had the yield on the issue not been relevant to either party.

The City hereby covenants to pay any rebate due on the Prior Bonds within 60 days after the date the Prior Bonds are retired.

20. Not an Abusive Transaction.

(a) General. No action taken in connection with the issuance of the Bond is or will have the effect of (a) enabling the City to exploit, other than during an allowable temporary period, the difference between tax-exempt and taxable interest rates to obtain a material financial advantage (including as a result of an investment of any portion of the gross proceeds of the Bond over any period of time, notwithstanding that, in the aggregate, the gross proceeds of the Bond are not invested in higher yielding investments over the term of the Bond), and (b) overburdening the tax-exempt bond market by issuing more bonds, issuing bonds earlier, or allowing bonds to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Bond, based on all the facts and circumstances. Specifically, (i) the primary purpose of each transaction undertaken in connection with the issuance of the Bond is a bona fide governmental purpose; (ii) each action taken in connection with the issuance of the Bond would reasonably be taken to accomplish the governmental purposes of the Bond if the interest on the Bond were not excludable from gross income for federal income tax purposes (assuming the hypothetical taxable interest rate would be the same as the actual tax-exempt interest rate on the Bond); (iii) the proceeds of the Bond will not exceed by more than a minor portion the amount necessary to accomplish the governmental purposes of the Bond and will in fact not be substantially in excess of the amount of proceeds allocated to expenditures for the governmental purposes of the Bond.

(b) No Re-refunding. No portion of the Refunded Bonds has been refunded or defeased other than by reason of the issuance of the Bond.

(c) No Sinking Fund. No portion of the Bond has a term that has been lengthened primarily for the purpose of creating a sinking fund or similar fund with respect to the Bond and thereby eliminating significant amounts of negative arbitrage in the Refunding Account.

(d) No Noncallable Bonds. The Refunded Bonds do not include any noncallable Prior Bonds.

(e) No Window Refunding. No portion of the Bond has been structured with maturity dates the primary purpose of which is to make available released revenues that will enable the City to avoid transferred proceeds or to make available revenues that may be invested to be ultimately used to pay debt service on another issue of obligations.

(f) No Sale of Conduit Loan. No portion of the gross proceeds of the Prior Bonds or the Bond has been or will be used to acquire, finance, or refinance any conduit loan to any party.

21. No Arbitrage. On the basis of the foregoing facts, estimates and circumstances, it is expected that the gross proceeds of the Bond will not be used in a manner that would cause any of the Bond to be an “arbitrage bond” within the meaning of section 148 of the Code and the Regulations. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change such expectations.

22. No Private Use, Payments or Loan Financing.

(a) General. The City reasonably expects, as of the date hereof, that no action or event during the entire stated term of the Bond will cause either the “private business tests” or the “private loan financing test,” as such terms are defined in the Regulations, to be met. Specifically,

(i) Not more than 10 percent of the proceeds of the Bond will be used and no portion of the proceeds of the Prior Bonds has been used in a trade or business of a nongovernmental person. For purposes of determining use, the City will apply rules set forth in applicable Regulations and Revenue Procedures promulgated by the Internal Revenue Service, including, among others, the following rules: (A) any activity carried on by a person other than a natural person or a state or local governmental unit will be treated as a trade or business of a nongovernmental person; (B) the use of all or any portion of the projects financed by the Prior Bonds (the “Project”) is treated as the direct use of proceeds; (C) a nongovernmental person will be treated as a private business user of proceeds of the Bond or the Prior Bonds as a result of ownership, actual or beneficial use of the proceeds pursuant to a lease, or a management or incentive payment contract, or certain other arrangements such as a take-or-pay or other output-type contract; and (D) the private business use test is met if a nongovernmental person has special legal entitlements to use directly or indirectly the Project.

(ii) The City has not taken and will not take any deliberate action that would cause or permit the use of any portion of the Project to change such that such portion will be deemed to be used in the trade or business of a nongovernmental person for so long as the Bond remains outstanding (or until an opinion of nationally recognized bond counsel is received to the effect that such change in use will not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Bond). For this purpose any action within the control of the City is treated as a deliberate action. A deliberate action occurs on the date the City enters into a binding contract with a nongovernmental person for use of the Project that is not subject to any material contingencies.

(iii) No portion of the proceeds of the Bond will be directly or indirectly used to make or finance a loan to any person other than a state or local governmental unit.

(b) Dispositions of Personal Property in the Ordinary Course. The City does not reasonably expect that it will sell or otherwise dispose of personal property components of the Project refinanced with the Bond other than in the ordinary course of an established governmental program that satisfies the following requirements:

(i) The weighted average maturity of the portion of the Bond refinancing personal property is not greater than 120 percent of the reasonably expected actual use of such personal property for governmental purposes;

(ii) The reasonably expected fair market value of such personal property on the date of disposition will be not greater than 25 percent of its cost;

(iii) Such personal property will no longer be suitable for its governmental purposes on the date of disposition; and

(iv) The City is required to deposit amounts received from such disposition in a commingled fund with substantial tax or other governmental revenues and the City reasonably expects to spend such amounts on governmental programs within 6 months from the date of commingling.

(c) Other Agreements. The City will not enter into any agreement with any nongovernmental person regarding the use of all or any portion of the Project during the stated term of the Bond unless such agreement will not adversely affect the treatment of interest on the Bond as excludable from gross income for federal income tax purposes.

23. Weighted Average Maturity. The weighted average maturity of the Bond set forth on Exhibit A attached to this Certificate is the sum of the products of the issue price of the Bond and the number of years to maturity (taking into account mandatory redemptions), divided by the aggregate sale proceeds of the Bond.

24. Bond is not a Hedge Bond. The City represents that not more than 50 percent of the proceeds of the Refunded Bonds were invested in nonpurpose investments (as defined in section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of section 149(g)(3)(A)(ii) of the Code, and the City reasonably expected at the time the Refunded Bonds are a part was issued that at least 85 percent of the spendable proceeds of such issue would be used to carry out the governmental purposes of such issue within the corresponding three-year period beginning on the date of issue of such Refunded Bonds.

EXECUTION PAGE FOLLOWS

CITY OF CAMAS, WASHINGTON

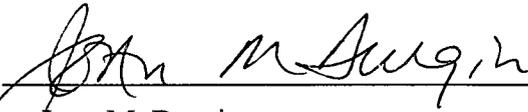
By: 
Name: Joan M. Durgin
Title: Finance Director
Date: October 11, 2005

EXHIBIT A

CERTIFICATE OF STRUCTURING AGENT

Banc of America Securities LLC has acted as structuring agent to the City of Camas, Washington (the "City"), in connection with the sale and delivery of the Unlimited Tax General Obligation Refunding Bond, 2005, in the aggregate amount of \$5,432,000 (the "Bond"). I, the undersigned, hereby certify as follows:

1. I am the duly chosen, qualified and acting officer of the Structuring Agent for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Structuring Agent. I am the officer of the Structuring Agent charged, along with other officers of the Structuring Agent, with responsibility for issuing the Bond.

2. The Bond was purchased by Bank of America, N.A. for \$5,432,000. Bank of America, N.A. has no present intent to reoffer the Bond.

3. The Structuring Agent computed the weighted average maturity of the Bond to be 10.4623 years, as set forth in paragraph 23 of the Federal Tax Certificate to which this certificate is attached.

4. I have worked closely with representatives of the City in structuring the financial terms of the Bond and the refunding of the Refunded Bonds. The Structuring Agent has also performed certain computations that are the subject of the Report. I hereby confirm that the schedules that are described in the Report as provided by the Structuring Agent are true, accurate and complete. I further hereby represent that to the best of my knowledge the statements set forth in paragraph 20 of the Federal Tax Certificate to which this certificate is attached, are true.

The Structuring Agent hereby authorizes the City to rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate to which this certificate is attached and in its efforts to comply with the conditions imposed by the Code on the exclusion of interest on the Bond from the gross income of its owner. The Structuring Agent hereby authorizes Preston Gates & Ellis LLP to rely on this certificate for purposes of its opinion regarding the treatment of interest on the Bond as excludable from gross income for federal income tax purposes. Capitalized terms used herein and not otherwise defined have the meaning ascribed to such terms in the Federal Tax Certificate to which this certificate is attached.

BANC OF AMERICA SECURITIES LLC

By: Jane Towery

Name: Jane Towery

Title: Managing Director

Date: 10/4/05

SUMMARY OF REFUNDING RESULTS

City of Camas, Washington
UTGO Refunding Bond, 2005
BANA Direct Placement

| | |
|--|--------------|
| Dated Date | 10/11/2005 |
| Delivery Date | 10/11/2005 |
| Arbitrage yield | 3.700400% |
| Escrow yield | 3.700135% |
| | |
| Bond Par Amount | 5,432,000.00 |
| True Interest Cost | 3.700400% |
| Net Interest Cost | 3.700000% |
| Average Coupon | 3.700000% |
| Average Life | 10.462 |
| | |
| Par amount of refunded bonds | 4,950,000.00 |
| Average coupon of refunded bonds | 5.345384% |
| Average life of refunded bonds | 11.060 |
| | |
| PV of prior debt to 10/11/2005 @ 3.700400% | 5,766,998.99 |
| Net PV Savings | 315,170.16 |
| Percentage savings of refunded bonds | 6.367074% |
| Percentage savings of refunding bonds | 5.802102% |
| Percentage savings of refunding proceeds | 5.802102% |

SAVINGS

City of Camas, Washington
UTGO Refunding Bond, 2005
BANA Direct Placement

| Date | Prior Debt Service | Refunding Debt Service | Savings | Annual Savings | Present Value to 10/11/2005 @ 3.7003996% |
|------------|--------------------|------------------------|------------|----------------|--|
| 12/01/2005 | 131,270.00 | 126,914.44 | 4,355.56 | 4,355.56 | 4,333.44 |
| 06/01/2006 | 131,270.00 | 98,660.50 | 32,609.50 | | 31,854.49 |
| 12/01/2006 | 131,270.00 | 134,660.50 | -3,390.50 | 29,219.00 | -3,251.83 |
| 06/01/2007 | 131,270.00 | 97,994.50 | 33,275.50 | | 31,334.83 |
| 12/01/2007 | 131,270.00 | 135,994.50 | -4,724.50 | 28,551.00 | -4,368.14 |
| 06/01/2008 | 131,270.00 | 97,291.50 | 33,978.50 | | 30,844.88 |
| 12/01/2008 | 131,270.00 | 136,291.50 | -5,021.50 | 28,957.00 | -4,475.59 |
| 06/01/2009 | 131,270.00 | 96,570.00 | 34,700.00 | | 30,365.79 |
| 12/01/2009 | 131,270.00 | 137,570.00 | -6,300.00 | 28,400.00 | -5,412.95 |
| 06/01/2010 | 131,270.00 | 95,811.50 | 35,458.50 | | 29,912.43 |
| 12/01/2010 | 131,270.00 | 137,811.50 | -6,541.50 | 28,917.00 | -5,418.10 |
| 06/01/2011 | 131,270.00 | 95,034.50 | 36,235.50 | | 29,467.40 |
| 12/01/2011 | 521,270.00 | 529,034.50 | -7,764.50 | 28,471.00 | -6,199.54 |
| 06/01/2012 | 121,520.00 | 87,005.50 | 34,514.50 | | 27,057.36 |
| 12/01/2012 | 531,520.00 | 537,005.50 | -5,485.50 | 29,029.00 | -4,222.19 |
| 06/01/2013 | 111,065.00 | 78,680.50 | 32,384.50 | | 24,473.57 |
| 12/01/2013 | 541,065.00 | 544,680.50 | -3,615.50 | 28,769.00 | -2,682.67 |
| 06/01/2014 | 100,100.00 | 70,059.50 | 30,040.50 | | 21,884.84 |
| 12/01/2014 | 555,100.00 | 556,059.50 | -959.50 | 29,081.00 | -686.31 |
| 06/01/2015 | 88,270.00 | 61,068.50 | 27,201.50 | | 19,103.17 |
| 12/01/2015 | 563,270.00 | 561,068.50 | 2,201.50 | 29,403.00 | 1,517.99 |
| 06/01/2016 | 75,682.50 | 51,818.50 | 23,864.00 | | 16,155.93 |
| 12/01/2016 | 575,682.50 | 570,818.50 | 4,864.00 | 28,728.00 | 3,233.11 |
| 06/01/2017 | 62,432.50 | 42,217.00 | 20,215.50 | | 13,193.18 |
| 12/01/2017 | 592,432.50 | 584,217.00 | 8,215.50 | 28,431.00 | 5,264.26 |
| 06/01/2018 | 48,122.50 | 32,190.00 | 15,932.50 | | 10,023.63 |
| 12/01/2018 | 603,122.50 | 590,190.00 | 12,932.50 | 28,865.00 | 7,988.44 |
| 06/01/2019 | 33,137.50 | 21,867.00 | 11,270.50 | | 6,835.35 |
| 12/01/2019 | 618,137.50 | 600,867.00 | 17,270.50 | 28,541.00 | 10,283.96 |
| 06/01/2020 | 17,050.00 | 11,155.50 | 5,894.50 | | 3,446.20 |
| 12/01/2020 | 637,050.00 | 614,155.50 | 22,894.50 | 28,789.00 | 13,142.05 |
| | 7,971,270.00 | 7,534,763.44 | 436,506.56 | 436,506.56 | 334,998.99 |

Savings Summary

| | |
|-------------------------------|------------|
| PV of savings from cash flow | 334,998.99 |
| Less: Prior funds on hand | -20,000.00 |
| Plus: Refunding funds on hand | 171.17 |
| Net PV Savings | 315,170.16 |

BOND SUMMARY STATISTICS

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

| | |
|---------------------------------|--------------|
| Dated Date | 10/11/2005 |
| Delivery Date | 10/11/2005 |
| Last Maturity | 12/01/2020 |
| Arbitrage Yield | 3.700400% |
| True Interest Cost (TIC) | 3.700400% |
| Net Interest Cost (NIC) | 3.700000% |
| All-In TIC | 3.785127% |
| Average Coupon | 3.700000% |
| Average Life (years) | 10.462 |
| Duration of Issue (years) | 8.614 |
| Par Amount | 5,432,000.00 |
| Bond Proceeds | 5,432,000.00 |
| Total Interest | 2,102,763.44 |
| Net Interest | 2,102,763.44 |
| Total Debt Service | 7,534,763.44 |
| Maximum Annual Debt Service | 626,434.00 |
| Average Annual Debt Service | 497,709.14 |
| Underwriter's Fees (per \$1000) | |
| Average Takedown | |
| Other Fee | |

Total Underwriter's Discount

Bid Price 100.000000

| Bond Component | Par Value | Price | Average Coupon | Average Life |
|----------------|--------------|---------|----------------|--------------|
| Serial Bond | 5,432,000.00 | 100.000 | 3.700% | 10.462 |
| | 5,432,000.00 | | | 10.462 |

| | TIC | All-In TIC | Arbitrage Yield |
|----------------------------|--------------|--------------|-----------------|
| Par Value | 5,432,000.00 | 5,432,000.00 | 5,432,000.00 |
| + Accrued Interest | | | |
| + Premium (Discount) | | | |
| - Underwriter's Discount | | | |
| - Cost of Issuance Expense | | | |
| - Other Amounts | | -38,744.00 | |
| Target Value | 5,432,000.00 | 5,393,256.00 | 5,432,000.00 |
| Target Date | 10/11/2005 | 10/11/2005 | 10/11/2005 |
| Yield | 3.700400% | 3.785127% | 3.700400% |

BOND PRICING

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

| Bond Component | Maturity Date | Amount | Rate | Yield | Price |
|----------------|---------------|-----------|--------|--------|---------|
| Serial Bond: | | | | | |
| | 12/01/2005 | 99,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2006 | 36,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2007 | 38,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2008 | 39,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2009 | 41,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2010 | 42,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2011 | 434,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2012 | 450,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2013 | 466,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2014 | 486,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2015 | 500,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2016 | 519,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2017 | 542,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2018 | 558,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2019 | 579,000 | 3.700% | 3.700% | 100.000 |
| | 12/01/2020 | 603,000 | 3.700% | 3.700% | 100.000 |
| | | 5,432,000 | | | |

| | | |
|-------------------------|--------------|-------------|
| Dated Date | 10/11/2005 | |
| Delivery Date | 10/11/2005 | |
| First Coupon | 12/01/2005 | |
| Par Amount | 5,432,000.00 | |
| Original Issue Discount | | |
| Production | 5,432,000.00 | 100.000000% |
| Underwriter's Discount | | |
| Purchase Price | 5,432,000.00 | 100.000000% |
| Accrued Interest | | |
| Net Proceeds | 5,432,000.00 | |

BOND DEBT SERVICE

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|-----------|--------|--------------|--------------|---------------------|
| 10/11/2005 | | | | | |
| 12/01/2005 | 99,000 | 3.700% | 27,914.44 | 126,914.44 | 126,914.44 |
| 06/01/2006 | | | 98,660.50 | 98,660.50 | |
| 12/01/2006 | 36,000 | 3.700% | 98,660.50 | 134,660.50 | 233,321.00 |
| 06/01/2007 | | | 97,994.50 | 97,994.50 | |
| 12/01/2007 | 38,000 | 3.700% | 97,994.50 | 135,994.50 | 233,989.00 |
| 06/01/2008 | | | 97,291.50 | 97,291.50 | |
| 12/01/2008 | 39,000 | 3.700% | 97,291.50 | 136,291.50 | 233,583.00 |
| 06/01/2009 | | | 96,570.00 | 96,570.00 | |
| 12/01/2009 | 41,000 | 3.700% | 96,570.00 | 137,570.00 | 234,140.00 |
| 06/01/2010 | | | 95,811.50 | 95,811.50 | |
| 12/01/2010 | 42,000 | 3.700% | 95,811.50 | 137,811.50 | 233,623.00 |
| 06/01/2011 | | | 95,034.50 | 95,034.50 | |
| 12/01/2011 | 434,000 | 3.700% | 95,034.50 | 529,034.50 | 624,069.00 |
| 06/01/2012 | | | 87,005.50 | 87,005.50 | |
| 12/01/2012 | 450,000 | 3.700% | 87,005.50 | 537,005.50 | 624,011.00 |
| 06/01/2013 | | | 78,680.50 | 78,680.50 | |
| 12/01/2013 | 466,000 | 3.700% | 78,680.50 | 544,680.50 | 623,361.00 |
| 06/01/2014 | | | 70,059.50 | 70,059.50 | |
| 12/01/2014 | 486,000 | 3.700% | 70,059.50 | 556,059.50 | 626,119.00 |
| 06/01/2015 | | | 61,068.50 | 61,068.50 | |
| 12/01/2015 | 500,000 | 3.700% | 61,068.50 | 561,068.50 | 622,137.00 |
| 06/01/2016 | | | 51,818.50 | 51,818.50 | |
| 12/01/2016 | 519,000 | 3.700% | 51,818.50 | 570,818.50 | 622,637.00 |
| 06/01/2017 | | | 42,217.00 | 42,217.00 | |
| 12/01/2017 | 542,000 | 3.700% | 42,217.00 | 584,217.00 | 626,434.00 |
| 06/01/2018 | | | 32,190.00 | 32,190.00 | |
| 12/01/2018 | 558,000 | 3.700% | 32,190.00 | 590,190.00 | 622,380.00 |
| 06/01/2019 | | | 21,867.00 | 21,867.00 | |
| 12/01/2019 | 579,000 | 3.700% | 21,867.00 | 600,867.00 | 622,734.00 |
| 06/01/2020 | | | 11,155.50 | 11,155.50 | |
| 12/01/2020 | 603,000 | 3.700% | 11,155.50 | 614,155.50 | 625,311.00 |
| | 5,432,000 | | 2,102,763.44 | 7,534,763.44 | 7,534,763.44 |

BOND DEBT SERVICE

City of Camas, Washington
UTGO Refunding Bond, 2005
BANA Direct Placement

| Period Ending | Principal | Coupon | Interest | Debt Service |
|------------------|-----------|--------|--------------|--------------|
| 12/01/2005 | 99,000 | 3.700% | 27,914.44 | 126,914.44 |
| 12/01/2006 | 36,000 | 3.700% | 197,321.00 | 233,321.00 |
| 12/01/2007 | 38,000 | 3.700% | 195,989.00 | 233,989.00 |
| 12/01/2008 | 39,000 | 3.700% | 194,583.00 | 233,583.00 |
| 12/01/2009 | 41,000 | 3.700% | 193,140.00 | 234,140.00 |
| 12/01/2010 | 42,000 | 3.700% | 191,623.00 | 233,623.00 |
| 12/01/2011 | 434,000 | 3.700% | 190,069.00 | 624,069.00 |
| 12/01/2012 | 450,000 | 3.700% | 174,011.00 | 624,011.00 |
| 12/01/2013 | 466,000 | 3.700% | 157,361.00 | 623,361.00 |
| 12/01/2014 | 486,000 | 3.700% | 140,119.00 | 626,119.00 |
| 12/01/2015 | 500,000 | 3.700% | 122,137.00 | 622,137.00 |
| 12/01/2016 | 519,000 | 3.700% | 103,637.00 | 622,637.00 |
| 12/01/2017 | 542,000 | 3.700% | 84,434.00 | 626,434.00 |
| 12/01/2018 | 558,000 | 3.700% | 64,380.00 | 622,380.00 |
| 12/01/2019 | 579,000 | 3.700% | 43,734.00 | 622,734.00 |
| 12/01/2020 | 603,000 | 3.700% | 22,311.00 | 625,311.00 |
| | 5,432,000 | | 2,102,763.44 | 7,534,763.44 |

SUMMARY OF BONDS REFUNDED

City of Camas, Washington
UTGO Refunding Bond, 2005
BANA Direct Placement

| Bond | Maturity Date | Interest Rate | Par Amount | Call Date | Call Price |
|---|---------------|---------------|--------------|------------|------------|
| \$7.96 MM UTGO Bonds, 2000 (Ambac Insured), 2000UT: | | | | | |
| SERIAL | 12/01/2011 | 5.000% | 390,000.00 | 12/01/2010 | 100.000 |
| | 12/01/2012 | 5.100% | 410,000.00 | 12/01/2010 | 100.000 |
| | 12/01/2013 | 5.100% | 430,000.00 | 12/01/2010 | 100.000 |
| | 12/01/2014 | 5.200% | 455,000.00 | 12/01/2010 | 100.000 |
| | 12/01/2015 | 5.300% | 475,000.00 | 12/01/2010 | 100.000 |
| | 12/01/2016 | 5.300% | 500,000.00 | 12/01/2010 | 100.000 |
| | 12/01/2017 | 5.400% | 530,000.00 | 12/01/2010 | 100.000 |
| | 12/01/2018 | 5.400% | 555,000.00 | 12/01/2010 | 100.000 |
| | 12/01/2019 | 5.500% | 585,000.00 | 12/01/2010 | 100.000 |
| | 12/01/2020 | 5.500% | 620,000.00 | 12/01/2010 | 100.000 |
| | | | 4,950,000.00 | | |

PRIOR BOND DEBT SERVICE

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|---------------|-----------|--------|--------------|--------------|---------------------|
| 10/11/2005 | | | | | |
| 12/01/2005 | | | 131,270.00 | 131,270.00 | 131,270 |
| 06/01/2006 | | | 131,270.00 | 131,270.00 | |
| 12/01/2006 | | | 131,270.00 | 131,270.00 | 262,540 |
| 06/01/2007 | | | 131,270.00 | 131,270.00 | |
| 12/01/2007 | | | 131,270.00 | 131,270.00 | 262,540 |
| 06/01/2008 | | | 131,270.00 | 131,270.00 | |
| 12/01/2008 | | | 131,270.00 | 131,270.00 | 262,540 |
| 06/01/2009 | | | 131,270.00 | 131,270.00 | |
| 12/01/2009 | | | 131,270.00 | 131,270.00 | 262,540 |
| 06/01/2010 | | | 131,270.00 | 131,270.00 | |
| 12/01/2010 | | | 131,270.00 | 131,270.00 | 262,540 |
| 06/01/2011 | | | 131,270.00 | 131,270.00 | |
| 12/01/2011 | 390,000 | 5.000% | 131,270.00 | 521,270.00 | 652,540 |
| 06/01/2012 | | | 121,520.00 | 121,520.00 | |
| 12/01/2012 | 410,000 | 5.100% | 121,520.00 | 531,520.00 | 653,040 |
| 06/01/2013 | | | 111,065.00 | 111,065.00 | |
| 12/01/2013 | 430,000 | 5.100% | 111,065.00 | 541,065.00 | 652,130 |
| 06/01/2014 | | | 100,100.00 | 100,100.00 | |
| 12/01/2014 | 455,000 | 5.200% | 100,100.00 | 555,100.00 | 655,200 |
| 06/01/2015 | | | 88,270.00 | 88,270.00 | |
| 12/01/2015 | 475,000 | 5.300% | 88,270.00 | 563,270.00 | 651,540 |
| 06/01/2016 | | | 75,682.50 | 75,682.50 | |
| 12/01/2016 | 500,000 | 5.300% | 75,682.50 | 575,682.50 | 651,365 |
| 06/01/2017 | | | 62,432.50 | 62,432.50 | |
| 12/01/2017 | 530,000 | 5.400% | 62,432.50 | 592,432.50 | 654,865 |
| 06/01/2018 | | | 48,122.50 | 48,122.50 | |
| 12/01/2018 | 555,000 | 5.400% | 48,122.50 | 603,122.50 | 651,245 |
| 06/01/2019 | | | 33,137.50 | 33,137.50 | |
| 12/01/2019 | 585,000 | 5.500% | 33,137.50 | 618,137.50 | 651,275 |
| 06/01/2020 | | | 17,050.00 | 17,050.00 | |
| 12/01/2020 | 620,000 | 5.500% | 17,050.00 | 637,050.00 | 654,100 |
| | 4,950,000 | | 3,021,270.00 | 7,971,270.00 | 7,971,270 |

UNREFUNDED BOND DEBT SERVICE

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|-----------|--------|----------|-----------------|---------------------------|
| 10/11/2005 | | | | | |
| 12/01/2005 | 290,000 | 5.000% | 49,375 | 339,375 | 339,375 |
| 06/01/2006 | | | 42,125 | 42,125 | |
| 12/01/2006 | 305,000 | 5.000% | 42,125 | 347,125 | 389,250 |
| 06/01/2007 | | | 34,500 | 34,500 | |
| 12/01/2007 | 320,000 | 5.000% | 34,500 | 354,500 | 389,000 |
| 06/01/2008 | | | 26,500 | 26,500 | |
| 12/01/2008 | 335,000 | 5.000% | 26,500 | 361,500 | 388,000 |
| 06/01/2009 | | | 18,125 | 18,125 | |
| 12/01/2009 | 355,000 | 5.000% | 18,125 | 373,125 | 391,250 |
| 06/01/2010 | | | 9,250 | 9,250 | |
| 12/01/2010 | 370,000 | 5.000% | 9,250 | 379,250 | 388,500 |
| | 1,975,000 | | 310,375 | 2,285,375 | 2,285,375 |

ESCROW REQUIREMENTS

City of Camas, Washington
UTGO Refunding Bond, 2005
BANA Direct Placement

\$7.96 MM UTGO Bonds, 2000 (Ambac Insured) (2000UT)

| Period Ending | Interest | Principal Redeemed | Total |
|------------------|--------------|-----------------------|--------------|
| 12/01/2005 | 131,270.00 | | 131,270.00 |
| 06/01/2006 | 131,270.00 | | 131,270.00 |
| 12/01/2006 | 131,270.00 | | 131,270.00 |
| 06/01/2007 | 131,270.00 | | 131,270.00 |
| 12/01/2007 | 131,270.00 | | 131,270.00 |
| 06/01/2008 | 131,270.00 | | 131,270.00 |
| 12/01/2008 | 131,270.00 | | 131,270.00 |
| 06/01/2009 | 131,270.00 | | 131,270.00 |
| 12/01/2009 | 131,270.00 | | 131,270.00 |
| 06/01/2010 | 131,270.00 | | 131,270.00 |
| 12/01/2010 | 131,270.00 | 4,950,000.00 | 5,081,270.00 |
| | 1,443,970.00 | 4,950,000.00 | 6,393,970.00 |

ESCROW STATISTICS

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

| Escrow | Total Escrow Cost | Modified Duration (years) | Yield to Receipt Date | Yield to Disbursement Date | Perfect Escrow Cost | Value of Negative Arbitrage | Cost of Dead Time |
|--------|-------------------|---------------------------|-----------------------|----------------------------|---------------------|-----------------------------|-------------------|
| CASH | 20,000.00 | 0.139 | 0.000000% | 0.000000% | 19,898.41 | 101.59 | |
| ESCROW | 5,393,084.83 | 4.444 | 3.700135% | 3.700134% | 5,393,021.16 | 63.52 | 0.15 |
| | 5,413,084.83 | | | | 5,412,919.57 | 165.11 | 0.15 |

Delivery date 10/11/2005
 Arbitrage yield 3.700400%

ESCROW DESCRIPTIONS DETAIL

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

| Type of Security | Type of SLGS | Maturity Date | First Int Pmt Date | Par Amount | Rate | Max Rate |
|-----------------------|--------------|---------------|--------------------|--------------|--------|----------|
| CASH, Oct 11, 2005: | | | | | | |
| SLG | Certificate | 12/01/2005 | 12/01/2005 | 19,999.17 | 0.000% | 3.120% |
| ESCROW, Oct 11, 2005: | | | | | | |
| SLG | Certificate | 12/01/2005 | 12/01/2005 | 84,675.83 | 0.000% | 3.120% |
| SLG | Certificate | 06/01/2006 | 06/01/2006 | 35,841.00 | 0.000% | 3.810% |
| SLG | Note | 12/01/2006 | 12/01/2005 | 35,841.00 | 0.000% | 3.860% |
| SLG | Note | 06/01/2007 | 12/01/2005 | 35,841.00 | 0.000% | 3.920% |
| SLG | Note | 12/01/2007 | 12/01/2005 | 35,841.00 | 0.000% | 3.970% |
| SLG | Note | 06/01/2008 | 12/01/2005 | 35,841.00 | 0.000% | 3.970% |
| SLG | Note | 12/01/2008 | 12/01/2005 | 35,841.00 | 0.000% | 3.980% |
| SLG | Note | 06/01/2009 | 12/01/2005 | 35,841.00 | 0.000% | 3.980% |
| SLG | Note | 12/01/2009 | 12/01/2005 | 35,841.00 | 0.000% | 3.990% |
| SLG | Note | 06/01/2010 | 12/01/2005 | 35,841.00 | 0.000% | 4.000% |
| SLG | Note | 12/01/2010 | 12/01/2005 | 4,759,552.00 | 4.010% | 4.010% |
| SLG | Note | 12/01/2010 | | 226,288.00 | 0.000% | 4.010% |
| | | | | 5,393,084.83 | | |
| | | | | 5,413,084.00 | | |

SLGS Summary

| | |
|------------------------------------|--------------|
| SLGS Rates File | 23SEP05 |
| Total Certificates of Indebtedness | 140,516.00 |
| Total Notes | 5,272,568.00 |
| Total original SLGS | 5,413,084.00 |

ESCROW COST

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

| Type of Security | Maturity Date | Par Amount | Rate | Total Cost |
|------------------|---------------|------------|--------|--------------|
| SLG | 12/01/2005 | 104,675 | 0.000% | 104,675.00 |
| SLG | 06/01/2006 | 35,841 | 0.000% | 35,841.00 |
| SLG | 12/01/2006 | 35,841 | 0.000% | 35,841.00 |
| SLG | 06/01/2007 | 35,841 | 0.000% | 35,841.00 |
| SLG | 12/01/2007 | 35,841 | 0.000% | 35,841.00 |
| SLG | 06/01/2008 | 35,841 | 0.000% | 35,841.00 |
| SLG | 12/01/2008 | 35,841 | 0.000% | 35,841.00 |
| SLG | 06/01/2009 | 35,841 | 0.000% | 35,841.00 |
| SLG | 12/01/2009 | 35,841 | 0.000% | 35,841.00 |
| SLG | 06/01/2010 | 35,841 | 0.000% | 35,841.00 |
| SLG | 12/01/2010 | 4,759,552 | 4.010% | 4,759,552.00 |
| SLG | 12/01/2010 | 226,288 | 0.000% | 226,288.00 |
| 5,413,084 | | | | 5,413,084.00 |

| Purchase Date | Cost of Securities | Cash Deposit | Total Escrow Cost |
|---------------|--------------------|--------------|-------------------|
| 10/11/2005 | 5,413,084 | 0.83 | 5,413,084.83 |
| | 5,413,084 | 0.83 | 5,413,084.83 |

ESCROW CASH FLOW

City of Camas, Washington
UTGO Refunding Bond, 2005
BANA Direct Placement

Prior Bonds (PRIOR) - CASH

| Date | Principal | Net Escrow Receipts | Present Value to 10/11/2005 @ 0.0000000% |
|------------|-----------|---------------------|--|
| 12/01/2005 | 19,999.17 | 19,999.17 | 19,999.17 |
| | 19,999.17 | 19,999.17 | 19,999.17 |

Escrow Cost Summary

| | |
|------------------------------|------------|
| Purchase date | 10/11/2005 |
| Purchase cost of securities | 19,999.17 |
| Target for yield calculation | 19,999.17 |

ESCROW CASH FLOW

City of Camas, Washington
UTGO Refunding Bond, 2005
BANA Direct Placement

Prior Bonds (PRIOR) - ESCROW

| Date | Principal | Interest | Net Escrow Receipts | Present Value to 10/11/2005 @ 3.7001346% |
|------------|--------------|------------|---------------------|--|
| 12/01/2005 | 84,675.83 | 26,594.97 | 111,270.80 | 110,705.64 |
| 06/01/2006 | 35,841.00 | 95,429.02 | 131,270.02 | 128,230.92 |
| 12/01/2006 | 35,841.00 | 95,429.02 | 131,270.02 | 125,901.65 |
| 06/01/2007 | 35,841.00 | 95,429.02 | 131,270.02 | 123,614.70 |
| 12/01/2007 | 35,841.00 | 95,429.02 | 131,270.02 | 121,369.28 |
| 06/01/2008 | 35,841.00 | 95,429.02 | 131,270.02 | 119,164.66 |
| 12/01/2008 | 35,841.00 | 95,429.02 | 131,270.02 | 117,000.08 |
| 06/01/2009 | 35,841.00 | 95,429.02 | 131,270.02 | 114,874.82 |
| 12/01/2009 | 35,841.00 | 95,429.02 | 131,270.02 | 112,788.16 |
| 06/01/2010 | 35,841.00 | 95,429.02 | 131,270.02 | 110,739.41 |
| 12/01/2010 | 4,985,840.00 | 95,429.02 | 5,081,269.02 | 4,208,695.52 |
| | 5,393,084.83 | 980,885.17 | 6,373,970.00 | 5,393,084.83 |

Escrow Cost Summary

| | |
|------------------------------|--------------|
| Purchase date | 10/11/2005 |
| Purchase cost of securities | 5,393,084.83 |
| Target for yield calculation | 5,393,084.83 |

ESCROW SUFFICIENCY

City of Camas, Washington
UTGO Refunding Bond, 2005
BANA Direct Placement

Prior Bonds (PRIOR)

| Date | Escrow Requirement | Net Escrow Receipts | Excess Receipts | Excess Balance |
|------------|--------------------|---------------------|-----------------|----------------|
| 10/11/2005 | | 0.83 | 0.83 | 0.83 |
| 12/01/2005 | 131,270.00 | 131,269.97 | -0.03 | 0.80 |
| 06/01/2006 | 131,270.00 | 131,270.02 | 0.02 | 0.82 |
| 12/01/2006 | 131,270.00 | 131,270.02 | 0.02 | 0.84 |
| 06/01/2007 | 131,270.00 | 131,270.02 | 0.02 | 0.86 |
| 12/01/2007 | 131,270.00 | 131,270.02 | 0.02 | 0.88 |
| 06/01/2008 | 131,270.00 | 131,270.02 | 0.02 | 0.90 |
| 12/01/2008 | 131,270.00 | 131,270.02 | 0.02 | 0.92 |
| 06/01/2009 | 131,270.00 | 131,270.02 | 0.02 | 0.94 |
| 12/01/2009 | 131,270.00 | 131,270.02 | 0.02 | 0.96 |
| 06/01/2010 | 131,270.00 | 131,270.02 | 0.02 | 0.98 |
| 12/01/2010 | 5,081,270.00 | 5,081,269.02 | -0.98 | |
| | 6,393,970.00 | 6,393,970.00 | 0.00 | |

PROOF OF COMPOSITE ESCROW YIELD

City of Camas, Washington
UTGO Refunding Bond, 2005
BANA Direct Placement

All restricted escrows funded by bond proceeds

| Date | Security Receipts | Present Value to 10/11/2005 @ 3.7001346% |
|------------|-------------------|--|
| 12/01/2005 | 111,270.80 | 110,705.64 |
| 06/01/2006 | 131,270.02 | 128,230.92 |
| 12/01/2006 | 131,270.02 | 125,901.65 |
| 06/01/2007 | 131,270.02 | 123,614.70 |
| 12/01/2007 | 131,270.02 | 121,369.28 |
| 06/01/2008 | 131,270.02 | 119,164.66 |
| 12/01/2008 | 131,270.02 | 117,000.08 |
| 06/01/2009 | 131,270.02 | 114,874.82 |
| 12/01/2009 | 131,270.02 | 112,788.16 |
| 06/01/2010 | 131,270.02 | 110,739.41 |
| 12/01/2010 | 5,081,269.02 | 4,208,695.52 |
| | 6,373,970.00 | 5,393,084.83 |

Escrow Cost Summary

| | |
|------------------------------|--------------|
| Purchase date | 10/11/2005 |
| Purchase cost of securities | 5,393,084.83 |
| Target for yield calculation | 5,393,084.83 |

PROOF OF ARBITRAGE YIELD

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

| Date | Debt Service | Present Value to 10/11/2005 @ 3.7003996% |
|------------|--------------|--|
| 12/01/2005 | 126,914.44 | 126,269.77 |
| 06/01/2006 | 98,660.50 | 96,376.20 |
| 12/01/2006 | 134,660.50 | 129,153.09 |
| 06/01/2007 | 97,994.50 | 92,279.33 |
| 12/01/2007 | 135,994.50 | 125,736.73 |
| 06/01/2008 | 97,291.50 | 88,318.94 |
| 12/01/2008 | 136,291.50 | 121,474.70 |
| 06/01/2009 | 96,570.00 | 84,507.92 |
| 12/01/2009 | 137,570.00 | 118,199.88 |
| 06/01/2010 | 95,811.50 | 80,825.62 |
| 12/01/2010 | 137,811.50 | 114,144.50 |
| 06/01/2011 | 95,034.50 | 77,283.88 |
| 12/01/2011 | 529,034.50 | 422,405.67 |
| 06/01/2012 | 87,005.50 | 68,207.25 |
| 12/01/2012 | 537,005.50 | 413,333.59 |
| 06/01/2013 | 78,680.50 | 59,460.31 |
| 12/01/2013 | 544,680.50 | 404,147.62 |
| 06/01/2014 | 70,059.50 | 51,039.14 |
| 12/01/2014 | 556,059.50 | 397,736.73 |
| 06/01/2015 | 61,068.50 | 42,887.41 |
| 12/01/2015 | 561,068.50 | 386,871.33 |
| 06/01/2016 | 51,818.50 | 35,081.13 |
| 12/01/2016 | 570,818.50 | 379,424.11 |
| 06/01/2017 | 42,217.00 | 27,551.95 |
| 12/01/2017 | 584,217.00 | 374,349.54 |
| 06/01/2018 | 32,190.00 | 20,251.73 |
| 12/01/2018 | 590,190.00 | 364,561.83 |
| 06/01/2019 | 21,867.00 | 13,261.93 |
| 12/01/2019 | 600,867.00 | 357,794.72 |
| 06/01/2020 | 11,155.50 | 6,522.03 |
| 12/01/2020 | 614,155.50 | 352,541.42 |
| | 7,534,763.44 | 5,432,000.00 |

Proceeds Summary

| | |
|------------------------------|--------------|
| Delivery date | 10/11/2005 |
| Par Value | 5,432,000.00 |
| Target for yield calculation | 5,432,000.00 |

FORM 8038 STATISTICS

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

Dated Date 10/11/2005
 Delivery Date 10/11/2005

| Bond Component | Date | Principal | Coupon | Price | Issue Price | Redemption at Maturity |
|----------------|------------|--------------|--------|---------|--------------|------------------------|
| Serial Bond: | | | | | | |
| | 12/01/2005 | 99,000.00 | 3.700% | 100.000 | 99,000.00 | 99,000.00 |
| | 12/01/2006 | 36,000.00 | 3.700% | 100.000 | 36,000.00 | 36,000.00 |
| | 12/01/2007 | 38,000.00 | 3.700% | 100.000 | 38,000.00 | 38,000.00 |
| | 12/01/2008 | 39,000.00 | 3.700% | 100.000 | 39,000.00 | 39,000.00 |
| | 12/01/2009 | 41,000.00 | 3.700% | 100.000 | 41,000.00 | 41,000.00 |
| | 12/01/2010 | 42,000.00 | 3.700% | 100.000 | 42,000.00 | 42,000.00 |
| | 12/01/2011 | 434,000.00 | 3.700% | 100.000 | 434,000.00 | 434,000.00 |
| | 12/01/2012 | 450,000.00 | 3.700% | 100.000 | 450,000.00 | 450,000.00 |
| | 12/01/2013 | 466,000.00 | 3.700% | 100.000 | 466,000.00 | 466,000.00 |
| | 12/01/2014 | 486,000.00 | 3.700% | 100.000 | 486,000.00 | 486,000.00 |
| | 12/01/2015 | 500,000.00 | 3.700% | 100.000 | 500,000.00 | 500,000.00 |
| | 12/01/2016 | 519,000.00 | 3.700% | 100.000 | 519,000.00 | 519,000.00 |
| | 12/01/2017 | 542,000.00 | 3.700% | 100.000 | 542,000.00 | 542,000.00 |
| | 12/01/2018 | 558,000.00 | 3.700% | 100.000 | 558,000.00 | 558,000.00 |
| | 12/01/2019 | 579,000.00 | 3.700% | 100.000 | 579,000.00 | 579,000.00 |
| | 12/01/2020 | 603,000.00 | 3.700% | 100.000 | 603,000.00 | 603,000.00 |
| | | 5,432,000.00 | | | 5,432,000.00 | 5,432,000.00 |

| | Maturity Date | Interest Rate | Issue Price | Stated Redemption at Maturity | Weighted Average Maturity | Yield | Net Interest Cost |
|----------------|---------------|---------------|--------------|-------------------------------|---------------------------|---------|-------------------|
| Final Maturity | 12/01/2020 | 3.700% | 603,000.00 | 603,000.00 | | | |
| Entire Issue | | | 5,432,000.00 | 5,432,000.00 | 10.4623 | 3.7004% | 3.7000% |

| | |
|---|--------------|
| Proceeds used for accrued interest | 0.00 |
| Proceeds used for bond issuance costs (including underwriters' discount) | 0.00 |
| Proceeds used for credit enhancement | 0.00 |
| Proceeds allocated to reasonably required reserve or replacement fund | 0.00 |
| Proceeds used to currently refund prior issues | 0.00 |
| Proceeds used to advance refund prior issues | 5,393,084.83 |
| Remaining weighted average maturity of the bonds to be currently refunded | 0.0000 |
| Remaining weighted average maturity of the bonds to be advance refunded | 11.0569 |

SIGNATURE IDENTIFICATION NONLITIGATION CERTIFICATE

We, Paul Dennis and Joan M. Durgin, the duly chosen, qualified and acting Mayor and City Clerk, respectively, of the City of Camas, Washington (the "City"), do hereby certify that the signatures appearing on the following-described Unlimited Tax General Obligation Refunding Bond, 2005 (the "Bond") of the City are our true and correct originals of our signatures.

The Bond is dated as of its date of delivery to Bank of America, N.A., Seattle, Washington (the "Bank"), in the principal amount of \$5,432,000, bears interest at the rate of 3.70% and is payable as provided in Ordinance No. 2419 of the City passed on October 3, 2005.

We further certify that there is no controversy or litigation pending or, to the best of our knowledge, threatened affecting the issuance and delivery of the Bonds, the collection of taxes to pay the principal of and interest on the Bonds, the proceedings and authority under which the Bonds are issued and sold and the taxes levied, the validity of the Bonds, the corporate existence or boundaries of the City, or the title of the present officers to their offices, and that no authority or proceedings for the issuance of the Bonds has been repealed, revoked or rescinded.

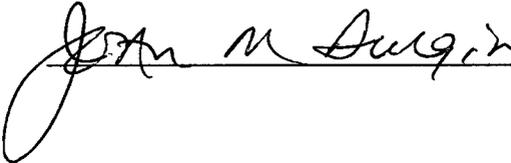
Dated October 11, 2005.

Signatures

Title



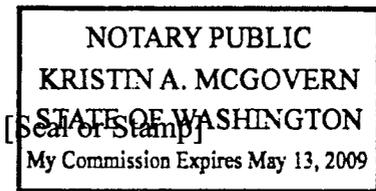
Mayor



City Clerk

STATE OF WASHINGTON)
) ss.
COUNTY OF CLARK)

On this 4th day of October, 2005, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Paul Dennis, to me known to be the Mayor of the City of Camas, Washington, described in and who executed the within and foregoing instrument, and acknowledged to me that he signed said instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

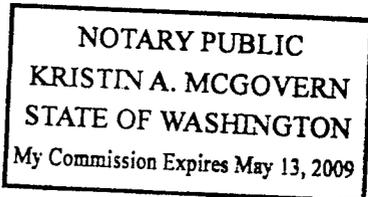


Kristin A. McGovern
Notary Public
KRISTIN A MCGOVERN
[Printed Name]
My appointment expires: May 13, 2009

STATE OF WASHINGTON)
) ss.
COUNTY OF CLARK)

On this 4th day of October, 2005, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Joan M. Durgin, to me known to be the City Clerk of the City of Camas, Washington, described in and who executed the within and foregoing instrument, and acknowledged to me that she signed said instrument as her free and voluntary act and deed for the uses and purposes therein mentioned.

[Seal or Stamp]



Kristin A. McGovern
Notary Public
KRISTIN A MCGOVERN
[Printed Name]
My appointment expires: May 13, 2009

CERTIFICATE OF INVESTIGATION OF PURCHASER AT PRIVATE SALE

October 11, 2005

City of Camas
Camas, Washington

Re: City of Camas, Washington
Unlimited Tax General Obligation Refunding Bond, 2005

Ladies and Gentlemen:

The undersigned hereby represents that Bank of America, N.A., Seattle, Washington (the "Purchaser") has made a complete investigation of the information furnished to us by the City of Camas (the "City") relating to its Unlimited Tax General Obligation Refunding Bond, 2005, in the principal amount of \$5,432,000 (the "Bond"), issued pursuant to Ordinance No. 2419 of the City, passed on October 3, 2005, as amended.

In connection with the purchase of the Bond, we hereby represent and agree:

1. We have sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bond.
2. No official statement, prospectus, disclosure document or other comprehensive offering statement containing material information with respect to the City and/or the Bond are being issued. The Purchaser has made its own inquiry and analysis with respect to the City, the Bond and other material factors affecting the credit standing of the City, the security for the Bond, and the ability of the City to pay the Bond. We understand that no financial information in connection with this transaction has been reviewed by the City's counsel, or Preston Gates & Ellis LLP, bond counsel.
3. The Purchaser either has been supplied with or has had access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City and its credit standing and the Bond, so that as a sophisticated investor the Purchaser has been able to make its decision to purchase the Bond.
4. The Bond (a) is not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any

state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) may not be readily marketable. The Purchaser acknowledges that as the purchaser of the Bond, it must bear the economic risk of the investment for an indefinite period of time because the Bond have not been registered under the Securities Act of 1933 and, therefore, cannot be sold unless they are subsequently registered under such Act or an exemption from such registration is available.

5. The Purchaser is able to bear the economic risk of the investment represented by its purchase of the Bond.

6. The Purchaser is acquiring the Bond for its own account for investment and not with a view to dividing its ownership with others or with a view to, or for resale in connection with, any "distribution" (as that term is used in the Securities Act of 1933 and rules and regulations of the Securities and Exchange Commission thereunder) of all or any portion of the Bond. The Purchaser has no present intention of selling, negotiating or otherwise disposing of the Bond.

7. The Purchaser will not assign or offer the Bond for sale in any state of the United States of America without first (a) taking all necessary action to qualify the Bond for offer and sale under the securities or "blue sky" laws of the United States of America or such state, or obtaining the advice of counsel that no such action is necessary because of a registration exemption; (b) complying with the condition of transfer set forth in the Bond; and (c) providing to the purchaser thereof, or any participant therein, all material information in its possession necessary to evaluate the risks and merits of the investment represented by the purchase of or participation in the Bond.

8. The Purchaser acknowledges that the Bond is exempt from the ongoing disclosure requirements of SEC Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

Very truly yours,

BANK OF AMERICA, N.A.
Seattle, Washington

By Barbara J. Miller
Title Vice President

October 13, 2005

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Internal Revenue Service
Ogden, UT 84201-0002

Re: City of Camas, Washington
Unlimited Tax General Obligation Refunding Bond, 2005 - \$5,432,000

Ladies and Gentlemen:

Enclosed please find an IRS Form 8038-G relative to the above-captioned issue. Please acknowledge receipt of the same by signing the enclosed, duplicate copy of this letter where indicated, and returning it to me using the enclosed envelope.

Thank you for your assistance in this matter.

Very truly yours,

PRESTON GATES & ELLIS LLP

By 

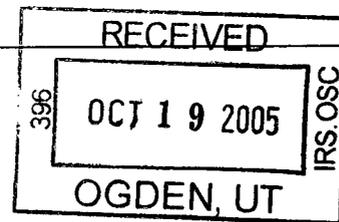
Stacie Amasaki
Paralegal

Enclosures
K:116966|00012|XSLAXSLAL30KY

I hereby acknowledge receipt of an IRS Form 8038-G as submitted by City of Camas, Washington, relative to its Unlimited Tax General Obligation Refunding Bond, 2005 - \$5,432,000.

Date: _____

By: _____



Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

| | | | |
|---|---|---|--------------------------------|
| Part I Reporting Authority | | if Amended Return, check here <input type="checkbox"/> | |
| 1 Issuer's name City of Camas | 2 Issuer's employer identification number 91 6001348 | 3 Number and street (or P.O. box if mail is not delivered to street address) 616 NE Fourth Avenue | 4 Report number 3 01 |
| 5 City, town, or post office, state, and ZIP code Camas, Washington 98607 | 6 Date of issue October 11, 2005 | 7 Name of issue Unlimited Tax General Obligation Refunding Bond, 2005 | 8 CUSIP number N/A |
| 9 Name and title of officer or legal representative whom the IRS may call for more information Joan M. Durgin, Finance Director | 10 Telephone number of officer or legal representative (360) 834-2462 | | |

| | |
|--|---------------------|
| Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule | |
| 11 <input type="checkbox"/> Education | 11 |
| 12 <input type="checkbox"/> Health and hospital | 12 |
| 13 <input type="checkbox"/> Transportation | 13 |
| 14 <input type="checkbox"/> Public safety | 14 |
| 15 <input type="checkbox"/> Environment (including sewage bonds) | 15 |
| 16 <input type="checkbox"/> Housing | 16 |
| 17 <input type="checkbox"/> Utilities | 17 |
| 18 <input checked="" type="checkbox"/> Other. Describe ► Refund bonds used for library improvements | 18 5,432,000 |
| 19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/> | |
| 20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/> | |

| | | | | |
|---|---------------------|---|-------------------------------|-----------------|
| Part III Description of Obligations. Complete for the entire issue for which this form is being filed. | | | | |
| (a) Final maturity date | (b) Issue price | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield |
| 21 December 1, 2020 | \$ 5,432,000 | \$ 5,432,000 | 10.4623 years | 3.7004 % |

| | | | | |
|---|----|------------------|--|--|
| Part IV Uses of Proceeds of Bond Issue (including underwriters' discount) | | | | |
| 22 Proceeds used for accrued interest | 22 | 0 | | |
| 23 Issue price of entire issue (enter amount from line 21, column (b)) | 23 | 5,432,000 | | |
| 24 Proceeds used for bond issuance costs (including underwriters' discount) | 24 | 38,744 | | |
| 25 Proceeds used for credit enhancement | 25 | -0- | | |
| 26 Proceeds allocated to reasonably required reserve or replacement fund | 26 | -0- | | |
| 27 Proceeds used to currently refund prior issues | 27 | -0- | | |
| 28 Proceeds used to advance refund prior issues | 28 | 5,393,085 | | |
| 29 Total (add lines 24 through 28) | 29 | 5,431,829 | | |
| 30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) | 30 | 171 | | |

| | | |
|--|---|----------------------|
| Part V Description of Refunded Bonds (Complete this part only for refunding bonds.) | | |
| 31 Enter the remaining weighted average maturity of the bonds to be currently refunded | ► | N/A years |
| 32 Enter the remaining weighted average maturity of the bonds to be advance refunded | ► | 11.0569 years |
| 33 Enter the last date on which the refunded bonds will be called | ► | 12/01/2010 |
| 34 Enter the date(s) the refunded bonds were issued | ► | 12/01/2000 |

| | |
|---|-------------------------------------|
| Part VI Miscellaneous | |
| 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) | 35 N/A |
| 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions) | 36a N/A |
| b Enter the final maturity date of the guaranteed investment contract | |
| 37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units | 37a N/A |
| b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer | |
| 38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box | <input checked="" type="checkbox"/> |
| 39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box | <input type="checkbox"/> |
| 40 If the issuer has identified a hedge, check box | <input type="checkbox"/> |

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here
 Signature of issuer's authorized representative: Joan M. Durgin Date: 10-11-05
 Type or print name and title: Joan M. Durgin, Finance Director

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|--|
| <ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. | <p>A. Signature X</p> <p>B. Received by (<i>Printed Name</i>)</p> <p>C. Date of Delivery</p> |
| <p>1. Article Addressed to:</p> <p>IRS ogden, VT 84201</p> | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>IRS - OSC RECEIVED 11 12 2001</p> <p>3. Service Type <input checked="" type="checkbox"/> Registered Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes</p> |
| <p>2. Article Number (<i>Transfer from service label</i>)</p> | <p>7004 0550 0000 7944 2980</p> |
| <p>PS Form 3811, February 2004</p> | <p>Domestic Return Receipt 102595-02-M-1540</p> |



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

906 Columbia Street SW
P.O. Box 48350
Olympia, WA 98504-8350
Fax: 360/586-4162
360/725-3019
Attn: Bond Users
Clearinghouse

BOND REPORT FORM 101

Clear All Fields

1. Name of Issuer: City of Camas, Washington
Address of Issuer: 616 NE 4th Avenue
Camas, Washington 98607

2. County in which the entity using the bond proceeds is located: Clark
If two to four counties are using the bond proceeds, type names in the blank field. If more, click on "various counties" or "all counties."

3. Principal user (if different than issuer): N/A

4. Exact title of bond (or "type of debt" if no title): Unlimited Tax General Obligation Refunding Bond, 2005

5. Was the bond issue "voter approved"? Yes No

6. (a) Par value: Tax-exempt \$5,432,000 (b) Net interest cost*: Tax-exempt 3.70%
Taxable \$ Taxable %

* See instructions for formula. If either or both interest rates are variable rather than fixed, please check the box(es) to the right of the percentage signs.

7. Discount: \$0 Premium: \$0

8. Dated date of bond: October 11, 2005 Date of bond sale: October 3, 2005

9. What is the underlying security on which this bond is based, such as taxes or other revenue stream(s) that support the debt? *(Please answer the question even if an official statement is enclosed.)*
Taxes

10. Name of financial advisor: Yeasting and Associates

11. Name of bond counsel: Preston Gates & Ellis LLP (Seattle)

12. Name of lead underwriter(s): Bank of America, N.A.

13. Name of company insuring bond: None

14. Name of registrar: City Finance Director

15. Name of trustee: Wells Fargo Bank, National Association

16. Purpose of proceeds: *(Please answer question even if official statement is enclosed.)*
To refund certain outstanding general obligation bonds of the City.

October 13, 2005

State of Washington
Department of Community,
Trade and Economic Development
Attention: Bond Users Clearinghouse
906 Columbia Street SW
P.O. Box 48350
Olympia, WA 98504-8350

Re: City of Camas, Washington
Unlimited Tax General Obligation Refunding Bond, 2005 - \$5,432,000

Ladies and Gentlemen:

In compliance with Chapter 39.44 RCW, we enclose Bond Report Form 101 in connection with the above-captioned financing. Also enclosed are a copy of the bond covenants. There is no Official Statement.

Very truly yours,

PRESTON GATES & ELLIS LLP

By


Stacie Amasaki
Paralegal

Enclosures

K:\16966\00012\XSLA\XSLAL30KZ

UNITED STATES OF AMERICA

NO. R-1

\$5,432,000

STATE OF WASHINGTON
CITY OF CAMAS
UNLIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2005

INTEREST RATE: 3.70%
MATURITY DATE: December 1, 2020
REGISTERED OWNER: Bank of America, N.A.
PRINCIPAL AMOUNT: Five Million Four Hundred Thirty-Two Thousand and 00/100 Dollars

The City of Camas, Washington (the "City"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount set forth 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 calculated on the basis of a 360-day year with twelve 30-day months. Principal and interest on the Bond shall be payable beginning on December 1, 2005, with interest payable semiannually thereafter on the first days of each June and December and principal payable annual on the first days of each December, with final payments of all remaining principal and accrued interest nevertheless payable on the Maturity Date. Payments shall be applied first to interest and then to principal.

If the City shall default in making any payment required under this bond or in fulfilling any covenants of the Bond Ordinance (as defined below), this bond, at the option of the Registered Owner, shall accrue interest at a fixed rate of 5.70% per annum until such default is cured or this bond is redeemed in full.

The City may prepay all or a portion of the outstanding principal amount of this bond without notice to the Registered Owner. However, such prepayment may be subject to a prepayment fee as described in the Bond Ordinance.

Reference is also made to Ordinance No. 2419 (the "Bond Ordinance") as more fully describing the covenants with and the rights of the Registered Owner of this bond.

The City has irrevocably covenanted that it will make annual levies of taxes without limitation as to rate or amount upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

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 duly adopted ordinances of the City, and that all acts, conditions and things required to have happened, been done and performed precedent to and in the issuance hereof have happened, been done and performed.

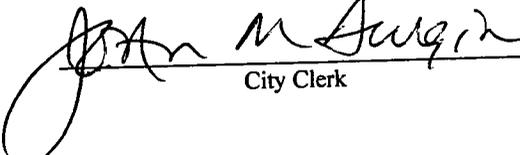
IN WITNESS WHEREOF, the City of Camas, Washington, has caused this bond to be signed with the manual or facsimile signature of the Mayor, to be attested by the manual or facsimile signature of the City Clerk, and to be impressed with the official seal of the City, as of this 11th day of October, 2005.

CITY OF CAMAS, WASHINGTON

By 
Mayor



ATTEST:


City Clerk

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the City, in the office of the City Finance Director, as to both principal and interest as noted in the registration blank below. No transfer hereof shall be valid unless made by the Registered Owner or his/her duly authorized agent in writing, and similarly noted hereon. All payments of principal of and interest on this bond shall be made by the City with full acquittance by the City Finance Director's check, or by warrant of the City, made payable to the last Registered Owner as shown hereon and on the registration books of the City and delivered to such owner or mailed to him at his/her address noted hereon and on the registration books of the City.

| Date of Registration | Name and Address of Registered Owner | Signature of Registrar |
|-------------------------|---|---|
| <u>October 11, 2005</u> | <u>Bank of America, N.A.</u> <u>800 Fifth Avenue, Floor 34</u> <u>Seattle, Washington 98104</u> |  Finance Director |

October 11, 2005

City of Camas
Camas, Washington

Bank of America, N.A.
Seattle, Washington

Re: City of Camas, Washington
Unlimited Tax General Obligation Refunding Bond, 2005 - \$5,432,000

Ladies and Gentlemen:

We have acted as bond counsel to the City of Camas, Washington (the "City"), and have examined a certified transcript of the proceedings taken in the matter of the issuance by the City of its Unlimited Tax General Obligation Refunding Bond, 2005 (the "Bond"), dated as of the date of its initial delivery, in the aggregate principal amount of \$5,432,000, issued for the purpose of refunding certain outstanding unlimited tax general obligation bonds of the City. The Bond is issued pursuant to Ordinance No. 2419 adopted by the City Council of the City on October 3, 2005 (the "Bond Ordinance"). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Bond Ordinance.

The Bond may be prepaid subject to a prepayment fee as provided in the Bond Ordinance.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material related to the Bond (except to the extent, if any, stated in the official statement), and we express no opinion relating thereto, or relating to the undertaking by the City to provide ongoing disclosure pursuant to SEC Rule 15c2-12.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Bond Ordinance and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

From such examination it is our opinion, as of this date and under existing law, that:

1. The Bond has been legally issued and constitute valid general obligations of the City, except to the extent that the enforcement of the rights and remedies of the holders and owners of the Bond may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion.

2. Unless the principal of and interest on the Bond are paid from other sources, the City will make annual levies of taxes without limitation as to rate or amount upon all property in the City subject to taxation 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 irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

3. Interest on the Bond is excluded from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The Bond is not a private activity bond. Interest on the Bond is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations, but is taken into account in the computation of adjusted current earnings for purposes of the corporate alternative minimum tax under Section 55 of the Code. The opinions stated in this paragraph are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bond in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the interest on the Bond to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bond.

The City has designated the Bond as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code.

We express no opinion regarding any other federal, state or local tax consequences arising with respect to ownership of the Bond.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,
PRESTON GATES & ELLIS LLP

By 
Nancy M. Neraas

CERTIFICATE OF PAYMENT AND DELIVERY

I, Joan M. Durgin, Finance Director of the City of Camas, Washington (the "City"), do hereby certify that on this date the City delivered to Bank of America, N.A., Seattle, Washington, as the purchaser (the "Purchaser"), the City's Unlimited Tax General Obligation Refunding Bond, 2005, in the aggregate principal amount of \$5,432,000 (the "Bond").

I further certify that, at the time of such delivery, I received on behalf of the City payment for the Bond from the Purchaser as follows:

| | |
|---|-----------------------|
| Principal Amount of Bond: | \$ 5,432,000.00 |
| Plus: transfer from City to Escrow Agent | 20,000.00 |
| Less: to Bank of America, N.A. for origination fee | (5,432.00) |
| Less: to Banc of America Securities LLC for Structuring Agent fee | (19,012.00) |
| Less: to Escrow Agent (including costs of issuance) | <u>(5,427,556.00)</u> |
| Total Amount Due to City | \$ <u>0.00</u> |

Dated this 11th day of October, 2005.

CITY OF CAMAS, WASHINGTON

By _____
Joan M. Durgin, Finance Director

RECEIPT FOR BOND

Bank of America, N.A., Seattle, Washington, hereby acknowledges receipt of the City of Camas, Washington, Unlimited Tax General Obligation Refunding Bond, 2005, dated as of the date of its delivery, in the aggregate principal amount of \$5,432,000, this 11th day of October, 2005.

BANK OF AMERICA, N.A.

By Nancy Muerenberg
Title SVP

MEMORANDUM OF BOND CLOSING AND DELIVERY

October 11, 2005

To: Addressees

Re: City of Camas

\$5,432,000.00 Unlimited Tax General Obligation Refunding Bond, 2005

Bank of America, N.A. (the "Purchaser") and the City of Camas (the "Issuer") will close the sale and delivery of the above referenced bond issue (the "Bond") by telephone contact initiated by Preston Gates & Ellis LLP (the "Bond Counsel") between the Issuer, the City Finance Director, Wells Fargo Bank, National Association (the "Escrow Agent") and the Purchaser at approximately 9:00 a.m. (Pacific) on Tuesday, October 11, 2005 (the "Closing Date"). The Issuer will have pre-signed the required legal documents and provided them to Bond Counsel. The following procedures will also occur:

1. Prior to the Closing Date, the City Finance Director, as Bond Registrar and Fiscal Agent, will authenticate the Bond and return them to Bond Counsel for delivery to Bank of America, N.A.
2. On Friday, October 7, 2005, the City will initiate a wire transfer to the Escrow Agent as detailed on the second page of this closing memorandum.
3. On the morning of Tuesday, October 11, 2005, the Purchaser will initiate all wire transfer and payment plans as detailed on the second page of this Closing Memorandum.
4. Immediately upon receipt of bond proceeds on the morning of the Closing Date, the City of Camas and Escrow Agent will notify Bond Counsel to confirm receipt of the deposit to the Escrow Fund. Thereafter, Bond Counsel will release the legal opinion, and will cause the release of the Bond to Bank of America, N.A.
5. Upon release of the Bond and legal opinion the transaction shall be complete and closed.

Listed below are the sources and distribution of net bond proceeds:

SOURCES OF FUNDS

| | | |
|-------------------------------|-----------|---------------------|
| Bond Principal | \$ | 5,432,000.00 |
| Plus: City Contribution | | 20,000.00 |
| Less: BANA origination fee | | (5,432.00) |
| Less: BAS structuring fee | | <u>(19,012.00)</u> |
| Total Sources of Funds | \$ | 5,427,556.00 |

DISTRIBUTION OF FUNDS

To: The Escrow Agent on behalf of the City:

| | | |
|--|---------------|-------------------------|
| Deposit to Escrow Fund (cash and securities) | \$ | 5,413,084.83 |
| Deposit of Costs of Issuance & Contingency | | <u>14,471.17</u> |
| Total Distribution of Funds | \$ | 5,427,556.00 |
| Total Uses of Funds | \$ | 5,427,556.00 |

CITY OF CAMAS WIRE TRANSFER (Friday, October 7, 2005):

1) Wire Transfer to Wells Fargo Bank, N.A., a portion of the Escrow Deposit:

| | |
|---------------|---|
| To: | Wells Fargo Bank, N.A. |
| ABA Number: | 121000248 |
| Account #: | xxxxxxxxx |
| Account Name: | Corporate Trust Clearing |
| Reference: | City of Camas |
| Attn: | Doreen Rowe, (503) 886-1411 |
| Amount: | \$20,000.00 (The Escrow Agent will allocate the entire amount toward the purchase and deposit of escrow securities and cash). |

BANK OF AMERICA, N.A. WIRE TRANSFERS (Tuesday, October 11, 2005)

1.) Wire transfer to Wells Fargo Bank, N.A., the escrow deposit and costs of issuance:

| | |
|---------------|-----------------------------|
| To: | Wells Fargo Bank, N.A. |
| ABA Number: | 121000248 |
| Account #: | xxxxxxxxx |
| Account Name: | Corporate Trust Clearing |
| Reference: | City of Camas |
| Attn: | Doreen Rowe, (503) 886-1411 |
| Amount: | \$5,407,556.00 |

Total Wires: \$5,427,556.00 (Deposit to Escrow Agent)

Costs of issuance (including Bank Counsel fees) should be billed directly to the Escrow Trustee: Wells Fargo Bank, N.A., Attn: Doreen K Rowe, Wells Fargo Center, 1300 SW 5th Ave, 11th Floor, MAC P6101-114, Portland, OR 97201.

Please find Appendix A – the final debt service for the City’s UTGO Refunding Bond, 2005 – for use by the finance team. Appendix B contains the unrefunded debt related to the Series 2000 Bonds. Appendix C outlines the other costs of issuance for the City’s financing. If you have questions, please call me at (206) 358-6279 or Suzanne Eide at (206) 358-2151. Thanks to each of you for your assistance in bringing this financing to a successful conclusion.

Addressees

- Ms. Joan Durgin, City of Camas
- Ms. Nancy Neraas, Preston Gates & Ellis LLP
- Ms. Stacie Amasaki, Preston Gates & Ellis LLP
- Ms. Doreen K Rowe, Wells Fargo Bank, National Association
- Mr. Bob Yeasting, Yeasting & Associates
- Ms. Jane Towery, Banc of America Securities LLC
- Ms. Satinder Parwana, Bank of America, N.A.
- Mr. Alan Schulkin, Schulkin Law
- Mr. Craig DeBerg, McGladrey & Pullen, LLP
- Ms. Nancy Nuerenberg, Bank of America, N.A.

Appendix A

Final Debt Service Schedule

BOND DEBT SERVICE

City of Camas, Washington
 UTGO Refunding Bond, 2005
 BANA Direct Placement

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|-----------|--------|--------------|--------------|------------------------|
| 10/11/2005 | | | | | |
| 12/01/2005 | 99,000 | 3.700% | 27,914.44 | 126,914.44 | 126,914.44 |
| 06/01/2006 | | | 98,660.50 | 98,660.50 | |
| 12/01/2006 | 36,000 | 3.700% | 98,660.50 | 134,660.50 | 233,321.00 |
| 06/01/2007 | | | 97,994.50 | 97,994.50 | |
| 12/01/2007 | 38,000 | 3.700% | 97,994.50 | 135,994.50 | 233,989.00 |
| 06/01/2008 | | | 97,291.50 | 97,291.50 | |
| 12/01/2008 | 39,000 | 3.700% | 97,291.50 | 136,291.50 | 233,583.00 |
| 06/01/2009 | | | 96,570.00 | 96,570.00 | |
| 12/01/2009 | 41,000 | 3.700% | 96,570.00 | 137,570.00 | 234,140.00 |
| 06/01/2010 | | | 95,811.50 | 95,811.50 | |
| 12/01/2010 | 42,000 | 3.700% | 95,811.50 | 137,811.50 | 233,623.00 |
| 06/01/2011 | | | 95,034.50 | 95,034.50 | |
| 12/01/2011 | 434,000 | 3.700% | 95,034.50 | 529,034.50 | 624,069.00 |
| 06/01/2012 | | | 87,005.50 | 87,005.50 | |
| 12/01/2012 | 450,000 | 3.700% | 87,005.50 | 537,005.50 | 624,011.00 |
| 06/01/2013 | | | 78,680.50 | 78,680.50 | |
| 12/01/2013 | 466,000 | 3.700% | 78,680.50 | 544,680.50 | 623,361.00 |
| 06/01/2014 | | | 70,059.50 | 70,059.50 | |
| 12/01/2014 | 486,000 | 3.700% | 70,059.50 | 556,059.50 | 626,119.00 |
| 06/01/2015 | | | 61,068.50 | 61,068.50 | |
| 12/01/2015 | 500,000 | 3.700% | 61,068.50 | 561,068.50 | 622,137.00 |
| 06/01/2016 | | | 51,818.50 | 51,818.50 | |
| 12/01/2016 | 519,000 | 3.700% | 51,818.50 | 570,818.50 | 622,637.00 |
| 06/01/2017 | | | 42,217.00 | 42,217.00 | |
| 12/01/2017 | 542,000 | 3.700% | 42,217.00 | 584,217.00 | 626,434.00 |
| 06/01/2018 | | | 32,190.00 | 32,190.00 | |
| 12/01/2018 | 558,000 | 3.700% | 32,190.00 | 590,190.00 | 622,380.00 |
| 06/01/2019 | | | 21,867.00 | 21,867.00 | |
| 12/01/2019 | 579,000 | 3.700% | 21,867.00 | 600,867.00 | 622,734.00 |
| 06/01/2020 | | | 11,155.50 | 11,155.50 | |
| 12/01/2020 | 603,000 | 3.700% | 11,155.50 | 614,155.50 | 625,311.00 |
| | 5,432,000 | | 2,102,763.44 | 7,534,763.44 | 7,534,763.44 |

Appendix B

Unrefunded Debt Service on 2000 Bonds

UNREFUNDED BOND DEBT SERVICE

City of Camas, Washington
UTGO Refunding Bond, 2005
BANA Direct Placement

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|------------------|-----------|--------|----------|-----------------|---------------------------|
| 10/11/2005 | | | | | |
| 12/01/2005 | 290,000 | 5.000% | 49,375 | 339,375 | 339,375 |
| 06/01/2006 | | | 42,125 | 42,125 | |
| 12/01/2006 | 305,000 | 5.000% | 42,125 | 347,125 | 389,250 |
| 06/01/2007 | | | 34,500 | 34,500 | |
| 12/01/2007 | 320,000 | 5.000% | 34,500 | 354,500 | 389,000 |
| 06/01/2008 | | | 26,500 | 26,500 | |
| 12/01/2008 | 335,000 | 5.000% | 26,500 | 361,500 | 388,000 |
| 06/01/2009 | | | 18,125 | 18,125 | |
| 12/01/2009 | 355,000 | 5.000% | 18,125 | 373,125 | 391,250 |
| 06/01/2010 | | | 9,250 | 9,250 | |
| 12/01/2010 | 370,000 | 5.000% | 9,250 | 379,250 | 388,500 |
| | 1,975,000 | | 310,375 | 2,285,375 | 2,285,375 |

Appendix C

Costs of Issuance

| | |
|--|--------------------|
| Preston.Gates & Ellis LLP – Bond Counsel | \$7,500.00 |
| Alan Schulkin – Bank Counsel | 1,000.00 |
| Wells Fargo Bank, N.A. – Escrow Agent | 2,000.00 |
| McGladrey & Pullen, LLP - Verification Agent | 2,000.00 |
| Yeasting & Associates - Financial Advisor | 1,800.00 |
| Contingency | <u>171.17</u> |
| Total | \$14,471.17 |

October 11, 2005

City of Camas, Washington
Camas, Washington

Wells Fargo Bank, National Association
Portland, Oregon

Re: City of Camas, Washington
Unlimited Tax General Obligation Refunding Bond, 2005 - \$5,432,000

Ladies and Gentlemen:

We are bond counsel to the City of Camas, Washington (the "City"), and have acted as such in connection with the issuance and sale by the City of its Unlimited Tax General Obligation Refunding Bond, 2005, in the aggregate principal amount of \$5,432,000 (the "Bond"), which is being issued for the purpose of refunding certain outstanding obligations of the City (the "Refunded Bonds"). The Bond is issued pursuant to Ordinance No. 2419, adopted on October 3, 2005 (the "Bond Ordinance"). Capitalized terms used in this opinion which are not otherwise defined shall have the meanings given to such terms in the Bond Ordinance.

A portion of the proceeds of the Bond will be used by Wells Fargo Bank, National Association, as the Escrow Agent, to acquire non-callable U. S. Government Obligations described in the Escrow Agreement, in amounts sufficient to pay to the date of redemption all remaining outstanding principal and interest on the Refunded Bonds. The sufficiency of the escrow and the Acquired Obligations maintained pursuant to the Escrow Agreement has been verified by McGladrey & Pullen, LLP. For purposes of the following opinions, we have relied, without independent investigation, on the escrow verification.

Based upon the foregoing, we are of the opinion that:

1. The Escrow Agreement has been duly authorized, executed and delivered by the City and is a legal, valid, and binding obligation of the City, enforceable in accordance with its terms.
2. The Refunded Bonds have been defeased and discharged in accordance with the ordinances authorizing their issuance, are deemed paid and no longer outstanding and have no further claim to be paid from any funds of the City.

Very truly yours,

PRESTON GATES & ELLIS LLP

By 
Nancy M. Neraas

October 11, 2005

City of Camas
Camas, Washington

Bank of America, N.A.
Seattle, Washington

Re: City of Camas, Washington
Unlimited Tax General Obligation Refunding Bond, 2005 - \$5,432,000

Ladies and Gentlemen:

We have acted as bond counsel to the City of Camas, Washington (the "City"), and have examined a certified transcript of the proceedings taken in the matter of the issuance by the City of its Unlimited Tax General Obligation Refunding Bond, 2005 (the "Bond"), dated as of the date of its initial delivery, in the aggregate principal amount of \$5,432,000, issued for the purpose of refunding certain outstanding unlimited tax general obligation bonds of the City. The Bond is issued pursuant to Ordinance No. 2419 adopted by the City Council of the City on October 3, 2005 (the "Bond Ordinance"). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Bond Ordinance.

The Bond may be prepaid subject to a prepayment fee as provided in the Bond Ordinance.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material related to the Bond (except to the extent, if any, stated in the official statement), and we express no opinion relating thereto, or relating to the undertaking by the City to provide ongoing disclosure pursuant to SEC Rule 15c2-12.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Bond Ordinance and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

From such examination it is our opinion, as of this date and under existing law, that:

1. The Bond has been legally issued and constitute valid general obligations of the City, except to the extent that the enforcement of the rights and remedies of the holders and owners of the Bond may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion.

2. Unless the principal of and interest on the Bond are paid from other sources, the City will make annual levies of taxes without limitation as to rate or amount upon all property in the City subject to taxation 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 irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

3. Interest on the Bond is excluded from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The Bond is not a private activity bond. Interest on the Bond is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations, but is taken into account in the computation of adjusted current earnings for purposes of the corporate alternative minimum tax under Section 55 of the Code. The opinions stated in this paragraph are subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bond in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the interest on the Bond to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bond.

The City has designated the Bond as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code.

We express no opinion regarding any other federal, state or local tax consequences arising with respect to ownership of the Bond.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PRESTON GATES & ELLIS LLP

By 
Nancy M. Neraas