

CITY OF ELLENSBURG, WASHINGTON

ORDINANCE NO. 4872

AN ORDINANCE of the City of Ellensburg, Washington, relating to contracting indebtedness; authorizing the issuance, sale and delivery of limited tax general obligation refunding bonds in an amount necessary to refund certain outstanding limited tax general obligation bonds of the City to achieve a debt service savings and to pay the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds authorized by this ordinance; appointing the City's designated representative to conduct the sale of the bonds authorized in this ordinance in one or more series and to approve Bond Sale Terms for each sale of bonds; and providing for other related matters.

Passed March 15, 2021

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**The cover page, table of contents and section headings of this ordinance are for convenience of reference only, and shall not be used to resolve any question of interpretation of this ordinance.*

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

Section 1. Recitals and Findings. The City takes note of the following facts and makes the following findings and determinations:

(a) *Opportunity to Refund Outstanding Debt to Achieve Savings.* Pursuant to Chapter 39.53 RCW and other applicable State law, the City is authorized to refund the City's outstanding Limited Tax General Obligation Bonds, 2010 (the "2010 Bonds") in order to achieve a debt service savings over the remaining life of the bonds. The 2010 Bonds were originally issued to pay the costs of various capital projects of the City, including replacement or repair of roofs on municipal buildings, renovations, improvements, and repairs at the City's pool facility, various park property and facility improvements, an audio system for the Council chamber, traffic signal and road projects, parking improvements for the municipal library, and a flood plain improvement project, and to pay cost of issuance. In the 2010 Bond Ordinance the City reserved the right to redeem the 2010 Bonds prior to their maturity at a price equal to 100% of the principal amount to be redeemed, plus accrued interest, on any date on or after December 1, 2020. The 2010 Bonds are currently outstanding in the aggregate principal amount of \$1,675,000, mature in the years 2021, 2022, 2023, 2024, and 2030, and bear interest at rates ranging from 3.50% to 5.00%.

(b) *Finding Regarding Debt Service Savings.* After due consideration, it appears to the City Council that in order to realize a debt service savings to the City, it is in the best interest of the City to authorize the Designated Representative to take such steps as are necessary or convenient to carry out the refunding of all or a portion of the 2010 Bonds by the issuance and sale of the Bonds authorized herein. The 2010 Bonds that are to be refunded shall be selected by the Finance Officer, such that a savings equal to or exceeding the savings target set forth in Exhibit A will be effected by the difference between the principal and interest cost over the life of the Bonds and the interest cost over the life of the 2010 Bonds.

(c) *Legal Authorization and Debt Capacity.*

(1) Statutory Authority. Pursuant to applicable law, including without limitation chapters 35.37, 35A.40, 39.36, 39.44, 39.46, 39.50, 39.52 and 39.53 RCW, the City is authorized to issue general obligation bonds for the purpose of carrying out the Refunding Plan

(subject to meeting the savings target set forth in Exhibit A) and paying the costs of issuance of the Bonds.

(2) Debt Capacity. Based on the following facts, this aggregate amount may be issued within the amount permitted to be issued by the City for general municipal purposes without a vote:

(i) The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes for collection in the calendar year 2021 was \$1,947,143,644. The City's debt capacity permitted for general municipal purposes without a vote ("non-voted debt capacity") was equal to \$29,207,155 (1½% of the value of the taxable property within the City), and its debt capacity for general municipal purposes.

(ii) As of December 31, 2020, the City has limited tax general obligation indebtedness, consisting of bonds, notes, financing leases and conditional sales contracts outstanding in the principal amount of \$9,119,604. When added to the maximum amount of Bonds authorized, this amount is within the City's available debt capacity permitted for general municipal purposes without a vote, which is limited to 1½% of the value of the taxable property within the City.

(iii) As of December 31, 2020, the City has unlimited tax general obligation indebtedness for capital purposes only outstanding in the principal amount of \$350,000 for general municipal purposes; \$0 for City-owned water, artificial light, and sewers; and \$0 for acquiring or developing open space, park facilities, and capital facilities associated with economic development. The indebtedness described in this paragraph has been incurred with the approval of the requisite proportion of the City's qualified voters at an election meeting the minimum turnout requirements, within the limit of up to 2½% of the value of the taxable property within the City for general municipal purposes (when combined with the outstanding limited tax general obligation indebtedness), 2½% for utility purposes and 2½% for open space, parks and economic development purposes.

Section 2. Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings:

(a) "*2010 Bond Ordinance*" means Ordinance No. 4560 of the City adopted on February 16, 2010, authorizing the issuance of the 2010 Bonds, as identified in Exhibit B.

(b) "*2010 Bonds*" means the Limited Tax General Obligation Bonds, 2010, originally issued in the aggregate principal amount of \$2,935,000, as authorized by the 2010 Bond Ordinance. The maturities of the 2010 Bonds to be refunded with proceeds of the Bonds shall be selected and identified in the Refunding Plan approved by the Designated Representative.

(c) "*Acquired Obligations*" means those Government Obligations, if any, purchased to accomplish the refunding of the 2010 Bonds as authorized by this ordinance and in accordance with the 2010 Bond Ordinance.

(d) “*Authorized Denomination*” means \$5,000 or any integral multiple thereof within a maturity of a Series, or such other minimum authorized denomination as may be specified by the Designated Representative in a Bond Purchase Agreement for a Series.

(e) “*Beneficial Owner*” means, with respect to a Bond, the owner of any beneficial interest in that Bond.

(f) “*Bond*” means each bond issued pursuant to and for the purposes provided in this ordinance.

(g) “*Bond Counsel*” means the firm of Stradling Yocca Carlson & Rauth, a Professional Corporation, its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as bond counsel in the field of municipal finance.

(h) “*Bond Fund*” means funds or accounts of the City designated for the payment of the principal of and interest on the Bonds.

(i) “*Bond Purchase Agreement*” means a written offer to purchase a Series of the Bonds pursuant to certain Bond Sale Terms, which offer has been accepted by the Designated Representative on behalf of the City, in accordance with this ordinance. In the case of a competitive sale, the official notice of sale, the Purchaser’s bid and the award by the City shall constitute the Bond Purchase Agreement for purposes of this ordinance.

(j) “*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

(k) “*Bond Registrar*” means the Fiscal Agent, or any successor bond registrar selected by the City.

(l) “*Bond Sale Terms*” means the terms and conditions for the sale of a Series of Bonds including, but not limited to the amount, date or dates, denominations interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants, including minimum savings for refunding bonds. The parameters for certain Bond Sale Terms are set forth in Exhibit A.

(m) “*Book-Entry Form*” means a fully-registered form in which physical bond certificates are registered only in the name of the Securities Depository (or its nominee), as Registered Owner, with the physical bond certificates held by and immobilized in the custody of the Securities Depository (or its designee), where the system for recording and identifying the transfer of the ownership interests of the Beneficial Owners in those Bonds is neither maintained by nor the responsibility of the City or the Bond Registrar.

(n) “*City*” means the City of Ellensburg, Washington, a code city duly organized and existing under the laws of the State of Washington.

(o) “*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

(p) “*City Refunding Contribution*” means money of the City from sources other than proceeds of the Bonds that is legally available and allocated to carrying out the Refunding Plan, as determined by the Designated Representative.

(q) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(r) “*Continuing Disclosure Agreement*” means a written undertaking to provide continuing disclosure entered into pursuant to Section 15 of this ordinance, if required pursuant to SEC rule or regulation in connection with a sale of any Series of the Bonds to the public.

(s) “*DTC*” means The Depository Trust Company, New York, New York, or its nominee.

(t) “*Designated Representative*” means the officer of the City appointed in Section 4 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

(u) “*Finance Officer*” means the Finance Director or such other officer of the City who succeeds to substantially all of the responsibilities of that office.

(v) “*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

(w) “*Government Obligations*” means any government obligations as that term is defined in RCW 39.53.010, as now in effect or as may hereafter be amended.

(x) “*Issue Date*” means, with respect to any Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of that Bond.

(y) “*Letter of Representations*” means the Blanket Issuer Letter of Representations between the City and DTC, executed by the Finance Officer or a Designated Representative, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

(z) “*MSRB*” means the Municipal Securities Rulemaking Board.

(aa) “*Official Statement*” means an offering document, disclosure document, private placement memorandum or substantially similar disclosure document provided to purchasers and potential purchasers, which may be required in connection with the initial offering of Series of the Bonds to the public pursuant to applicable SEC rules or regulations.

(bb) “*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner.

(cc) “*Purchaser*” means the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a private placement, underwriter or placement agent in a negotiated sale or awarded as the successful bidder in a competitive sale of any Series of the Bonds.

(dd) “*Rating Agency*” means any nationally recognized rating agency then maintaining a rating on any Series of the Bonds at the request of the City, if any.

(ee) “*Record Date*” means, unless otherwise provided in the applicable Bond Purchase Agreement, the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date, and with respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 9.

(ff) “*Redemption Date*” means the date or dates selected for the call, payment and redemption of the 2010 Bonds, as set forth in the Refunding Plan approved by the Designated Representative.

(gg) “*Refunding Plan*” means the following plan for carrying out the current refunding of the 2010 Bonds selected by the Finance Officer for refunding, which plan shall be approved in a tax-exemption and nonarbitrage certificate:

(1) on the Issue Date, the deposit with the Refunding Trustee of proceeds of the sale of the Bonds in an amount sufficient (together with the City Refunding Contribution, if any), sufficient to acquire the Acquired Obligations (if any) and establish a beginning cash balance;

(2) upon receipt of the proceeds by the Refunding Trustee, the use of such proceeds to acquire the Acquired Obligations (if any) and the periodic receipt by the Refunding Trustee of the maturing principal of and interest on the Acquired Obligations (if any);

(3) on the Redemption Date, the application of the amounts held by it (together with any other cash held by it) to the call, payment and redemption of the 2010 Bonds to be refunded at a price equal to the principal amount to be redeemed, plus accrued interest to that date; and

(4) At the direction of the Finance Officer, the application of funds deposited with the Refunding Trustee for such purpose to the payment of all or a portion of the costs of issuance and the costs of carrying out the foregoing elements of the Refunding Plan.

(hh) “*Refunding Trust Agreement*” means a refunding trust or escrow agreement between the City and the Refunding Trustee, providing for the carrying out of the Refunding Plan.

(ii) “*Refunding Trustee*” means the trustee, or any successor or alternate trustee, designated by the Designated Representative to serve as refunding trustee to carry out a Refunding Plan in accordance with Section 12.

(jj) “*Registered Owner*” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the Bonds are held in Book-Entry Form, Registered Owner shall mean the Securities Depository.

(kk) “*Rule 15c2-12*” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

(ll) “*SEC*” means the United States Securities and Exchange Commission.

(mm) “*Securities Depository*” means DTC, any successor thereto, any substitute securities depository selected by the City, or the nominee of any of the foregoing. Any successor or substitute

Securities Depository must be qualified under applicable laws and regulations to provide the services proposed to be provided by it.

(nn) “*Series of the Bonds*” or “*Series*” means a series of the Bonds issued pursuant to this ordinance.

(oo) “*State*” means the State of Washington.

(pp) “*System of Registration*” means the system of registration for the City’s bonds and other obligations set forth in Ordinance No. 3925 of the City.

(qq) “*Tax-Exempt Bond*” means any Bond, the interest on which is intended on the Issue Date to be excludable from gross income for federal income tax purposes.

(rr) “*Taxable Bond*” means any Bond, the interest on which is not intended on the Issue Date to be excludable from gross income for federal income tax purposes.

(ss) “*Term Bond*” means each Bond designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in the Bond Purchase Agreement.

Section 3. Authorization and Description of Bonds. The City is authorized to borrow money on the credit of the City and issue negotiable limited tax general obligation bonds evidencing indebtedness in one or more Series in aggregate principal amount not to exceed the amounts set forth in Exhibit A to provide funds necessary to carry out the Refunding Plan and to pay the costs of issuance and sale of the Bonds. The Bonds may be issued in one or more Series and may be combined with other general obligation bonds (including refunding bonds) authorized separately. The Bonds shall be designated as limited tax general obligation bonds, shall be numbered separately, and shall have any name, year and series or other label as deemed necessary or appropriate by the Finance Officer. The proceeds of the Bonds shall be deposited as set forth in Section 13 and shall be used to carry out the Refunding Plan.

Section 4. Appointment of Designated Representative; Bond Sale Terms. The Finance Officer is appointed as the Designated Representative of the City in connection with the issuance and sale of the Bonds in accordance with RCW 39.46.040 and this ordinance. The Designated Representative is authorized to approve, on behalf of the City, Bond Sale Terms for the sale of each Series of the Bonds and in connection with each such sale, to execute a Bond Purchase Agreement (or, in the case of a competitive sale, a Pricing Certificate) confirming the Bond Sale Terms and such related agreements as may be necessary or desirable, consistent with the parameters set forth in Exhibit A, which is attached to this ordinance and incorporated by this reference.

Section 5. Bond Registrar; Registration and Transfer of Bonds.

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

(b) *Bond Registrar; Duties.* Unless otherwise determined by the Designated Representative, the Fiscal Agent is appointed as initial Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the

Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance and the System of Registration. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) *Bond Register; Transfer and Exchange.* The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner. A Bond surrendered to the Bond Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same Series, interest rate and maturity. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

(d) *Securities Depository; Book-Entry Only Form.* In the Bond Purchase Agreement for each Series of the Bonds, the City's Designated Representative shall determine whether the Bonds initially shall be issued and held fully immobilized in Book-Entry Form by the Securities Depository in accordance with the provisions of the Letter of Representations.

If any Bond is held in Book-Entry Form at any time, neither the City nor the Bond Registrar shall have any responsibility or obligation to participants of the Securities Depository or the persons for whom they act as nominees with respect to the Bonds regarding the accuracy of any records maintained by the Securities Depository or its participants of any amount in respect of principal or interest on the Bonds, or any notice which is permitted or required to be given to Registered Owners hereunder (except such notice as is required to be given by the Bond Registrar to the Securities Depository). Registered ownership of a Bond initially held in Book-Entry Form, or any portion thereof, may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City or such substitute Securities Depository's successor; or (iii) to any person if the Bond is no longer held in Book-Entry Form.

If the Securities Depository resigns from its functions as depository, or upon a determination by the Finance Officer to discontinue utilizing the then-current Securities Depository, the Finance Officer may appoint a substitute Securities Depository. If the Securities Depository resigns from its functions as depository and no substitute Securities Depository can be obtained, or if the Finance Officer determines not to utilize a Securities Depository, then the Bonds shall no longer be held in Book-Entry Form and ownership may be transferred only as provided herein.

Nothing herein shall prevent the Bond Sale Terms from providing that a Series of the Bonds shall be issued in certificated form without utilizing a Securities Depository, and that the Bonds of such Series shall be registered as of their Issue Date in the names of the Owners thereof, in which case ownership may be transferred only as provided herein.

(e) *Lost or Stolen Bonds.* In case any Bond shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new bond or bonds of like amount, date, tenor and effect to the Registered Owner(s) thereof upon the Registered Owner(s)' paying the expenses and charges of

the City in connection therewith and upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such bond or bonds were actually lost, stolen or destroyed and of Registered Ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

Section 6. Pledge of Taxes. The Bonds constitute a general indebtedness of the City and are payable from tax revenues of the City and such other money as is lawfully available and pledged by the City for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the City irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the City are pledged irrevocably for the prompt payment of the principal of and interest on the Bonds and such pledge shall be enforceable in mandamus against the City.

Section 7. Form and Execution of Bonds.

(a) *Form of Bonds; Signatures and Seal.* Each Bond shall be prepared in a form consistent with the provisions of this ordinance and State law. Each Bond shall be signed by the Mayor and the City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the City, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication Required.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "Certificate of Authentication. This Bond is one of the fully registered City of Ellensburg, Washington, [name of issue and Series designation], described in the Bond Ordinance." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 8. Funds; Manner of Payment; Failure to Pay.

(a) *Bond Fund.* The Bond Fund has been previously created as a special fund of the City for the sole purpose of paying principal of and interest on the Bonds and other general obligation bonds of the City. The principal of and interest on each Series of the Bonds shall be paid out of the Bond Fund. All amounts allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bonds. Bond proceeds (if any) in excess of the amounts needed to carry out the Refunding Plan and to pay the costs of issuance shall be deposited into the Bond Fund. Until needed to pay principal of and interest on the Bond, the City may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that Fund.

(b) *Manner of Payment.* Principal of and interest on each Bond shall be payable in lawful money of the United States of America on the dates and in the amounts as provided in the Bond Purchase Agreement applicable to that Series. No Bonds of any Series shall be subject to acceleration under any circumstances.

(c) *Bonds Held in Book-Entry Form.* Principal of and interest on each Bond that is held in Book-Entry Form shall be payable in the manner set forth in the Letter of Representations.

(d) *Bonds Not Held in Book-Entry Form.* Interest on each Bond that is not held in Book-Entry Form shall be payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received at least ten days prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not held in Book-Entry Form shall be payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar.

(e) *Failure To Pay Bonds.* If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 9. Redemption Provisions and Purchase of Bonds.

(a) *Optional Redemption.* All or some of the Bonds of any Series may be issued subject to redemption prior to their stated maturity dates at the option of the City at the times and on the terms set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A.

(b) *Mandatory Redemption.* All or some of the Bonds of any Series may be designed as Term Bonds, subject to mandatory redemption in principal installment payments, as set forth in the applicable Bond Purchase Agreement. If not redeemed or purchased at the City's option prior to maturity, Term Bonds (if any) must be redeemed, at a price equal to one hundred percent of the principal amount to be redeemed plus accrued interest, on the dates and in the years and principal amounts as set forth in the applicable Bond Purchase Agreement. If the City optionally redeems or purchases a Term Bond prior to maturity, the principal amount of the Term Bond so redeemed or purchased (irrespective of its redemption or purchase price) shall be credited against the remaining mandatory redemption installment payments in the manner as directed by the Finance Officer. In the absence of direction by the Finance Officer, credit shall be allocated to each mandatory redemption installment payment for that Bond on a *pro rata* basis.

(c) *Partial Redemption; Selection of Bonds for Redemption.* If fewer than all of the outstanding Bonds are to be redeemed at the option of the City, the Finance Officer shall select the Series and maturities to be redeemed. If less than all of the principal amount of a maturity of the selected Series is to be redeemed, if such Series is held in Book-Entry Form, the portion of such maturity to be redeemed shall be selected for redemption by the Securities Depository in accordance with the Letter of Representations, and if the Series is not then held in Book-Entry Form, the portion

of such maturity to be redeemed shall be selected by the Bond Registrar randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) *Notice of Redemption.* Notice of an intended redemption of any Bond then in Book-Entry Form shall be given in accordance with the Letter of Representations. Unless otherwise set forth in the applicable Bond Purchase Agreement, the City must cause notice of any intended redemption of each Bond no in Book-Entry Form to be given not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of each Bond to be redeemed at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the Owner of any Bond, and may be waived by the Registered Owner of the Bond to be redeemed. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Continuing Disclosure Agreement), to each Rating Agency, and to such other persons and with such additional information as the Finance Officer shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

(e) *Rescission of Optional Redemption Notice.* In the case of an optional redemption, the notice of redemption may state that the City retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and each Bond for which a notice of optional redemption has been rescinded shall remain outstanding.

(f) *Effect of Redemption.* Interest on each Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund or in a trust account established to refund or defease the Bond.

(g) *Purchase of Bonds.* The City reserves the right to purchase any or all of the Bonds offered to the City at any time at any price acceptable to the City plus accrued interest to the date of purchase.

Section 10. Refunding or Defeasance of the Bonds. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the “defeased Bonds”); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this ordinance and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on

the defeased Bonds solely from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the City may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bonds to any lawful purpose.

Unless otherwise specified by the City in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this ordinance for the redemption of Bonds.

Section 11. Deposit and Use of Proceeds.

(a) *Refunding Proceeds.* On the Issue Date, the proceeds of the Bonds shall be deposited with the Refunding Trustee in accordance with Section 12 to carry out the Refunding Plan.

(b) *Costs of Issuance.* Pending their application to pay costs of issuance, bond proceeds may be deposited, as directed by the Finance Officer, either with the Refunding Trustee for payment in accordance with the Refunding Trust Agreement or in any other fund of the City (as determined by the Finance Officer) pending their expenditure by the City to pay such issuance costs.

Section 12. Refunding of the 2010 Bonds.

(a) *Appointment of Refunding Trustee.* The Designated Representative is authorized and directed to appoint a financial institution to serve as Refunding Trustee and to perform the duties of Refunding Trustee under this ordinance. In the discretion of the Designated Representative, the Finance Officer may be designated to serve as Refunding Trustee if permitted in accordance with chapter 39.53 RCW and the 2010 Bond Ordinance.

(b) *Use of Bond Proceeds; Acquisition of Acquired Obligations.* On the Issue Date, the proceeds of the sale of the Bonds, plus the City Refunding Contribution, if any, shall be deposited with the Refunding Trustee and used to discharge the obligations of the City relating to the 2010 Bonds selected for refunding by carrying out the Refunding Plan in accordance with the Refunding Trust Agreement. To the extent practicable, such obligations shall be discharged fully by the Refunding Trustee's simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amounts required to be paid by the Refunding Plan. The Acquired Obligations, if any, shall be listed and more particularly described in a schedule attached to the Refunding Trust Agreement. Any Bond proceeds or other money deposited with the Refunding Trustee not needed to carry out the Refunding Plan shall be returned to the City for deposit in the Bond Fund to pay interest on the Bonds on the next upcoming interest payment date.

(c) *Refunding Trust Agreement; Administration of Refunding Plan.* The Designated Representative is authorized and directed to execute a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with carrying out of the Refunding Plan. The Refunding Trust Agreement shall, among other things, authorize and direct the Refunding Trustee to purchase the Acquired Obligations and to make the payments required to be made by the Refunding Plan. All Acquired Obligations and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of the 2010 Bond Ordinance, this ordinance, chapter 39.53 RCW and other applicable State law. All administrative costs (including without limitation all necessary and proper fees, compensation and expenses of the Refunding Trustee for the Bonds and all other costs incidental to

the setting up of the escrow to accomplish the Refunding Plan) and costs of issuance of the Bonds may be paid out of the amounts deposited with the Refunding Trustee or other available money of the City, in accordance with the Refunding Trust Agreement.

(d) *Call for Redemption of the 2010 Bonds.* The Designated Representative is authorized to call the 2010 Bonds for redemption on such Redemption Date at their redemption prices, plus accrued interest. Such call for redemption shall identify the 2010 Bonds to be refunded, the maturity dates, the Redemption Date and redemption price (expressed as a percentage of par, plus accrued interest), and shall be irrevocable after the Bonds are delivered to the Purchaser thereof. The Designated Representative is authorized and directed to give or cause to be given such notices as required, at the times and in the manner required pursuant to the 2010 Bond Ordinance, and to take all other actions necessary to effect the redemption of the 2010 Bonds on the Redemption Date.

(e) *Additional Findings with Respect to Refunding.* Prior to approving the sale of the Bonds, the Designated Representative must determine to his or her satisfaction that the following conditions necessary to approving the sale of the Bonds have been met:

(1) The Redemption Date must be the earliest practical date on which the 2010 Bonds may be called for redemption.

(2) The savings that will be effected (as measured by the difference between the principal and interest cost over the life of the Bonds and the principal and interest cost over the life of the refunded 2010 Bonds, but for such refunding) shall be equal to at least the percentage savings set forth in Exhibit A. In making such determination, the Designated Representative shall give consideration to the fixed maturities of the Bonds and of the refunded 2010 Bonds, the costs of issuance of the Bonds and the known earned income from the investment of the proceeds of the Bonds pending redemption of the 2010 Bonds.

(3) The Refunding Plan to be effected by the issuance of the Series of Bonds will provide sufficient funds to discharge and satisfy the obligations of the City under the 2010 Bond Ordinance. In making such determination, the Designated Representative may rely upon a verification by a nationally recognized independent certified public accounting firm or, in the case of a current refunding only, a certification of the City's financial advisor.

Section 13. Tax Covenants. The Designated Representative is authorized to designate each Series of the Bonds as either Tax-Exempt Bonds or Taxable Bonds.

(a) *Preservation of Tax Exemption for Interest on Tax-Exempt Bonds.* For each Series of Tax-Exempt Bonds, the City covenants that it will take all actions necessary to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Tax-Exempt Bonds or other funds of the City treated as proceeds of the Tax-Exempt Bonds that will cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bonds.

(b) *Post-Issuance Compliance.* The Finance Officer is authorized and directed to review and update the City's written procedures to facilitate compliance by the City with the covenants in this

ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal tax purposes.

(c) *Designation of Tax-Exempt Bonds as "Qualified Tax-Exempt Obligations."* Any Series of the Bonds may be designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code, if (1) the Series does not constitute "private activity bonds" within the meaning of Section 141 of the Code; and (2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Series is issued will not exceed \$10,000,000.

Section 14. Sale and Delivery of the Bonds.

(a) *Manner of Sale of Bonds; Delivery of Bonds.* The Designated Representative is authorized to sell the Bonds in multiple Series by private placement, by negotiated sale or by competitive sale in accordance with a notice of sale consistent with this ordinance, based on the Designated Representative's assessment of market conditions and consultation with appropriate City officials and staff, Bond Counsel and other advisors. In determining the method of sale of a Series and accepting the Bond Sale Terms, the Designated Representative shall take into account, among others, those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City.

(b) *Procedure for Private Placement or Negotiated Sale.* If the Designated Representative determines that a Series of the Bonds is to be sold by private placement, the Designated Representative shall select one or more Purchasers for such Series. If the Designated Representative determines that a Series of the Bonds is to be sold to the public by negotiated sale, the Designated Representative shall select an underwriter to purchase such Series and conduct the public sale. The Bond Sale Terms for each Series sold by private placement or negotiated sale shall set forth the Bond Purchase Agreement. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the City, provided that the terms set forth therein are consistent with the parameters set forth in this ordinance.

(c) *Procedure for Competitive Sale.* If the Designated Representative determines that a Series of the Bonds is to be sold by competitive sale, the Designated Representative shall cause the preparation of an official notice of bond sale setting forth parameters for the Bond Sale Terms and any other bid parameters that the Designated Representative deems appropriate consistent with this ordinance. The Designated Representative is authorized to award, on behalf of the City, the winning bid and accept the winning bidder's offer to purchase that Series of the Bonds, with such adjustments to the aggregate principal amount and principal amount per maturity as the Designated Representative deems appropriate, consistent with the parameters set forth in this ordinance, and such award shall constitute the Bond Purchase Agreement. The Designated Representative may reject any or all bids submitted and may waive any formality or irregularity in any bid or in the bidding process if the Designated Representative deems it to be in the City's best interest to do so. If all bids are rejected, that Series of the Bonds may be sold pursuant to negotiated sale or in any manner provided by law as the Designated Representative determines is in the best interest of the City, consistent with the parameters set forth in this ordinance.

(d) *Preparation, Execution and Delivery of the Bonds.* The Bonds will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 15. Sale of Bonds to the Public. If the Designated Representative determines to sell the bonds to the public by means of a negotiated or competitive sale, the following provisions shall apply, if required under Rule 15c2-12:

(a) *Preliminary Official Statement.* The Designated Representative shall participate in preparation of and approve a preliminary Official Statement prepared in connection with each sale of a Series of the Bonds to the public or through a Purchaser as a placement agent. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has approved by the Designated Representative and been deemed final, if applicable, in accordance with this subsection.

(b) *Final Official Statement.* The Designated Representative, on behalf of the City, shall approve the preparation of a final Official Statement for each Series of the Bonds to be sold to the public in the form of the preliminary Official Statement that has been approved and deemed final in accordance with subsection (a), with such modifications and amendments as the Designated Representative deems necessary or desirable. The Designated Representative is further authorized to execute and deliver such final Official Statement to the Purchaser, and to approve the distribution by the Purchaser of the final Official Statement so executed and delivered to purchasers and potential purchasers of a Series of the Bonds.

(c) *Agreement to Provide Continuing Disclosure.* If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser acting as a participating underwriter for a Series of the Bonds, the Designated Representative is authorized to execute a Continuing Disclosure Agreement for the benefit of holders of a Series of the Bonds.

Section 16. Supplemental and Amendatory Ordinances. The City may supplement or amend this ordinance without the consent of any Owners of the Bonds to add covenants and agreements that do not materially adversely affect the interests of Owners, or to surrender any right or power reserved to or conferred upon the City; or to cure any ambiguities, or to cure, correct or supplement any defective provision contained in this ordinance in a manner that does not materially adversely affect the interest of the Beneficial Owners of the Bonds.

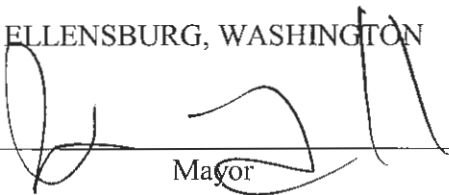
Section 17. General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of each Series of the Bonds to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 18. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 19. Effective Date of Ordinance. This ordinance shall take effect and be in force five (5) days after its passage, approval and publication.

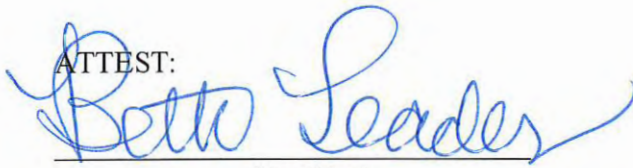
PASSED by the City Council of the City of Ellensburg, Washington, at a regular open public meeting thereof this 15th day of March, 2021 and signed in authentication of its passage this 15th day of March, 2021.

CITY OF ELLENSBURG, WASHINGTON



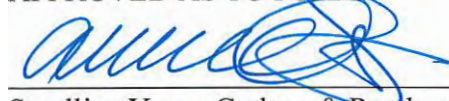
Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



Stradling Yocca Carlson & Rauth, a Professional Corporation,
Bond Counsel

(i) Other Terms and Conditions.

- (1) The Designated Representative may determine whether it is in the City's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as he or she may determine are in the best interests of the City, consistent with this ordinance.
- (2) Each Series of Bonds shall produce a minimum net present value savings to the City and its taxpayers of at least 5% (as a percentage of the 2010 Bonds to be refunded by such Series). Net present value savings means the aggregate difference between (i) annual debt service on the 2010 Bonds to be refunded, less (ii) annual debt service on the corresponding Series of the Bonds (including expenses related to costs of issuance of that Series of the Bonds) discounted to the Issue Date using the yield on that Series of the Bonds as the discount rate, plus (iii) excess cash, if any, distributed to the City on the Issue Date, and less (iv) the amount of additional money of the City contributed to the refunding, if any, on such Issue Date.

EXHIBIT B
IDENTIFICATION OF THE REFUNDED BONDS

Limited Tax General Obligation Bonds, 2010
(Authorized by Ordinance No. 4560)

Maturity (Dec. 1)	Principal Amount	Interest Rate
2021	\$140,000	3.50%
2022	140,000	3.625
2023	150,000	3.75
2024	100,000	4.25
**	**	**
2030	1,145,000	5.00

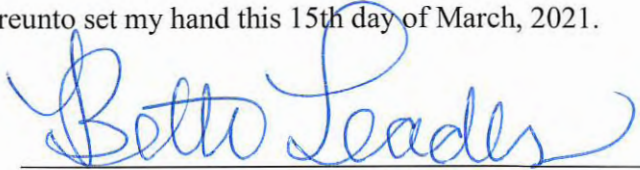
CERTIFICATION

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

1. That the attached ordinance is a true and correct copy of Ordinance No. 4872 of the Council (the "Ordinance"), duly passed at a regular meeting thereof held on the 15th day of March, 2021.

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 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 15th day of March, 2021.



City Clerk