

CITY OF WHITE SALMON, WASHINGTON  
WATER REVENUE BOND ANTICIPATION NOTE, 2022  
(NON-REVOLVING LINE OF CREDIT)

Not to exceed \$2,333,000

ORDINANCE NO. 2022-04-1101

AN ORDINANCE OF THE CITY OF WHITE SALMON, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A REVENUE BOND ANTICIPATION NOTE TO EVIDENCE A NON-REVOLVING LINE OF CREDIT FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR IMPROVEMENTS TO THE WATER UTILITY OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,333,000; PROVIDING THE FORM, TERMS AND MATURITY OF THE NOTE; AUTHORIZING THE DESIGNATED CITY REPRESENTATIVE TO MANAGE THE NON-REVOLVING LINE OF CREDIT; AND APPROVING THE SALE OF THE NOTE.

PASSED: APRIL 6, 2022

Prepared By:

K&L GATES LLP  
Seattle, Washington

CITY OF WHITE SALMON

Ordinance No. 2022-04-1101

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CITY OF WHITE SALMON, WASHINGTON

WATER REVENUE BOND ANTICIPATION NOTE, 2022  
(NON-REVOLVING BANK LINE OF CREDIT)

Not to exceed \$2,333,000

ORDINANCE NO. 2022-04-1101

AN ORDINANCE OF THE CITY OF WHITE SALMON, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A REVENUE BOND ANTICIPATION NOTE TO EVIDENCE A NON-REVOLVING LINE OF CREDIT FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR IMPROVEMENTS TO THE WATER UTILITY OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,333,000; PROVIDING THE FORM, TERMS AND MATURITY OF THE NOTE; AUTHORIZING THE DESIGNATED CITY REPRESENTATIVE TO MANAGE THE NON-REVOLVING LINE OF CREDIT; AND APPROVING THE SALE OF THE NOTE.

WHEREAS, the City of White Salmon, Washington (the “City”) operates a water supply and distribution system as part of its water utility (the “Water System”) which is in need of improvements (as hereinafter described more fully, the “Project”); and

WHEREAS, long-term financing for the Project will be provided by a loan from the United States Department of Agriculture, Rural Development (the “Government”), evidenced by a revenue bond secured by a pledge of Water System revenue (the “Bond”); and

WHEREAS, the City now wishes to undertake the Project and requires interim financing pending issuance and sale of the Bond to the Government; and

WHEREAS, the City is authorized by chap. 39.50 RCW to issue a bond anticipation note (the “Note”) pending the issuance of the Bond and is authorized by RCW 39.46.050 to establish a line of credit with a qualified public depository to be drawn upon in exchange for the Note; and

WHEREAS, the City has received the offer of Cashmere Valley Bank (the “Bank”), dated April 6, 2022 (the “Commitment Letter”), to provide a non-revolving line of credit to be evidenced by the Note authorized herein under the terms set forth herein and in the Commitment Letter; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WHITE SALMON, WASHINGTON, DO HEREBY ORDAIN, as follows:**

**Section 1. Definitions.** As used in this ordinance the following terms shall have the following meanings:

**Authorized Officer** means the Mayor or Clerk/Treasurer of the City.

**Bank** means Cashmere Valley Bank, Cashmere, Washington, and any business successor thereto.

**Bond** means the water revenue bond of the City to be issued to the Government to provide permanent financing for the Project.

**City** means the City of White Salmon, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

**City Clerk/Treasurer** means the City Clerk/Treasurer of the City of White Salmon, or his/her successor in functions, if any.

**Code** means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder.

**Commitment Letter** means the letter from the Bank dated April 6, 2022, offering to purchase the Note.

**Construction Fund** means the special fund of the City designated as the "USDA Loan Fund", pursuant to Ordinance No. 2022-04-1100 of the City, adopted April 6, 2022, into which proceeds of Draws shall be deposited to pay costs of the Project.

**Costs of Maintenance and Operation** means all normal operating expenses, current maintenance expenses, expenses of reasonable upkeep and repairs, insurance and administrative expense as pro rata budget charges for City departments where such charges represent a reasonable distribution or share of actual cost; but exclude depreciation, payments for debt service or into reserve accounts, costs of capital additions to or replacements of the Water System, municipal taxes, or payments to the City in lieu of taxes.

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

**Debt Service Fund** means the special fund of the City designated as the "Water Bond Redemption Fund" established by Ordinance No. 2012-05-888 and codified at Section 3.24.151 WMCH to pay and secure the payment of all Parity Bonds.

**Draw or Draws** means incremental draws in an amount \$25,000 or greater on the Note requested by the City in substantially the form attached to the Commitment Letter and as approved by the Government and the Bank.

**Draw Period Interest Rate** means a fixed rate of 1.85% per annum commencing on the Initial Draw Date through the Maturity Date calculated on a basis of 30/360 with 12 months consisting of 30 days each.

**Future Parity Bonds** means any revenue bonds of the City issued after the date of the issuance of the Bond and having a lien upon the money in the Water Fund for the payment of the principal thereof and interest thereon equal to the lien upon such revenue and money for the payment of the principal of and interest on the Outstanding Parity Bonds.

**Government** means the United States Department of Agriculture, Rural Development.

**Gross Revenue** means all earnings and revenue, except ULID Assessments, received by the City from the operation of the Water System, including proceeds from the sale, lease or other disposition of any of the properties or facilities of the Water System, and the income from investments of money in the Water Fund and any bond fund or from any other investment thereof except the income from investments irrevocably pledged to the payment of revenue bonds pursuant to a plan of retirement or refunding. The term "Gross Revenue" does not include grants or bond proceeds, but does include federal or state reimbursements of operating expenses to the extent that such expenses are included as "Costs of Maintenance and Operation" of the Water System.

**Initial Draw Date** means the date of the first Draw on the Note.

**Letter of Conditions** means the Government's Letter of Conditions dated June 15, 2021, and as it may be amended and supplemented from time to time.

**Loan Draw Record** means the administrative record kept by the Bank to record the date and dollar amounts of the Draws on the Note made by the City.

**Maturity Date** means December 1, 2023, or such prior date chosen by the City within the maximum allowed maturity provided by the Government, and may be extended for up to twelve (12) additional months pursuant to the terms hereof and of the Commitment Letter.

**Net Revenue of the Water System** means the Gross Revenue of the Water System, less the Costs of Maintenance and Operation.

**Note** means the City of White Salmon, Washington, Water Revenue Bond Anticipation Note, 2022, issued pursuant to this ordinance.

**Note Registrar** means the Treasurer, as authenticating agent, paying agent, and registrar for the Note.

**Outstanding Parity Bonds** means (i) the City's Water Revenue Bond, 2015, of the City issued in the principal amount of \$405,000 pursuant to Ordinance No. 2015-04-964, as amended by Ordinance No. 2015-09-975, and (ii) the City's Water Revenue Bond, 2021, of the City issued in the principal amount of \$2,731,000 pursuant to Ordinance No. 2021-02-1073.

**Outstanding Principal Balance** of the Note means, on any particular day, the aggregate of all funds that the City has Drawn from the Bank under the Note to that day, less the aggregate of all principal payments on the Note made by the City on or before that day.

**Parity Bonds** means the Outstanding Parity Bonds and any Future Parity Bonds.

**Project** means the plan of additions and betterments to and extensions to the Water System specified and adopted in Section 2 of this ordinance.

**Water Fund** means the Water Fund of the City.

**Treasurer** means the City Clerk/Treasurer, or the successor or successors to the duties of such officer.

**Water System** means the existing water supply and distribution system and all additions and betterments thereto and extensions thereof for as long as any Parity Bonds remain outstanding.

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

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this ordinance;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect;

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and

(f) Words importing the singular number include the plural number and vice versa.

Section 2. The Project. The Council has specified and adopted a Water System Plan for municipal water system improvements, including the reconstruction of several City streets and replacements and upgrades to below grade utilities in those streets, including certain improvements to facilities of the Water System to install approximately 12,500 feet of nominal 16-inch inside diameter high-water line and approximately 80 feet of 12-inch inside diameter ductile iron water line in 24-inch casing, valves and fittings, combination air/vacuum valve assemblies and manholes, bridge crossing work, restoration work, and testing, together with all other work as referred to in the Letter of Conditions (the “Project”).

Section 3. Authorization of Bond. The City hereby authorizes the issuance of a water revenue bond of the City, to be issued to the Government under the terms and conditions set forth in the Letter of Conditions (the “Bond”). The Bond shall be issued in the principal amount of not

to exceed \$2,333,000 (or so much thereof as has been Drawn), shall be payable solely from the City's revenue bond redemption fund and Net Revenue of the Water System and shall be payable with interest at the rate set forth in said Letter of Conditions. The exact date, form, terms and maturities of the Bond shall be as hereafter fixed by ordinance of the City Council.

Section 4. Authorization of Note. For the purpose of providing interim financing for the Project pending its completion and issuance and sale of the Bond, the City shall issue its revenue bond anticipation note as a non-revolving line of credit in an aggregate principal amount of not to exceed \$2,333,000. The Note shall be designated "City of White Salmon, Washington, Water Revenue Bond Anticipation Note, 2022," shall be dated as of the date of its original issuance, shall be fully registered as to both principal and interest, shall be in the denomination of \$2,333,000; provided that the principal amount due and owing thereunder shall be measured by the total Draws made, as evidenced by the Loan Draw Record, shall be numbered N-1, and shall bear interest on unpaid principal from the date of each Draw (hereinafter described) at the Draw Period Interest Rate, calculated on a basis of 30/360 with 12 months consisting of 30 days each. Interest on a particular principal amount Drawn on the line of credit established hereunder shall be payable semiannually on June 1 and December 1, commencing June 1, 2022, or the first June 1 or December 1 after the Initial Draw Date on the Note, with a final payment on the Note's Maturity Date, or earlier prepayment in full of the Note. Principal of and all accrued interest on the Note shall be due and payable on the Maturity Date to the extent not prepaid at an earlier date.

The Maturity Date of the Note may be extended for up to an additional twelve (12) months with the agreement of the City and the Bank. If the Maturity Date of the Note is extended pursuant to the terms herein and in the Commitment Letter, all outstanding interest on the bond as of the original Maturity Date shall be paid as of such date, and the City shall pay the Bank the fee as described in the Commitment Letter or in the agreement of the City and Bank. The Draw Period Interest Rate may be redetermined on the original Maturity Date for the extended period beginning the day after the original Maturity Date to the extended Maturity Date, as agreed by the City and the Bank.

The Treasurer shall be the "Note Registrar." The Note is not intended to be a revolving obligation; the principal amount outstanding under the Note may never exceed \$2,333,000, and principal amounts repaid may not be reborrowed. The available principal of the Note shall be disbursed as borrowings from time to time by the Bank upon request from an Authorized Officer in substantially the form of Exhibit A to the Commitment Letter, subject to approval by the Bank and the Government (each such disbursement herein referred to as a "Draw"), as provided in Section 9 of this ordinance. The City shall use best efforts to deliver Draw requests to the Bank two days prior to the requested disbursement date, and in no case later than 11 a.m. Pacific Time on the requested disbursement date. A Draw request must be accompanied by an approval of the Draw amount from an authorized representative of the Government. Draws shall be recorded in such form as the City and the Bank may agree. Interest on each Draw shall accrue from the date of the Draw and shall be computed on the basis as described above on the principal amount of the Draw outstanding for the actual number of days the principal amount of the Draw is outstanding.

The proceeds of any Draw shall be deposited into the Construction Fund and shall be expended solely to pay the costs of the Project and financing costs.

Both principal of and interest on the Note shall be payable in lawful money of the United States of America. Upon the final payment of all principal and interest on the Note, the Note shall be surrendered to the Note Registrar for cancellation. The Note shall not be transferable, except in whole (i) to a successor to the business or assets of the Bank or (ii) to a “qualified institutional buyer” as such is defined in Rule 144A of the Securities Act of 1933. The Note shall be an obligation only of the Debt Service Fund and shall be payable and secured as provided herein. The Note is not a general obligation of the City.

Section 5. Prior Redemption. The Note may be prepaid, in whole or in part, at any time, upon conditions as stated in the Commitment Letter.

Section 6. Priority of Payments from the Water Fund. There has heretofore been created a special fund of the City designated as the Water Fund of the City (herein referred to as the “Water Fund”). All of the Gross Revenue of the Water System shall be deposited in the Water Fund as collected. The Water Fund shall be held separate and apart from all other funds and accounts of the City, and the Gross Revenue of the Water System deposited in such Fund shall be used only for the following purposes and in the following order of priority:

First, to pay the costs of maintenance and operation;

Second, to make all payments required to be made into the Bond Fund to pay principal of and interest on any Parity Bonds;

Third, to make all payments required to be made into the Water Bond Reserve Fund established by Ordinance No. 2012-05-888 and codified at Section 3.24.152 WSMC to secure the payment of all Parity Bonds;

Fourth, to make all payments required by subsequent ordinances of the City to be made out of Gross Revenue into any revenue bond redemption fund or revenue warrant redemption fund and debt service account or reserve account created to pay and secure the payment of the principal of and interest on any revenue bonds or revenue warrants of the City having a lien upon the Gross Revenue junior and inferior to the lien thereon of the Parity Bonds; and

Fifth, to make all payments required to be made into the Short-Lived Asset Reserve Fund created by the City; and

Sixth, to retire by redemption or purchase in the open market any outstanding revenue bonds or revenue warrants of the City, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the Water System, or for any other lawful City purpose.

Section 7. Debt Service Fund. The City has created its “Water Bond Redemption Fund” established by Ordinance No. 2012-05-888 and codified at Section 3.24.151 WMCH to pay and secure the payment of all Parity Bonds (the “Debt Service Fund”). The Debt Service Fund shall be held separate and apart from all other funds and accounts of the City and shall be a trust fund for the owner of the Note.



The City hereby irrevocably obligates and binds itself for as long as the Note remains outstanding to set aside and pay into the Debt Service Fund out of the proceeds of sale of the Bond, proceeds of other short-term obligations, or from Gross Revenue of the Water System or moneys in the Water Fund available therefor after payment of the amounts identified in paragraphs First through Fifth of Section 6 of this ordinance, on or prior to the maturity of the Note in an amount sufficient to pay and redeem the principal of and interest on the Note as the same shall become due.

The City hereby covenants that it will issue the Bond or another refunding water revenue obligation or obligations in an amount sufficient, with other moneys of the City, legally available and specifically set aside for such purpose, to pay the principal of and interest on the Note when due and on or prior to the Maturity Date.

The City further covenants that, simultaneously with the receipt of such proceeds of sale of the Bond to the Government, it will pay into the Debt Service Fund moneys sufficient to pay the principal of and interest on the Note and will apply said moneys to the payment of the Note in accordance with its terms.

Said amounts so pledged to be paid into the Debt Service Fund, are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever, subject only to the payments provided in paragraphs First through Fifth of Section 6 of this ordinance.

Section 8. Sufficiency of Gross Revenue. The corporate authorities of the City hereby declare that in fixing the amounts to be paid into the Debt Service Fund as aforesaid they have exercised due regard to the expenses of maintenance and operation of the Water System and the charges necessary to pay and secure the payment of the principal of and interest on the Outstanding Parity Bonds and have not obligated the City to set aside and pay into said Debt Service Fund a greater amount of the Gross Revenue than in their judgment will be available over and above such expenses of maintenance and operation and the amounts necessary to pay the principal of and interest on the Outstanding Parity Bonds and the Note.

Section 9. Disposition of Proceeds of the Note. The City maintains a capital facilities improvement fund, defined in this Ordinance as the Construction Fund. The money derived from Draws shall be deposited in the Construction Fund and shall be expended solely to pay costs of the Project and costs of issuing and delivering the Note, as authorized herein. Following the execution and delivery of the Note, an Authorized Officer shall notify the Bank in writing each time that a Draw is required to pay costs of the Project or costs of issuance of the Note, subject to the Bank's and the Government's approval. A request for a Draw may be made in writing by an Authorized Officer in any manner approved by the Bank and the Authorized Officer. The Bank will then notify the City of its intent to wire transfer a Draw or pay by check (including the dollar amount of the Draw and the date on which the Draw amount will be wired or paid by check to the City for deposit into the Construction Fund). It is anticipated that Draws will be on no more than a monthly basis. The Draws under the Note shall be used, together with other moneys on deposit therein and available therefor, for the undertaking of the Project and for paying all expenses incidental thereto (including but not limited to costs of issuance of the Note, engineering, financing, legal or any other incidental costs) and for repaying any advances heretofore or hereafter

made on account of such costs or for redeeming the Note. Interest earned and income or profits derived by virtue of investments of moneys in the Construction Fund may remain in the Construction Fund and may be used for the payment of Project costs. Upon the completion of the Project and the payment of all costs thereof, including the payment of all retainages for construction, the balance on hand in the Construction Fund shall be transferred to City fund(s) or otherwise disbursed as required under grant/loan contracts, and the Construction Fund shall be closed.

Section 10. Tax Covenants. The City hereby covenants that it will not make any use of the proceeds of sale of the Note or any other funds of the City which may be deemed to be proceeds of such Note pursuant to Section 148 of the Code which will cause the Note to be an “arbitrage bond” within the meaning of said 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 Note) and the applicable Regulations thereunder throughout the term of the Note.

The City further covenants that it will not take any action or permit any action to be taken that would cause the Note to constitute “private activity bonds” under Section 141 of the Code.

The City hereby designates the Note as a “qualified tax exempt obligation” under Section 265(b) of the Code for investment by financial institutions. The City does not anticipate issuing more than \$10,000,000 in qualified tax-exempt obligations during 2022.

Section 11. General Covenants. The City hereby covenants and agrees with the owner of the Note from time to time, as follows:

(a) The City will establish, maintain, and collect rates and charges for water system service furnished for as long the Note is outstanding, that it will make available for the payment of the principal of and interest on all of such notes as the same shall become due an amount equal to the amount required in any calendar year hereafter for the payment of all of such principal and interest after normal costs of maintenance and operation of the Water System have been paid, but before depreciation.

(b) The City will at all times maintain and keep the Water System in good repair, working order and condition, and also will at all times operate the Water System and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) The City will keep proper books of account for the Water System in accordance with rules and regulations of any governmental entity having jurisdiction, including the Division of Municipal Corporations of the Auditor’s Office of the State of Washington. Said books of account will be audited every two years as required by law and an annual report, which will be available to the owner of the Note, will be prepared after the close of each fiscal year showing in reasonable detail the balance sheet and income and expense statement for the year and the general financial condition of the Water System.

Section 12. Lost, Stolen or Destroyed Note. In case the Note shall be lost, stolen or destroyed, the City may execute and deliver a new Note of like date, number and tenor to the Bank thereof upon the Bank’s paying the expenses and charges of the City in connection therewith and

upon its filing with the Treasurer of the City evidence satisfactory to said Treasurer that such Note was actually lost, stolen or destroyed.

Section 13. Form of Note and Registration Certificate. The Note shall be in substantially the following form:

NO. N-1 UNITED STATES OF AMERICA not to exceed \$2,333,000  
(or as much thereof as is shown on the attached Loan Draw Record)

STATE OF WASHINGTON  
CITY OF WHITE SALMON  
WATER REVENUE BOND ANTICIPATION NOTE, 2022

INTEREST RATE: Draw Period Interest Rate, as provided in the Ordinance.  
MATURITY DATE: December 1, 2023, or such prior date chosen by the City within the maximum allowed maturity provided by the Government, or as extended as provided in the Ordinance.  
REGISTERED OWNER: CASHMERE VALLEY BANK  
117 APLETS WAY  
CASHMERE, WA 98815  
TAX IDENTIFICATION #: 91-0168460  
PRINCIPAL AMOUNT: TWO MILLION, THREE HUNDRED THIRTY-THREE THOUSAND AND NO/100 DOLLARS (or so much as been Drawn hereunder)

The CITY OF WHITE SALMON, WASHINGTON (the "City"), hereby acknowledges itself to owe and for value received promises to pay, but solely from the sources identified herein, to the Registered Owner identified above, or registered assigns on the Maturity Date, the Principal Amount, together with interest thereon at the Draw Period Interest Rate, as defined in Ordinance No. 2022-04-1101 of the City (the "Ordinance"), calculated on a basis of 30/360 with 12 months consisting of 30 days each. Interest shall be payable semiannually on June 1 and December 1, commencing June 1, 2022, or the first June 1 or December 1 after the Initial Draw Date on the Note, and on the Maturity Date, to the extent not prepaid. Installments of the principal of and interest on this note shall be paid by check or draft of the City mailed on the date such principal and interest is due or by electronic funds transfer made on the date such interest is due to the Registered Owner at the address shown above. Upon final payment of all installments of principal

and interest thereon, this note shall be submitted to the Note Registrar (the Treasurer of the City) for cancellation and surrender.

This note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Note Registrar. The definitions contained in the Ordinance shall apply to capitalized terms contained herein.

The City hereby irrevocably covenants and agrees with the Registered Owner of this note that it will keep and perform all the covenants of this note and of the Ordinance to be by it kept and performed. Reference is hereby made to the Ordinance for a complete statement of such covenants and for the definition of capitalized terms used herein.

This note is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions and ordinances of the City, including the Ordinance, for the purpose of providing interim financing for certain improvements to the Water System. This note is issued in anticipation of the issuance of a revenue bond (the "Bond") authorized by the City.

Both principal of and interest on this note are payable solely out of the special fund of the City known as the "Water Debt Service Fund" (the "Debt Service Fund"). The City does hereby pledge and bind itself to set aside and pay into the Debt Service Fund the amount required by the Ordinance to be paid therein from the proceeds of the Bond (as authorized in the Ordinance) or from the sources and in the priority specified in the Ordinance. The City further pledges that it will issue the Bond on or prior to the maturity of this note, and use the proceeds thereof to redeem this note. This note is not a general obligation of the City.

This note may be prepaid at any time, in whole or in part.

This note is not transferable, except as provided in the Ordinance.

This note is not a "private activity bond" as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). This note is a qualified tax-exempt obligation under Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this note have happened, been done and performed and that the issuance of this note does not violate any constitutional, statutory or other limitation upon the amount of indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of White Salmon, Washington, has caused this note to be signed, executed by the manual or facsimile signature of the Mayor, and authenticated by the City Clerk/Treasurer, as of this \_\_\_\_ day of \_\_\_\_\_, 2022.

CITY OF WHITE SALMON,  
WASHINGTON

\_\_\_\_\_  
/s/ manual or facsimile signature  
Mayor

ATTEST:

\_\_\_\_\_  
/s/ manual or facsimile signature  
Clerk/Treasurer of the City

The Note Registrar's Certificate of Authentication on the Note shall be in substantially the following form:

**CERTIFICATE OF AUTHENTICATION**

Date of Authentication:

This note is the note described in the within-mentioned Ordinance and is the Water Revenue Bond Anticipation Note, 2022, of the City, dated \_\_\_\_\_, 2022.

CITY OF WHITE SALMON  
TREASURER, as Registrar

By \_\_\_\_\_

Section 14. Execution. The Note shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and Clerk/Treasurer of the City. The Certificate of Authentication on the Note shall be signed manually by the Note Registrar.

In case any officer whose signature shall appear on the Note shall cease to be an officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, and such Note may be authenticated and delivered as if such officer had remained in office until such delivery.

The Note shall not be valid for any purpose unless Certificate of Authentication in the form hereinafter specified in Section 13 has been manually executed by the Note Registrar. Such Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

Section 15. Sale of Note. The Note shall be sold to the Bank in accordance with its Commitment Letter, which by this reference is hereby incorporated herein, and the acceptance of

such proposal is hereby ratified and confirmed. A loan fee of \$550 is authorized to be paid to the Bank.

The proper officials of the City are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Note and the items required to be delivered to the Bank under the terms of the Commitment Letter and for proper use and application of the proceeds of sale thereof. In furtherance of the foregoing, the Authorized Officer is authorized to approve and enter into agreements for the payment of costs of issuance, including fees and expenses of the Bank and other retained services, including Bond Counsel, and other expenses customarily incurred in connection with issuance and sale of a note.

Section 16. No Undertaking to Provide Ongoing Disclosure; Information to be Provided to Bank. The Note is not subject to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, and the City makes no undertaking regarding ongoing disclosure with respect to the Note.

As long as the Note is outstanding and held by the Bank, the City will provide to the Bank its annual financial report (to the extent such report is not available on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board (“EMMA”)), and such financial information of the City as the Bank from time to time may reasonably request.

Section 17. Declaration of Official Intent. The City hereby official declares its intent under Treasury Regulation Section 1.150-2 to reimburse expenditures in an amount not to exceed \$2,333,000 for costs of the Project incurred by the City prior to the date Note proceeds become available for such reimbursement or payment of Project costs.

Section 18. Severability. If any one or more of the covenants or agreements provided in this resolution 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 in this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Note.

Section 19. Prior Acts. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 20. Effective Date. This resolution shall be effective from and after its adoption as provided by law.

PASSED by the City Council at a regular open public meeting thereof, held on the 6th day of April, 2022.

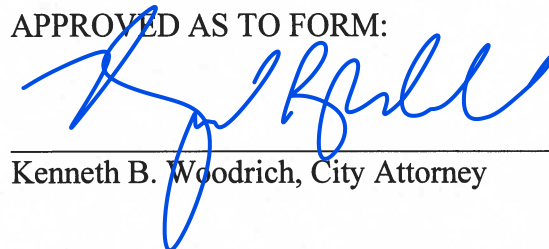
CITY OF WHITE SALMON,  
WASHINGTON

  
\_\_\_\_\_  
Marla Keethler, Mayor

ATTEST:

  
\_\_\_\_\_  
Jan Brending, City Clerk/Treasurer

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Kenneth B. Woodrich, City Attorney

CERTIFICATE

I, the undersigned, Clerk of the City of White Salmon, Washington (the "City"), DO  
HEREBY CERTIFY:

1. That the attached Ordinance No. 2022-04-1101 (herein called the "Ordinance") is a true and correct copy of an ordinance of the City as finally passed at a regular meeting of the City Council held on the 6th day of April, 2022, and duly recorded in my office.

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 quorum of the City Council was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage 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 6th day of April, 2022.

  
\_\_\_\_\_  
Jan Brending, City Clerk/Treasurer