

## CLARK COUNTY STAFF REPORT

DEPARTMENT: Clark County Treasurer's Office

DATE: March 14, 2017

### REQUESTED ACTION:

The Clark County Treasurer's Office requests approval of a resolution delegating the Clark County Treasurer's Office broad authority to execute on the refunding of the County's 2006 Limited Tax General Obligation Refunding Bonds in an effort to achieve the highest debt service savings possible.

Consent  Hearing  County Manager

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### BACKGROUND

#### *Background*

In January of 2006, the Board of County Councilors (BOCC) approved Resolution No. 2006-01-07 authorizing the issuance of \$36,285,000 in Limited Tax General Obligation (LTGO) Refunding Bonds. These bonds, herein known as the 2006 LTGO Refunding Bonds, refunded bonds issued previously in 1999 and 2001. These bonds were instrumental in financing the following major County projects:

- **1999 LTGO Bonds, \$6,400,000** - Financed the construction of a work center for the detention of eligible low-risk offenders and the purchase of equipment for other County facilities.
- **2001 LTGO Bonds, \$37,090,000** - Financed the construction, equipping and furnishing of the Public Service Center Building. The proceeds also financed the relocation of County employees and personal property and the construction and equipping of related parking facilities.

#### *Analysis and Recommendation*

Per County debt policy, the Treasurer's Office is responsible for the administration and management of the County's debt. As part of the Office's active debt management strategy, the Treasurer's Office, in coordination with its financial advisor (Public Financial Management, Inc.-PFM), continuously reviews the County's debt portfolio for savings opportunities. Based on the interest rates and call provisions of the 2006 LTGO Refunding Bonds and the current market conditions, the Treasurer's Office and PFM, concluded that the County could achieve interest costs savings by refunding those bonds in 2017.

Accordingly, the Treasurer's Office requests BOCC approval of the enclosed resolution which delegates authority to the Treasurer's Office to proceed with refunding the 2006 LTGO Refunding Bonds. This resolution, which was drafted by Foster Pepper - the County's Bond Counsel, grants the Treasurer's Office's the ability to analyze and execute on the **refunding option** that complies with certain parameters set forth in the resolution and yields the highest level of debt service savings. Possible options provided by the resolution for refunding the 2006 LTGO Refunding Bonds include, but are not limited to:

- **Direct bank placement** – selling the debt to a one specific entity, likely a bank or other financial institution
- **Public offering** - traditional refinancing

Approval of this resolution is a prudent step which allows the County to take advantage of low interest rates that will lead to reduced debt service costs. As noted above, any option that the County chooses to pursue must comply with certain minimum savings standards. Per County debt policy, savings achieved from a refunding must be at minimum 3% of par on a net present value basis. This savings will be spread over the life of the debt which extends to 2026. Per County policy, a refunding will not extend the life of the original debt issuance.

The Treasurer’s Office will provide updates to the BOCC and County Manager as the process moves forward.

**COUNCIL POLICY IMPLICATIONS**

None.

**ADMINISTRATIVE POLICY IMPLICATIONS**

None.

**COMMUNITY OUTREACH**

None.

**BUDGET IMPLICATIONS**

YES	NO	
		Action falls within existing budget capacity.
		Action falls within existing budget capacity but requires a change of purpose within existing appropriation
X		Additional budget capacity is necessary and will be requested at the next supplemental. If YES, please complete the budget impact statement. If YES, this action will be referred to the county council with a recommendation from the county manager.

**BUDGET DETAILS**

Local Fund Dollar Amount	
Grant Fund Dollar Amount	
Account	
Company Name	

**DISTRIBUTION:**

Board staff will post all staff reports to The Grid. <http://www.clark.wa.gov/thegrid/>

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## BUDGET IMPACT ATTACHMENT

### Part I: Narrative Explanation

I. A – All refundings require appropriation adjustments and formal budget actions. In this instance, approval of the resolution grants the Treasurer’s Office authority to execute on whichever refunding option will yield the highest level of debt service savings. As such, the budgetary specifics of this request are unknown at this time. Depending on which option is chosen, the Treasurer’s Office will work with the Budget Office to submit a decision package in either the FY 2017 Fall Supplemental or 2018 Readopt.

### Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
<b>Total</b>						

II. A – Describe the type of revenue (grant, fees, etc.)

### Part III: Estimated Expenditures


III. A – Expenditures summed up

Fund #/Title	FTE's	Current Biennium		Next Biennium		Second Biennium	
		GF	Total	GF	Total	GF	Total
<b>Total</b>							

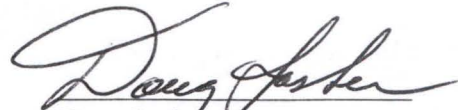
III. B – Expenditure by object category

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
Salary/Benefits						
Contractual						
Supplies						
Travel						
Other controllables						
Capital Outlays						
Inter-fund Transfers						
Debt Service						
<b>Total</b>						

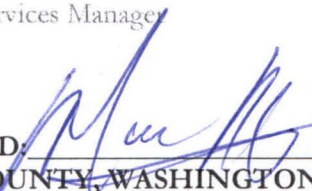




Larry Fruch  
Financial Services Manager



Doug Lasher  
Clark County Treasurer

  
APPROVED: \_\_\_\_\_  
CLARK COUNTY, WASHINGTON  
BOARD OF COUNTY COUNCILORS

DATE: MAR. 14, 2017

SR# 064-17



APPROVED: \_\_\_\_\_  
Mark McCauley, County Manager

DATE: \_\_\_\_\_



CLARK COUNTY, WASHINGTON

RESOLUTION NO. 2017-03-09

A RESOLUTION of the Board of County Councilors, Clark County, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of not to exceed \$24,500,000 aggregate principal amount of limited tax general obligation refunding bonds to provide funds to refund certain of the County's outstanding Limited Tax General Obligation Refunding Bonds, 2006, 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; appointing the County's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

Adopted March 14, 2017

*This document prepared by:*

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

CLARK COUNTY, WASHINGTON

RESOLUTION NO. 2017-03- 09

A RESOLUTION of the Board of County Councilors, Clark County, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of not to exceed \$24,500,000 aggregate principal amount of limited tax general obligation refunding bonds to provide funds to refund certain of the County's outstanding Limited Tax General Obligation Refunding Bonds, 2006, 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; appointing the County's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

BE IT RESOLVED BY THE BOARD OF COUNTY COUNCILORS OF CLARK COUNTY, WASHINGTON, as follows:

Section 1.     Definitions. As used in this resolution, the following capitalized terms shall have the following meanings:

(a)     “*2006 Bonds*” means the County's Limited Tax General Obligation Refunding Bonds, 2006, dated January 26, 2006, issued by the County for the purpose of advance refunding portions of the County's Limited Tax General Obligation Bonds, 1999, and Limited Tax General Obligation Bonds, 2001.

(b)     “*Acquired Obligations*” means those United States Treasury Certificates of Indebtedness, Notes, and Bonds--State and Local Government Series and other direct, noncallable obligations of the United States of America purchased to accomplish the refunding of the Refunded Bonds as authorized by this resolution.

(c)     “*Authorized Denomination*” means \$5,000 or any integral multiple thereof within a maturity and interest rate.

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



- (e) “*Board*” means the Board of County Councilors of the County.
- (f) “*Bond*” means each bond issued pursuant to and for the purposes provided in this resolution.
- (g) “*Bond Counsel*” means the firm of Foster Pepper PLLC, its successor, or any other attorney or firm of attorneys selected by the County with a nationally recognized standing as bond counsel in the field of municipal finance.
- (h) “*Bond Fund*” means the Limited Tax General Obligation Refunding Bond Fund, 2017, of the County created for the payment of the principal of and interest on the Bonds.
- (i) “*Bond Purchase Agreement*” means an offer to purchase the Bonds, setting forth certain terms and conditions of the issuance, sale and delivery of the Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the County, if consistent with this resolution. In the case of a competitive sale of the Bonds, the County’s official notice of sale of the Bonds, the Purchaser’s bid to purchase the Bonds, and the award by the Designated Representative to the Purchaser shall constitute the Bond Purchase Agreement for the purposes of this resolution.
- (j) “*Bond Register*” means the books or records maintained by the Registrar for the purpose of identifying ownership of each Bond.
- (k) “*County*” means Clark County, Washington, a political subdivision of the State of Washington (the “State”) duly organized and existing under and by virtue of the laws of the State.
- (l) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

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

(n) “*Designated Representative*” means the officer of the County appointed in Section 4 of this resolution to serve as the County’s designated representative in accordance with RCW 39.46.040(2).

(o) “*Final Terms*” means the terms and conditions for the sale of the Bonds including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption or prepayment rights, price, and other terms or covenants.

(p) “*Finance Officer*” means the County Treasurer, Deputy Treasurer or Finance Manager, or such other officer of the County who succeeds to substantially all of the responsibilities of that office.

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

(r) “*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

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

(t) “*Letter of Representations*” means the Blanket Issuer Letter of Representations between the County and DTC, dated June 24, 1998, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

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

(v) “*Official Statement*” means an offering document, disclosure document, private placement memorandum or substantially similar disclosure document provided to purchasers and potential purchasers in connection with the initial offering of the Bonds in conformance with Rule 15c2-12 or other applicable regulations of the SEC.

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

(x) “*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, as underwriter or placement agent in a negotiated sale, or the successful bidder to which the Bonds are awarded in a competitive sale of the Bonds.

(y) “*Rating Agency*” means any nationally recognized rating agency then maintaining a rating on the Bonds at the request of the County.

(z) “*Record Date*” means the Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption or prepayment of a Bond prior to its maturity, the Record Date shall mean the Registrar’s close of business on the date on which the Registrar sends the notice of redemption or prepayment in accordance with Section 9.

(aa) “*Redemption Date*” means January 2, 2018.

(bb) “*Refunded Bond Resolution*” means, together, Resolution No. 2005-11-01 and Resolution No. 2006-01-07 authorizing the issuance sale of the 2006 Bonds.

(cc) “*Refunded Bonds*” means those Refunding Candidates selected by the Designated Representative and identified in a Refunding Plan to be refunded with the proceeds of the Bonds.



(dd) “*Refunding Candidates*” means the 2006 Refunding Candidates identified in Exhibit B, which is attached to this resolution and incorporated by this reference.

(ee) “*Refunding Plan*” means (as further described in the applicable Refunding Trust Agreement):

(1) the deposit with the Refunding Trustee of an amount of proceeds of the Bonds sufficient (together with additional money of the County, if necessary) to acquire the Acquired Obligations;

(2) the application by the Refunding Trustee of all amounts held by it (including the maturing principal of and interest on the Acquired Obligation and any other cash balance) to the payment of interest on the Refunded Bonds when due up to and including the Redemption Date, and the call, payment and redemption of the Refunded Bonds on the Redemption Date at a price of 102.0% of par; and

(3) the payment of the costs of issuing the Bonds and the costs of carrying out the foregoing elements of the Refunding Plan.

(ff) “*Refunding Trust Agreement*” means a refunding trust or escrow agreement between the County and a Refunding Trustee, dated as of the Issue Date of the Bonds, providing for the carrying out of the Refunding Plan.

(gg) “*Refunding Trustee*” means a trustee or escrow agent, or any successor trustee or escrow agent, designated by the Designated Representative to serve as refunding trustee to carry out the Refunding Plan.

(hh) “*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 County utilizes the book-entry

only system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

(ii) “*Registrar*” means, unless otherwise specified in the Bond Purchase Agreement, the Fiscal Agent, or any successor bond registrar selected by the County.

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

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

(ll) “*Securities Depository*” means DTC, any successor thereto, any substitute securities depository selected by the County that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.

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

(nn) “*System of Registration*” means the system of registration for the County’s bonds and other obligations set forth in Resolution No. 1985-05-104 of the County.

(oo) “*Tax-Exempt Bond*” means, with respect to any Bond, such Bond during any period during which, on the Issue Date, the County intends that interest on such Bond is to be excluded from gross income for federal income tax purposes.

(pp) “*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.

(qq) “*Undertaking*” means the undertaking to provide continuing disclosure entered into pursuant to Section 15 of this resolution.

Section 2. Findings and Determinations. The County takes note of the following facts and makes the following findings and determinations:

(a) The County issued the 2006 Bonds pursuant to the Refunded Bond Resolution for the purpose of advance refunding portions of the County's Limited Tax General Obligation Bonds, 1999, and Limited Tax General Obligation Bonds, 2001, as further described in the Refunded Bond Resolution, and the 2006 Bonds are subject to the optional redemption provisions summarized in Exhibit B to this resolution.

(b) After due consideration, the Board of County Councilors (the "Board") has determined it to be in the best interest of the County that it authorize the issuance and sale of limited tax general obligation refunding bonds, as further described herein (the "Bonds"), for the purpose of refunding the Refunded Bonds, and of paying all or part of the costs of issuance and sale of the Bonds.

(c) RCW 39.46.040(2) provides that a resolution authorizing the issuance of bonds may authorize an officer of the County to serve as the County's designated representative and to accept, on behalf of the County, an offer to purchase those bonds so long as the acceptance of such offer is consistent with terms established by a resolution that establishes the following terms for the bonds (or parameters with respect thereto): the amount, date, denominations, interest rates (or mechanism for determining interest rates), payment dates, final maturity, redemption or prepayment rights, price, minimum savings for refunding bonds and any other terms or conditions deemed appropriate by the Board.

(d) In order to carry out the Refunding Plan, it is in the best interest of the County to delegate to the County Treasurer, the Deputy County Treasurer or the Finance Manager of the County the authority to: appoint a refunding trustee; determine the final terms of the Bonds; and take additional action necessary for the refunding of all the Refunded Bonds and the issuance of the Bonds pursuant to the terms of this resolution:



(e) For the purpose of providing the funds necessary to carry out the Refunding Plan and to pay the costs of issuance and sale of the Bonds, the Board finds that it is in the best interests of the County and its taxpayers to issue and sell the Bonds to the Purchaser, pursuant to the terms set forth in the Bond Purchase Agreement as approved by the County's Designated Representative consistent with this resolution.

Section 3. Authorization of Bonds. The County is authorized to borrow money on the credit of the County and issue negotiable limited tax general obligation bonds evidencing indebtedness in an aggregate principal amount not to exceed \$24,500,000 to provide funds necessary to carry out the Refunding Plan and to pay the costs of issuance and sale of the Bonds.

Section 4. Description of the Bonds; Appointment of Designated Representative. The County Treasurer, Deputy Treasurer, and Finance Manager are each, acting separately, appointed as a Designated Representative of the County authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the County, and to approve the Final Terms of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this resolution and incorporated by this reference.

Section 5. 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) *Registrar; Duties.* Unless otherwise specified in the Bond Purchase Agreement, the Fiscal Agent is appointed as initial Registrar. The 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 County at all times. The Registrar is authorized, on behalf of the County, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the County's paying agent for the Bonds and to carry out all of the Registrar's powers and duties under this resolution and the System of Registration. The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on each Bond. The Registrar may become an Owner with the same rights it would have if it were not the 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 Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same maturity and interest rate. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The 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.* Unless otherwise specified in the Bond Purchase Agreement, DTC is appointed as initial Securities Depository. Each Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of

Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the County; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the County, the County may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the County does not appoint a substitute Securities Depository, or (ii) the County terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this resolution.

Neither the County nor the Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the County nor the Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Registrar to the Securities Depository.

Section 6. 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 resolution and State law. Each Bond shall be signed by the Chair of the Board and the Clerk of the Board, either or both of whose signatures may be manual or in facsimile, and the seal of the County 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 County authorized to sign bonds before the Bond bearing his or her



manual or facsimile signature is authenticated by the Registrar, or issued or delivered by the County, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the County as though that person had continued to be an officer of the County authorized to sign bonds. Any Bond also may be signed on behalf of the County by any person who, on the actual date of signing of the Bond, is an officer of the County authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: “Certificate Of Authentication. This Bond is one of the fully registered Clark County, Washington, Limited Tax General Obligation Refunding Bonds, 2017 (Taxable/Tax-Exempt),” with any variation in the name or designation of the Bond deemed necessary or appropriate by the Designated Representative. 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 resolution.

Section 7. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository is payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the 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 County is not required to

make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 8. Bond Fund. The Bond Fund is created as a special fund of the County for the sole purpose of paying principal of and interest on the Bonds. Bond proceeds in excess of the amounts needed to pay the costs of the Refunding Plan and the costs of issuance, if any, shall be deposited into 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. The principal of and interest on the Bonds shall be paid out of the Bond Fund. Until needed for that purpose, the County 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.

Section 9. Redemption and Prepayment Provisions and Purchase of Bonds.

(a) *Optional Redemption or Prepayment.* The Bonds may be subject to redemption or prepayment at the option of the County on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A.

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in the Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A and except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond

Purchase Agreement. If a term Bond is redeemed under the optional redemption or prepayment provisions, defeased or purchased by the County and surrendered for cancellation, the principal amount of the Term Bond so redeemed, prepaid, defeased or purchased (irrespective of its actual redemption, prepayment or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The County shall determine the manner in which the credit is to be allocated and shall notify the Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption or Prepayment; Partial Redemption or Prepayment.* If fewer than all of the outstanding Bonds are to be redeemed or prepaid at the option of the County, the County shall select the maturities and interest rates to be redeemed or prepaid. If fewer than all of the outstanding Bonds of a maturity and interest rate are to be redeemed or prepaid, the Securities Depository shall select Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Registrar shall select all other Bonds to be redeemed randomly in such manner as the 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 Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) *Notice of Redemption or Prepayment.* Unless otherwise specified in the Bond Purchase Agreement, notice of redemption of each Bond registered in the name of the Securities



Depository shall be given in accordance with the Letter of Representations. Notice of redemption or prepayment of each other Bond, unless waived by the Registered Owner, shall be given by the Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption or prepayment by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption or prepayment notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), 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 or prepayment of any Bond.

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

(f) *Effect of Redemption or Prepayment.* Interest on each Bond called for redemption or prepayment shall cease to accrue on the date fixed for redemption or prepayment, unless either the notice of optional redemption or prepayment is rescinded as set forth above, or money sufficient to effect such redemption or prepayment 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 County reserves the right to purchase any or all of the Bonds offered to the County at any time at any price acceptable to the County plus accrued interest to the date of purchase.

Section 10. 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 or prepayment, the County shall be obligated to pay interest on that Bond at the same rate provided in the Bond (or at such other rate as may be specified in the Bond Purchase Agreement) from and after its maturity or date fixed for redemption or prepayment 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 11. Pledge of Taxes. The Bonds constitute a general indebtedness of the County and are payable from tax revenues of the County and such other money as is lawfully available and allocated by the County for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the County 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 and allocated therefor, to pay principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the County 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 County.

Section 12. Tax Covenants.

(a) *Preservation of Tax Exemption for Interest on Tax-Exempt Bonds.* The County 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 County 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 County 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 Tax-Exempt Bonds.

(b) *Post-Issuance Compliance.* The Designated Representative is authorized and directed to review and, if necessary, update the County's written procedures to facilitate compliance by the County with the covenants in this resolution 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.

Section 13. Refunding or Defeasance of the Bonds. The County 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 County 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 resolution 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 County 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 County 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 resolution for the redemption or prepayment of Bonds.

Section 14. Deposit of Bond Proceeds; Refunding of the Refunded Bonds.

(a) *Appointment of the Refunding Trustee; Selection of Refunded Bonds.* The Designated Representative is authorized to appoint the Refunding Trustee and to select the Refunding Candidates to be refunded by the Bonds. The Designated Representative may choose to refund fewer than all of the Refunding Candidates. The Refunded Bonds, as selected by the Designated Representative, shall be identified in the applicable Bond Purchase Agreement and/or the applicable Refunding Trust Agreement.

(b) *Deposit of Bond Proceeds; Purchase of Acquired Obligations.* Proceeds from the sale of the Bonds in the amount sufficient to carrying out the Refunding Plan and pay the costs of issuance of the Bonds shall be deposited immediately upon the receipt thereof with the Refunding Trustee and used to discharge the obligations of the County relating to the Refunded Bonds under the Refunded Bond Resolution by providing for the payment of the amounts required to be paid by the Refunding Plan. Such obligations shall be discharged fully by the

Refunding Trustee's simultaneous purchase of 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 shall be listed and more particularly described in the Refunding Trust Agreement, but are subject to substitution as set forth below. The Designated Representative is authorized and directed to approve the Acquired Obligations to be purchased. The Finance Officer is authorized to cause the County to transfer to the Refunding Trustee additional money of the County, if any, immediately preceding the Issue Date. Any Bond proceeds or other money deposited with the Refunding Trustee not needed to carry out the Refunding Plan or pay the costs of issuance of the Bonds shall be returned to the County as soon as reasonably practicable following the Issue Date. Any Bond proceeds not needed to carry out the Refunding Plan and pay the costs of issuance of the Bonds shall be deposited in the Bond Fund and used to pay interest on the Bonds on the first interest payment date.

(c) *Substitution of Acquired Obligations.* Prior to the purchase of any Acquired Obligations, the County reserves the right to substitute other noncallable, nonprepayable Government Obligations ("Substitute Obligations") for any of such Acquired Obligations if, (i) in the opinion of Bond Counsel the interest on the Refunded Bonds will remain excluded from gross income for federal income tax purposes under Sections 103, 148 and 149(d) of the Code, and (ii) such substitution will not impair the timely payment of the amounts required to be paid by the Refunding Plan, as verified by a nationally recognized independent certified public accounting firm. The County may use any savings created by the foregoing substitution to pay interest on the Bonds on the first interest payment date.

After the purchase of Acquired Obligations by the Refunding Trustee, the County reserves the right to substitute therefor money and/or Substitute Obligations subject to the conditions that such money or Substitute Obligations held by the Refunding Trustee will be sufficient to carry out the Refunding Plan, that such substitution will not cause the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in effect on the date of such substitution and applicable to obligations issued on the Issue Date, and that the County obtains, at its expense: (i) a verification by a nationally recognized independent certified public accounting firm confirming that the payments of principal of and interest on the Substitute Obligations, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding Plan; and (ii) an opinion from Bond Counsel to the effect that the disposition and substitution or purchase of such Substitute Obligations, under the statutes, rules and regulations then in force and applicable to the Refunded Bonds, will not cause the interest on the Refunded Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the Refunded Bonds. Any surplus money resulting from the sale, transfer, other disposition or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the County to be used to pay debt service on the Bonds.

(d) *Administration of Refunding Plan.* The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or Substitute Obligations) and to make the payments required to be made pursuant to the Refunding Plan from the Acquired Obligations (or Substitute Obligations) and money deposited with the Refunding Trustee pursuant to this resolution and the Refunding Plan. All Acquired Obligations (or Substitute Obligations) and



money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of the Refunded Bond Resolution, this resolution, chapter 39.53 RCW and other applicable laws of the State and the Refunding Trust Agreement. All necessary and proper fees, compensation and expenses of the Refunding Trustee and all other costs incidental to the setting up of the escrow to accomplish the Refunding Plan and costs of issuance of the Bonds, including bond printing, rating service fees, verification fees, Bond Counsel's fees and other related expenses, shall be paid out of the proceeds of the Bonds.

(e) *Authorization for Refunding Trust Agreement.* To carry out the Refunding Plan, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee the Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation and expenses of the Refunding Trustee set forth therein are satisfactory to it.

(f) *Call for Redemption of the Refunded Bonds.* Effective upon the Issue Date, the County calls for redemption all of the Refunded Bonds on the Redemption Date, at a price of 102.0% of par plus accrued interest. Such call for redemption shall be irrevocable after the delivery of the Bonds to the Purchaser. The Redemption Date is the first date on which the Refunded Bonds may be called. The Refunding Trustee 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 Refunded Bond Resolution and the Refunding Trust Agreement in order to effect the redemption of the Refunded Bonds prior to their stated maturity dates.

(g) *Additional Findings.* Prior to the execution of any Bond Purchase Agreement, the Designated Representative must determine, on behalf of the County, that the issuance of the Bonds will produce a net present value savings to the County and its taxpayers of at least 3% of the par amount of the Bonds, as further described in paragraph (i)(3) of Exhibit A attached hereto.

The Designated Representative further must find and determine that the money to be deposited with the Refunding Trustee to carry out the Refunding Plan will discharge and satisfy the obligations of the County under the Refunded Bond Resolution with respect to the Refunded Bonds, and the pledges, charges, trusts, covenants and agreements of the County therein made or provided for as to the Refunded Bonds, and that the Refunded Bonds shall no longer be deemed to be outstanding under the Refunded Bond Resolution immediately upon the deposit of such money with the Refunding Trustee.

(h) *Alternative procedure for Refunding.* Any provision of this resolution to the contrary notwithstanding, the Designated Representative may determine to effect the refunding of the Refunded Bonds by depositing proceeds of the Bonds, on or prior to the Redemption Date, in the Limited Tax General Obligation Refunding Bond Account, 2006, created within the County's General Obligation Debt Service Fund for payment of the 2006 Bonds, in an amount sufficient to redeem and retire the Refunded Bonds on the Redemption Date.

Section 15. Sale and Delivery of the Bonds.

(a) *Manner of Sale of Bonds; Delivery of Bonds.* The Designated Representative is authorized to sell the Bonds by negotiated sale or private placement or by competitive sale in accordance with a notice of sale consistent with this resolution, based on the assessment of the Designated Representative of market conditions, in consultation with appropriate County



officials and staff, Bond Counsel and other advisors. In determining the method of sale of the Bonds and accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the County.

(b) *Procedure for Negotiated Sale or Private Placement.* If the Designated Representative determines that the Bonds are to be sold by negotiated sale or private placement, the Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Agreement for the Bonds shall set forth the Final Terms. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the County, so long as the terms provided therein are consistent with the terms of this resolution

(c) *Procedure for Competitive Sale.* If the Designated Representative determines that the Bonds are 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 Final Terms and any other bid parameters that the Designated Representative deems appropriate consistent with this resolution. Bids for the purchase of the Bonds shall be received at such time or place and by such means as the Designated Representative directs. On the date and time established for the receipt of bids, the Designated Representative (or the designee of the Designated Representative) shall open bids and shall cause the bids to be mathematically verified. The Designated Representative is authorized to award, on behalf of the County, the winning bid and accept the winning bidder's offer to purchase the Bonds, with such adjustments to the aggregate principal amount and principal amount per maturity as the Designated Representative deems appropriate, consistent with the terms of this resolution. 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 County's best interest to do so. If all bids are rejected, 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 County, within the parameters set forth in this resolution.

(d) *Preparation, Execution and Delivery of the Bonds.* The Bonds will be prepared at County 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 16. Official Statement; Continuing Disclosure.

(a) *Preliminary Official Statement Deemed Final.* The Designated Representative shall review and, if acceptable to him or her, approve the preliminary Official Statement prepared in connection with each sale 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 County 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) *Approval of Final Official Statement.* The County approves the preparation of a final Official Statement for 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, and further authorizes the Designated Representative to execute and deliver such final Official Statement to the Purchaser if required under Rule 15c2-12. The County authorizes and

approves the distribution by the Purchaser of the final Official Statement so executed and delivered to purchasers and potential purchasers of the Bonds.

(c) *Undertaking 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 the Bonds, the Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of the Bonds in substantially the form attached as Exhibit C.

Section 17. Supplemental and Amendatory Resolutions. The County may supplement or amend this resolution for any one or more of the following purposes without the consent of any Owners of the Bonds:

(a) 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 County.

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

Section 18. General Authorization and Ratification. The Designated Representative and other appropriate officers of the County 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 resolution, and to do everything necessary for the prompt delivery 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 resolution in furtherance of the purposes described in this resolution and not inconsistent with the terms of this resolution are ratified and confirmed in all respects.

Section 19. Severability. The provisions of this resolution 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 resolution 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 resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.


Section 20. Effective Date; Ratification. This resolution shall be in full force and effect from and after its adoption and approval. All actions heretofore taken by the County consistent with the provisions of this resolution are ratified, confirmed and approved.



ADOPTED by the Board of County Councilors of Clark County, Washington, at a regular open public meeting thereof this 14<sup>th</sup> day of March, 2017.

BOARD OF COUNTY COUNCILORS  
FOR CLARK COUNTY, WASHINGTON



  
\_\_\_\_\_  
Marc Boldt, Council Chair

\_\_\_\_\_  
Jeanne E. Stewart, Councilor

\_\_\_\_\_  
Julie Olson, Councilor


\_\_\_\_\_  
John Blom, Councilor

\_\_\_\_\_  
Eileen J. Quiring, Councilor

ATTEST:

  
\_\_\_\_\_  
Clerk of the Board

Approved as to Form Only:

  
\_\_\_\_\_  
William G. Tonkin  
Foster Pepper PLLC  
Bond Counsel to the County

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**EXHIBIT A**  
**DESCRIPTION OF THE BONDS**

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- (a) Principal Amount. The Bonds shall not exceed the aggregate principal amount of \$24,500,000.
- (b) Date or Dates. Each Bond shall be dated its Issue Date, which date may not be later than one year after the effective date of this resolution.
- (c) Denominations, Name, etc. The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.
- (d) Interest Rate(s). Each Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds. The Designated Representative may determine whether the interest rates on the Bonds shall be taxable or tax-exempt, or shall be issued initially with taxable interest rates and thereafter converted to tax-exempt interest rates at such time as determined by the Designated Representative and as permitted under the applicable provisions of the Code. No rate of interest for any Bond may exceed 5.00%. The true interest cost to the County for the Bonds may not exceed 3.50%.
- (e) Payment Dates. Interest shall be payable at fixed rates semiannually on dates acceptable to the Designated Representative, commencing a date not later than one year following the Issue Date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments annually thereafter, on dates acceptable to the Designated Representative.
- (f) Final Maturity. The Bonds shall mature no later than January 1, 2026.

(g) Redemption Rights.

The Designated Representative may approve in the Bond Purchase Agreement provisions for the optional and mandatory redemption of Bonds, subject to the following:

- (1) Optional Redemption. Any Bond may be designated as being (A) subject to redemption or prepayment at the option of the County prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement; or (B) not subject to optional redemption or prepayment prior to its maturity date.
- (2) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Agreement.

(h) Price.

The purchase price for the Bonds may not be less than 98% or more than 130% of the stated principal amount of the Bonds.

(i) Other Terms and Conditions.

- (1) The Bonds may not be issued if it would cause the indebtedness of the County to exceed the County's legal debt capacity on the Issue Date.
- (2) The Designated Representative may determine whether it is in the County'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 County, consistent with this resolution.
- (3) The Designated Representative must determine, on behalf of the County, that the issuance of the Bonds will produce a net present value savings to the County and its taxpayers of at least 3% of the par amount of the Bonds.



**EXHIBIT B**  
**IDENTIFICATION OF REFUNDING CANDIDATES**

Maturity (Jan. 1)	Principal Amount	Interest Rate	CUSIP No. 181093
2019	\$2,385,000	5.00%	WB7
2020	2,515,000	5.00	WC5
2021	2,650,000	5.00	WD3
2022	2,795,000	5.00	WE1
2023	2,950,000	5.00	WF8
2024	3,105,000	5.00	WG6
2025	3,275,000	5.00	WH4
2026	3,025,000	5.00	WJ0

The Refunding Candidates are subject to optional redemption by the County during the period from January 1 to December 31, 2018, at a price of 102.0% of par plus accrued interest.

**EXHIBIT C**  
**[Form of]**  
**UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

**Clark County, Washington**  
**Limited Tax General Obligation Refunding Bonds, 2017**

Clark County, Washington (the "County"), makes the following written Undertaking for the benefit of holders of the above-referenced bonds (the "Bonds"), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Resolution No. 2017-03-\_\_\_ of the County (the "Bond Resolution").

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

- (i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b) ("annual financial information");
- (ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Tax-Exempt Bonds, or other material events affecting the tax status of the Tax-Exempt Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the County, as such "Bankruptcy Events" are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.



- (iii) Timely notice of a failure by the County to provide required annual financial information on or before the date specified in paragraph (b).

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

- (i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State such as the County, as such principles may be changed from time to time, which statements may be unaudited, provided, that if and when audited financial statements are prepared and available they will be provided; (2) principal amount of general obligation bonds outstanding at the end of the applicable fiscal year; (3) assessed valuation for that fiscal year; and (4) property tax levy amounts and rates for that fiscal year;
- (ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the County (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the County's fiscal year ending December 31, 20\_\_; and
- (iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The County will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. This Undertaking shall inure to the benefit of the County and the holder of each Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The County's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the County's obligations under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the County to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel delivered to the County, and the County provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the County learns of any failure to comply with this Undertaking, the County will proceed with due diligence to cause such noncompliance to be corrected. No failure by the County or other



obligated person to comply with this Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any holder of a Bond shall be to take action to compel the County or other obligated person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

(g) Designation of Official Responsible to Administer Undertaking. The Finance Officer or his or her designee is the person designated, in accordance with the Bond Resolution, to carry out the Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

- (i) Preparing and filing the annual financial information undertaken to be provided;
- (ii) Determining whether any event specified in paragraph (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;
- (iii) Determining whether any person other than the County is an “obligated person” within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;
- (iv) Selecting, engaging and compensating designated agents and consultants, including financial advisors and legal counsel, to assist and advise the County in carrying out this Undertaking; and
- (v) Effecting any necessary amendment of this Undertaking.

## CERTIFICATION

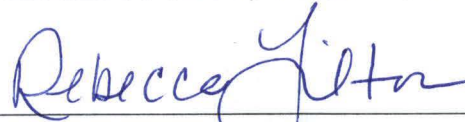
I, the undersigned, Clerk of the Board of County Councilors of Clark County, Washington (the "County"), hereby certify as follows:

1. The attached copy of Resolution No.2017-03-09 (the "Resolution") is a full, true and correct copy of a Resolution duly passed at a regular meeting of the Board of County Councilors of the County held at the regular meeting place thereof on March 14, 2017, as that resolution appears on the minute book of the County and that Resolution is now in full force and effect.

2. A quorum of the members of the Board of County Councilors of the County was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Resolution.

Dated: March 14, 2017.

CLARK COUNTY, WASHINGTON



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Clerk of the Board of County Councilors