

CITY OF MAPLE VALLEY, WASHINGTON

ORDINANCE NO. O-13-543

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MAPLE VALLEY, WASHINGTON, AUTHORIZING THE ISSUANCE AND SALE OF A LIMITED TAX GENERAL OBLIGATION BOND OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,600,000 FOR THE PURPOSE OF FINANCING CERTAIN IMPROVEMENTS AT RAVENSDALE PARK; PROVIDING THE FORM OF THE BOND; AND AUTHORIZING THE SALE OF THE BOND.

Passed November 18, 2013

PREPARED BY:
PACIFICA LAW GROUP LLP
Seattle, Washington

CITY OF MAPLE VALLEY
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* This Table of Contents is provided for convenience only and is not a part of this ordinance.

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WHEREAS, King County (the “County”), through the Parks and Recreation Division of its Department of Natural Resources and Parks, owns, operates and maintains Ravensdale Park, a 43-acre multi-purpose community park located in Southwest King County; and

WHEREAS, through a partnership with the Ravensdale Park Foundation, the County has commenced a multi-phase project to improve, develop and rehabilitate Ravensdale Park and its related open space, trails, and recreation and community facilities in order to provide enhanced park and recreational facilities for public use; and

WHEREAS, RCW 36.89.050 authorizes the County to participate with local governments in the financing, acquisition, construction, development, improvement, use, maintenance, and operation of open space, park, recreation and community facilities; and

WHEREAS, the City Council (the “Council”) of the City of Maple Valley, Washington (the “City”), has deemed it in the best interest of the City and its citizens that the City support the development of public recreation facilities of Ravensdale Park that provide recreational opportunities for the public; and

WHEREAS, the City intends to enter into an interlocal agreement (the “Interlocal Agreement”) between the City and the County pursuant to which the City will contribute funds to finance a portion of the design, development and construction of Combination Fields #1 and #2 and related infrastructure (two synthetic multi-use athletic fields) at Ravensdale Park and to secure use of the fields for City contracted and/or operated programs (the “Project”); and

WHEREAS, the Council now deems it necessary and advisable to issue a limited tax general obligation bond in the principal amount of not to exceed \$1,600,000 (the “Bond”) in order to finance the cost of the Project; and

WHEREAS, proceeds of the Bond will be remitted to the County pursuant to the terms of the Interlocal Agreement and will be used solely for the purpose of paying costs of the Project as further described therein; and

WHEREAS, the City intends to issue a request for proposals from various financial institutions to purchase the Bond; and

WHEREAS, the Council now wishes to authorize the issuance of the Bond and the sale of the Bond to the successful respondent subject to the terms and conditions in this ordinance;

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

Section 1. Definitions and Interpretation of Terms.

(a) *Definitions.* As used in this ordinance, the following words shall have the following meanings:

Bank means the financial institution that is the successful respondent to a request for proposals to purchase the Bond, selected by the Designated Representative.

Bond means the not to exceed \$1,600,000 City of Maple Valley, Washington, Limited Tax General Obligation Bond authorized to be issued pursuant to this ordinance.

Bond Fund means the “Bond Redemption Fund” authorized to be created pursuant to Section 9 of this ordinance.

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

Bond Registrar means the Finance Director, whose duties include registering and authenticating the Bond, maintaining the Bond Register, transferring ownership of the Bond, and paying the principal of and interest on the Bond.

City means the City of Maple Valley, Washington, a municipal corporation duly organized and existing under the laws of the State of Washington.

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

City Manager means the City Manager, or the successor of such office.

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

Commitment means the commitment of the Bank to purchase the Bond.

County means King County, a municipal corporation duly organized and existing under the laws of the State of Washington.

Designated Representative means the Finance Director or his or her designee.

Finance Director means the Finance Director of the City, or the successor of such office.

Federal Tax Certificate means the Federal Tax Certificate signed by the Finance Director pertaining to the tax-exemption of interest on the Bond.

Interlocal Agreement means the interlocal agreement between the City and the County with respect to the Project.

Project means the project described in Section 2 of this ordinance.

Project Fund means the “Project Fund” authorized to be created pursuant to Section 7 of this ordinance.

Registered Owner means the person in whose name the Bond is registered on the Bond Register.

Rule means the Securities and Exchange Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

(b) **Interpretation.** In this ordinance, unless the context otherwise requires:

(1) 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;

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

(3) 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;

(4) 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; and

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

Section 2. Findings and Authorization of the Project. The City finds that it is in the best interests of the citizens of the City that the City finance a portion of the design, development and construction of Combination Fields #1 and #2 and related infrastructure (two synthetic multi-

use athletic fields) at Ravensdale Park and secure use of the fields for City contracted and/or operated programs pursuant to the terms of the Interlocal Agreement (the “Project”). The costs of the Project and the costs of issuing the Bond shall be paid out of the proceeds of the Bond.

Section 3. Authorization of the Bond. For the purpose of financing costs of the Project and paying costs of issuance for the Bond, the City hereby authorizes the issuance and sale of its limited tax general obligation bond in the principal amount of not to exceed \$1,600,000. The bond shall be designated the “City of Maple Valley, Washington, Limited Tax General Obligation Bond, 2014,” or other such designation as set forth in the Bond and approved by the Finance Director. The Bond shall be dated as of its date of delivery, shall be fully registered as to both principal and interest, shall be in one denomination of not to exceed \$1,600,000, and shall mature on the date set forth in the Commitment and approved by the Designated Representative pursuant to Section 11.

The Bond shall bear interest from its dated date or the most recent date to which interest has been paid at the interest rate set forth in the Commitment. Interest on the principal amount of the Bond shall be calculated per annum on a 30/360 basis, or as otherwise provided in the Bond and in the Commitment. Principal of and interest on the Bond shall be payable at the times and in the amounts as set forth in the Commitment and in the payment schedule attached to the Bond.

Section 4. Registration, Exchange and Payments.

(a) *Registrar/Bond Registrar.* The Finance Director shall act as Bond Registrar. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Bond if transferred or exchanged in accordance with the provisions of the Bond and this ordinance and to carry out all of the Bond Registrar’s powers and duties under this ordinance.

(b) *Registered Ownership.* The City and the Bond Registrar may deem and treat the Registered Owner of the Bond as the absolute owner for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of the Bond shall be made only as described in subsection (e) below. All such payments made as described in subsection (e) below shall be valid and shall satisfy the liability of the City upon the Bond to the extent of the amount so paid.

(c) *Transfer or Exchange of Registered Ownership.* The Bond shall not be transferrable without the consent of the City unless (i) the Bank’s corporate name is changed and the transfer is necessary to reflect such change; or (ii) the transferee is a successor in interest of the Bank by means of a corporate merger, an exchange of stock, or a sale of assets. Notwithstanding the foregoing, the Bond may be transferred upon satisfaction of the requirements, if any, set forth in the Commitment and in the Bond.

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

(e) *Place and Medium of Payment.* Both principal of and interest on the Bond shall be payable in lawful money of the United States of America. Principal and interest on the Bond shall be payable by check, warrant, ACH transfer or by other means mutually acceptable to the Bank and the City. Upon final payment of principal and interest of the Bond, the Registered Owner shall surrender the Bond for cancellation at the office of the Bond Registrar in accordance with this Section 4 and Section 13.

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

UNITED STATES OF AMERICA

NO. R-1

\$ _____

STATE OF WASHINGTON
CITY OF MAPLE VALLEY
LIMITED TAX GENERAL OBLIGATION BOND, 2014

INTEREST RATE: _____ %
MATURITY DATE: _____, 20[___]
REGISTERED OWNER: _____
PRINCIPAL AMOUNT: _____ MILLION AND NO/100 DOLLARS

The City of Maple Valley, Washington, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, on or before the Maturity Date identified above, the Principal Amount identified above. This bond shall bear interest at the fixed rate stated above (the “Interest Rate”). Interest on this bond shall accrue from its dated date until paid and shall be computed per annum on the principal amount outstanding on a 30/360 basis. Principal of and accrued interest on this bond shall be payable on the dates set forth in the payment schedule attached hereto.

Both principal of and interest on this bond shall be payable in lawful money of the United States of America. Principal and interest on this bond shall be payable by check or warrant or by other means mutually acceptable to the Registered Owner and the City. Upon final payment of principal and interest of this bond, the Registered Owner shall surrender this bond for cancellation at the office of the Bond Registrar in accordance with Ordinance No. O-13-____ of the City (the “Bond Ordinance”).

This bond is issued pursuant to the Bond Ordinance, to finance the costs of certain park improvements and to pay costs of issuance. Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

[The City may prepay this bond as provided in the Bond Ordinance. Any such prepayment may be subject to a prepayment fee.]

This bond has been designated by the City as a “qualified tax-exempt obligation” within the meaning of Section 265(b) of the Code.

The City has in the Bond Ordinance authorized the creation of a fund to be used for the payment of debt service on this bond, designated as the “Bond Redemption Fund” (the “Bond Fund”). The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on this bond.

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. Any proceeds of this bond not expended on the Project or costs of issuance shall be pledged to payment of this bond and deposited in the Bond Fund for such purpose.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is issued pursuant to the Constitution and laws of the State of Washington, and duly adopted ordinances of the City. This bond is transferable upon compliance with the conditions set forth in the Bond Ordinance.

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 bond exist, have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Maple Valley, Washington, has caused this bond to be executed by the manual or facsimile signature of the Mayor of the City Council and attested by the manual or facsimile signature of the Clerk, as of this ____ day of _____, 2014.

[SEAL]

CITY OF MAPLE VALLEY, WASHINGTON

By _____ /s/ _____
Mayor

ATTEST:

_____/s/_____
City Clerk

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the City, in the office of the Finance Director of the City (the "Bond Registrar"), as to both principal and interest, as noted in the registration blank below. All payments of principal of and interest on this bond shall be made by the City from the Bond Fund.

Date of Registration	Name and Address of Registered Owner	Signature of Bond Registrar
_____, 2014	_____	_____
		Finance Director

PAYMENT SCHEDULE

Principal and interest on this bond shall be payable as set forth in the following schedule:

Date	Principal	Interest	Total Payment
_____	_____	_____	_____

Section 6. Execution of Bond. The Bond shall be executed on behalf of the City with the manual or facsimile signature of the Mayor, and shall be attested by the manual or facsimile signature of the Clerk.

Only such Bond as shall bear thereon a Certificate of Authentication in the form earlier recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bond shall cease to be an officer or officers of the City before the Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. The Bond may also be signed and attested on behalf of the City by such persons who at the date of the actual execution of the Bond, are the proper officers of the City, although at the original date of such Bond any such person shall not have been such officer of the City.

Section 7. Application of Bond Proceeds. The City shall establish a fund designated the "Project Fund" (the "Project Fund") into which the proceeds of the Bond shall be deposited. Money in the Project Fund shall be used pursuant to the terms of the Interlocal Agreement to pay the costs of the Project and costs of issuance for the Bond. The Finance Director may invest money in the Project Fund in legal investments for City funds. Earnings on such investments shall accrue to the benefit of the Project Fund. Money remaining in the Project Fund after all costs of the Project and costs of issuance for the Bond have been paid shall be pledged to payment of the Bond and deposited in the Bond Fund for such purpose.

Section 8. Tax Covenants. The City shall comply with the provisions of this section unless, in the written opinion of bond counsel to the City, such compliance is not required to maintain the exemption of the interest on the Bond from federal income taxation.

The City hereby covenants that it will not make any use of the proceeds of sale of the Bond or any other funds of the City which may be deemed to be proceeds of such Bond pursuant to Section 148 of the Code and the applicable regulations thereunder that will cause the Bond to be an "arbitrage bond" within the meaning of such Section and regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bond) and the applicable regulations thereunder throughout the term of the Bond.

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

The City hereby designates the Bond as a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Code. The City reasonably does not expect to issue more than \$10,000,000 in qualifying tax-exempt debt during calendar year 2013 or 2014.

Section 9. Pledge of Funds and Credit; General Obligation. The City hereby authorizes the creation of a fund to be used for the payment of debt service on the Bond, designated as the "Bond Redemption Fund" (the "Bond Fund"). No later than the date each

payment of principal of or interest on the Bond becomes due, the City shall transmit sufficient funds, from the Bond Fund or from other legally available sources, to the Bond Registrar for the payment of such principal or interest. Money in the Bond Fund may be invested in legal investments for City funds.

The City hereby irrevocably covenants and agrees for as long as the Bond is outstanding and unpaid that each year it will include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bond when due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the tax levy permitted to cities without a vote of the people, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bond will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bond. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bond when due.

Section 10. Right of Prepayment. The City may prepay the Bond in whole or in part on any date as set forth in the Commitment and approved by the Designated Representative pursuant to Section 11. If the Bond is prepaid in full, interest shall cease to accrue on the date such prepayment occurs.

Section 11. Sale of the Bond.

(a) *Bond Sale.* The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to request proposals from financial institutions to purchase the Bond and to approve the final terms of the Bond, as set forth in the Commitment of the successful respondent. The Designated Representative shall solicit proposals to purchase the Bond and shall select the Bank that submits the proposal that is in the best interest of the City.

Subject to the terms and conditions set forth in this Section 11, the Designated Representative is hereby authorized to select the Bank, to approve the principal amount, principal payment dates, dated date, denominations, interest payment dates, redemption provisions and interest rate or rates for the Bond, to accept the Commitment and to execute the sale of the Bond to the Bank; provided that (1) the principal amount of the Bond does not exceed \$1,600,000, (2) the final maturity of the Bond is no later than December 1, 2024, (3) the Bond is sold at a price not less than 95% and not greater than 130%, and (4) the true interest cost for the Bond does not exceed 3.50%.

(b) *Report to Council; Expiration of Authority.* Following the sale of the Bond, the Designated Representative shall provide a report to Council describing the sale and final terms of the Bond approved pursuant to the authority delegated in this section. The authority granted to

the Designated Representative by this Section 11 shall expire on April 30, 2014. If the Bond has not been sold by April 30, 2014, the authorization for the issuance of the Bond shall be rescinded, and the Bond shall not be issued nor its sale approved unless such Bond shall have been re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bond may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a Commitment or establishing terms and conditions for the authority delegated under this Section 11.

(c) *Delivery of Bond; Documentation.* Upon the passage and approval of this ordinance, the proper officials of the City including the Designated Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bond to the Bank and further to execute all closing certificates, agreements, and documents required to effect the closing and delivery of the Bond in accordance with the terms of the Commitment.

Section 12. Ongoing Disclosure; Covenants.

(a) *Ongoing Disclosure.* The Bond is exempt from ongoing disclosure requirements of the Rule.

(b) *Covenants.* The City may agree to provide the Bank certain financial or other information and agree to such covenants as determined to be necessary by the Designated Representative and as set forth in the Commitment and approved by the Designated Representative pursuant to Section 11.

Section 13. Lost, Stolen or Destroyed Bond. In case the Bond shall be lost, stolen or destroyed while in the Registered Owner's possession, the Bond Registrar may at the request of the Registered Owner execute and deliver a new Bond of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon its filing with the City written certification that such Bond was actually lost, stolen or destroyed and of its ownership thereof. In the case the Bond shall be lost, stolen, or destroyed while in the Registered Owner's possession, the Registered Owner may elect upon final payment of principal and interest of the Bond to surrender a photocopy of the Bond for cancellation at the office of the Bond Registrar together with written certification that such Bond was actually lost, stolen or destroyed and of its ownership thereof.

Section 14. Severability; Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bond. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 15. Effective Date of Ordinance. This ordinance shall be effective after its passage as provided by law.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF MAPLE VALLEY,
WASHINGTON, ON THIS 18TH DAY OF NOVEMBER, 2013.

CITY OF MAPLE VALLEY,
WASHINGTON

William A. Allison, Mayor

ATTEST/AUTHENTICATED:

Shaunna Lee-Rice, City Clerk

Approved as to form:

Pacifica Law Group LLP

Ordinance No. O-13-543

Date of Publication: November 26, 2013

Effective Date: November 30, 2013

CERTIFICATE

I, the undersigned, the Clerk of the City Council (the "City Council") of the City of Maple Valley, Washington (herein called the "City"), DO HEREBY CERTIFY:

1. That the attached ordinance numbered O-13-543 (herein called the "Ordinance") is a true and correct copy of an ordinance of the City, as finally adopted at a special meeting of the City Council held on the 18th day of November, 2013, and duly recorded in my office.

2. That the 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 said Ordinance; that all other requirements and proceedings incident to the proper adoption of said 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 18th day of November, 2013.

City Clerk