CITY OF FORKS, WASHINGTON

ORDINANCE NO. 638

AN ORDINANCE of the City of Forks, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of a $115,000 aggregate principal amount of limited tax general obligation bond to provide funds to finance the purchase of three new police vehicles and to pay the costs of issuance and sale of the bond; fixing certain terms and covenants of the bond; and providing for other related matters.

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

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

(a) "Bank" means Cashmere Valley Bank, or its successors or assigns.

(b) "Bond" means the $115,000 aggregate principal amount City of Forks, Washington Limited Tax General Obligation Bond, 2018, issued pursuant to and for the purposes provided in this ordinance.

(c) "Bond Counsel" means the firm of Foster Pepper PLLC, its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as bond counsel in the field of municipal finance.

(d) "Bond Fund" means the Limited Tax General Obligation Bond Fund, 2018, of the City created for the payment of the principal of and interest on the Bond.

(e) "Bond Register" means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of the Bond.

(f) "Bond Registrar" means the City’s Clerk/Treasurer, or any successor bond registrar selected by the City.

(g) "City" means the City of Forks, Washington, a municipal corporation duly organized and existing under the laws of the State.

(h) "City Council" means the legislative authority of the City, as duly and regularly constituted from time to time.

(i) "Code" means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(j) "Issue Date" means, with respect to the Bond, the date of initial issuance and delivery of the Bond to the Bank in exchange for the purchase price of the Bond.

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(k) "Project" means the purchase of three new police vehicles. Incidental costs incurred in connection with carrying out and accomplishing the Project, consistent with RCW 39.46.070, may be included as costs of the Project.

(l) "Project Fund" means the fund or account designated or created by the City for the purpose of carrying out the Project.

(m) "State" means the State of Washington.

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

(a) Authority and Description of Project. The City is in need of new police vehicles. The City Council therefore finds that it is in the best interests of the City to carry out the Project.

(b) Plan of Financing. Pursuant to applicable law, including without limitation chapters 35.37, 39.36, 39.44, 39.46 and 39.52 RCW, the City is authorized to issue general obligation bonds for the purpose of financing the Project. The total expected cost of the Project is approximately $115,000, which is expected to be made up of proceeds of the Bond and other available money of the City.

(c) Debt Capacity. The amount of indebtedness authorized by this ordinance is $115,000. Based on the following facts, this amount is to be issued within the amount permitted to be issued by the City for general municipal purposes without a vote:

1. The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes for collection in the calendar year 2018 is $156,785,712.

2. As of November 1, 2018, the City had no limited tax general obligation indebtedness.

3. As of November 1, 2018, the City had no unlimited tax general obligation indebtedness.

(d) The Bond. For the purpose of providing the funds necessary to carry out the Project and to pay the costs of issuance and sale of the Bond, the City Council finds that it is in the best interests of the City and its taxpayers to issue and sell the Bond to the Bank, pursuant to the terms set forth in the Bank’s proposal and this ordinance.

Section 3. Authorization of the Bond. The City is authorized to borrow money on the credit of the City and issue a negotiable limited tax general obligation bond evidencing indebtedness in the aggregate principal amount of $115,000 to provide funds necessary to carry out the Project and to pay the costs of issuance and sale of the Bond. The proceeds of the Bond allocated to paying the cost of the Project shall be deposited as set forth in Section 8 of this ordinance and shall be used to carry out the Project, or a portion of the Project, in such order of time as the City determines is advisable and practicable.
Section 4. **Description of the Bond.** The Bond shall be called the City of Forks, Washington, Limited Tax General Obligation Bond, 2018, and shall be issued in the aggregate principal amount of $115,000. The Bond shall be dated the Issue Date, shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification. The Bond shall mature on December 1, 2022 and shall bear interest at the rate of 3.35% per annum (computed on the basis of a 360-day year of 12-30 day months), payable semiannually as set forth in Exhibit A, which is attached to this ordinance and incorporated by this reference.

Section 5. **Bond Registrar; Registration and Transfer of the Bond.** Pursuant to RCW 39.46.030(4) the City’s Clerk/Treasurer shall serve as initial fiscal agent for the City (the “Bond Registrar”) with respect to the Bond and is authorized, on behalf of the City, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this ordinance. The Bond shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Bond Registrar (the “Bond Register”). The Bond Register shall contain the name and mailing address of the owner of the Bond.

Upon a determination by the Clerk/Treasurer that maintenance of the duties of the Bond Registrar is no longer convenient, the fiscal agent of the State of Washington shall act as Bond Registrar.

The Bond Registrar shall keep, or cause to be kept, at its office, sufficient books for the registration, assignment or transfer of the Bond, which books shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Bond transferred or exchanged in accordance with the provisions of the Bond and this ordinance, to serve as the City’s paying agent for the Bond and to carry out all of the Bond Registrar’s powers and duties under this ordinance.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar’s Certificate of Authentication on the Bond.

The Bond may be assigned or transferred only in whole by the registered owner to a single investor that is a financial institution or a person who is reasonably believed to be a qualified institutional buyer or accredited investor within the meaning of the applicable federal securities laws. Any transfer shall be without cost to the owner or transferee, except for governmental charges imposed on any such transfer or exchange. The Bond Registrar shall not be obligated to exchange or transfer the Bond during the 15 days preceding any installment or prepayment date. When the Bond has been paid in full, both principal and interest, the Bond shall be surrendered to the Bond Registrar, who shall cancel the Bond.

Section 6. **Form and Execution of the Bond.**

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

(b) **Authentication.** Only the Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: “Certificate of Authentication. This Bond is the fully registered City of Forks, Washington, Limited Tax General Obligation Bond, 2018, described in the Bond Ordinance.” The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

**Section 7. Payment of the Bond.** Both principal of and interest on the Bond shall be payable in lawful money of the United States of America and shall be paid by electronic transfer, unless payment by check or draft of the Bond Registrar is permitted by the Bank, and sent to the Bank so that the Bank receives said payments when due at the address appearing on the Bond Register. Upon receipt of the final installment payment of principal of and interest on the Bond, whether at maturity or upon prepayment, the Bank shall present and surrender the Bond to the Bond Registrar to be destroyed or cancelled in accordance with law. The City and the Bond Registrar may deem and treat the Bank of the Bond as the absolute owner of the Bond for the purpose of receiving payment of principal and interest and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary other than proper notice of assignment or transfer.

**Section 8. Funds and Accounts; Deposit of Proceeds.**

(a) **Bond Fund.** The Bond Fund is created as a special fund of the City for the sole purpose of paying principal of and interest on the Bond. Bond proceeds in excess of the amounts needed to pay the costs of the Project 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 Bond shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bond. The principal of and interest on the Bond shall be paid out of the Bond Fund. Until needed for that purpose, the City may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that fund.

(b) **Project Fund.** The Project Fund is a fund of the City to be used to pay the costs of the Project. Proceeds received from the sale and delivery of the Bond shall be deposited into the Project Fund and used to pay the costs of the Project and costs of issuance of the Bond. Until needed to pay such costs, the City may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the Project Fund and used for the purposes of that fund, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn from the Project Fund and used for those tax or rebate purposes.
Section 9. Prepayment. The City may prepay the Bond in whole or in part at any time, without penalty or premium, with 10 business days’ notice to the Bank, by paying the principal amount thereof to be prepaid together with accrued interest to the date of prepayment. If the Bond is prepaid in full interest shall cease to accrue on the date such prepayment occurs. Any partial prepayments shall be first applied to the outstanding accrued interest with the balance applied to reduce principal. After a partial prepayment, the debt service schedule would be recalculated to provide approximately equal annual debt service installments to the Maturity Date. The Bank will provide the District with an updated prepayment schedule within seven business days of a partial prepayment.

Section 10. Failure to Pay Installments; No Acceleration. If any payment of the Bond is not paid when due, the City shall be obligated to pay interest on that installment at the same rate provided in the Bond until that payment is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund (as hereinafter created and defined) and the principal represented by such installment has been called for payment by giving notice of that call to the Bank. The Bond is not subject to acceleration upon the occurrence of a payment default.

Section 11. Pledge of Taxes. The Bond constitutes a general indebtedness of the City and is payable from tax revenues of the City and such other money as is lawfully available and pledged by the City for the payment of principal of and interest on the Bond. For as long as the Bond is outstanding, the City irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bond as the same become due. The full faith, credit and resources of the City are pledged irrevocably for the prompt payment of the principal of and interest on the Bond and such pledge shall be enforceable in mandamus against the City.

Section 12. Tax Covenants; Designation of the Bond as a “Qualified Tax Exempt Obligation.”

(a) Preservation of Tax Exemption for Interest on the Bond. The City covenants that it will take all actions necessary to prevent interest on the Bond 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 Bond or other funds of the City treated as proceeds of the Bond that will cause interest on the Bond to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bond, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bond.

(b) Compliance Policies. The City Council has adopted the post-issuance compliance policies and procedures for tax-exempt obligations attached hereto as Exhibit B in connection with the Bond and the City’s other tax-exempt obligations.
(c) Designation of the Bond as a “Qualified Tax-Exempt Obligation.” The City designates the Bond as a “qualified tax-exempt obligation” for the purposes of Section 265(b)(3) of the Code, and makes the following findings and determinations:

(1) the Bond does not constitute a “private activity bond” within the meaning of Section 141 of the Code;

(2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Bond is issued will not exceed $10,000,000; and

(3) the amount of tax-exempt obligations, including the Bond, designated by the City as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bond is issued does not exceed $10,000,000.

Section 13. Sale and Delivery of the Bond.

(a) Approval of Bank Proposal. The Bank has presented a proposal (the “Proposal”) to the City offering to purchase the Bond under the terms and conditions provided therein. The City Council finds that the Proposal is in the City’s best interest and authorizes the offer contained therein.

(b) Preparation, Execution and Delivery of the Bond. The Bond will be prepared at City expense and will be delivered to the Bank in accordance with the Proposal and this ordinance, together with the approving legal opinion of Bond Counsel regarding the Bond.

Section 14. Reporting Requirements. With respect to the Bond, the City is exempt from the official statement and ongoing disclosure requirements of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934.

The City hereby covenants and agrees for as long as the Bond remains outstanding, it will provide annually to the Bank copies of its unaudited annual financial report, and its audited annual financial report both within 30 days of their availability, and such other information as the Bank may reasonably request from time to time.

Section 15. Supplemental and Amendatory Ordinances. The City may supplement or amend this ordinance for any one or more of the following purposes without the consent of any Bank:

(a) To add covenants and agreements that do not materially adversely affect the interests of Bank, or to surrender any right or power reserved to or conferred upon the City.
(b) To cure any ambiguities, or to cure, correct or supplement any defective provision contained in this ordinance in a manner that does not materially adversely affect the interest of the Bank.

Section 16. General Authorization and Ratification. The Mayor, Clerk/Treasurer and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of the Bond to the Bank and for the proper application, use and investment of the proceeds of the Bond. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 17. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 18. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council and APPROVED by the Mayor of the City of Forks, Washington, at an open public meeting thereof, this 13th day of November, 2018.

[Signature]
Mayor

ATTEST:

[Signature]
City Clerk
## PAYMENT SCHEDULE

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Total: $115,000.00  $8,949.40  $123,949.40
EXHIBIT B

City of Forks, Washington

Post-Issuance Compliance Policies and Procedures for Tax-Exempt Obligations

1. **Purpose.** The purpose of these post-issuance compliance procedures ("Compliance Procedures") is to ensure that the City of Forks, Washington (the "City") will be in compliance with: (i) requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied to maintain the tax-exempt status of bonds or other obligations issued by the City that are exempt from federal income tax under the Code (sometimes collectively referred to herein as "bonds" or "tax-exempt bonds") and (ii) each Continuing Disclosure Undertaking (described in Section 8 below).

2. **Responsibility for Monitoring Post-Issuance Tax Compliance.** The City Council of the City (the "Council") has the overall, final responsibility for monitoring whether the City is in compliance with post-issuance federal tax requirements for the City’s tax-exempt bonds. However, the City Treasurer (the "Treasurer") shall have the primary operating responsibility to monitor the City’s compliance with post-issuance federal tax requirements for the City’s bonds. In addition to any compliance checks that may be undertaken in connection with (and prior to) any prospective change in use of property or facilities financed with tax-exempt bonds as described in Section 4 below, the Treasurer will check on the City’s compliance with applicable requirements of the Code and the Continuing Disclosure Undertaking (defined below) at least annually.

3. **Arbitrage Yield Restriction and Rebate Requirements.** The Treasurer shall maintain or cause to be maintained records of:

   (a) purchases and sales of investments made with bond proceeds (including amounts treated as "gross proceeds" of bonds under section 148 of the Code) and receipts of earnings on those investments;

   (b) expenditures made with bond proceeds (including investment earnings on bond proceeds) in a timely and diligent manner for the governmental purposes of the bonds, such as for the costs of purchasing, constructing and/or renovating property and facilities;

   (c) information showing, where applicable for a particular calendar year, that the City was eligible to be treated as a "small issuer" in respect of bonds issued in that calendar year because the City did not reasonably expect to issue more than $5,000,000 of tax-exempt bonds in that calendar year;

   (d) calculations that will be sufficient to demonstrate to the Internal Revenue Service ("IRS") upon an audit of a bond issue that, where applicable, the City has complied with an available spending exception to the arbitrage rebate requirement in respect of that bond issue;

   (e) calculations that will be sufficient to demonstrate to the IRS upon an audit of a bond issue for which no exception to the arbitrage rebate requirement was applicable, that the rebate amount, if any, that was payable to the United States of America in respect of
investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS; and

(f) information and records showing that investments held in yield-restricted advance refunding or defeasance escrows for bonds, and investments made with unspent bond proceeds after the expiration of the applicable temporary period, were not invested in higher-yielding investments.

4. Restrictions on Private Business Use and Private Loans. The Treasurer shall adopt other procedures that are calculated to educate and inform the principal operating officials of those departments, including capital projects and facility departments, if any, of the City (the "users") for which land, buildings, facilities and equipment ("property") are financed with proceeds of tax-exempt bonds about the restrictions on private business use that apply to that property after the bonds have been issued, and of the restriction on the use of proceeds of tax-exempt bonds to make or finance any loan to any person other than a state or local government unit.

In particular, following the issuance of bonds for the financing of property, the Treasurer shall provide to the users of the property a copy of these Compliance Procedures and other appropriate written guidance advising that:

(a) "private business use" means use by any person other than a state or local government unit, including business corporations, partnerships, limited liability companies, associations, nonprofit corporations, natural persons engaged in trade or business activity, and the United States of America and any federal agency, as a result of ownership of the property or use of the property under a lease, management or service contract (except for certain "qualified" management or service contracts), output contract for the purchase of electricity or water, privately sponsored research contract (except for certain "qualified" research contracts), "naming rights" contract, "public-private partnership" arrangement, or any similar use arrangement that provides special legal entitlements for the use of the bond-financed property;

(b) under section 141 of the Code, no more than 10% of the proceeds of any tax-exempt bond issue (including the property financed with the bonds) may be used for private business use, of which no more than 5% of the proceeds of the tax-exempt bond issue (including the property financed with the bonds) may be used for any "unrelated" private business use—that is, generally, a private business use that is not functionally related to the governmental purposes of the bonds; and no more than the lesser of $5,000,000 or 5% of the proceeds of a tax-exempt bond issue may be used to make or finance a loan to any person other than a state or local government unit;

(c) before entering into any special use arrangement with a nongovernmental person that involves the use of bond-financed property, the user must consult with the Treasurer, provide the Treasurer with a description of the proposed nongovernmental use arrangement, and determine whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond-financed property;

(d) in connection with the evaluation of any proposed nongovernmental use arrangement, the Treasurer should consult with nationally recognized bond counsel to the City as may be necessary to obtain federal tax advice on whether that use arrangement, if put into effect,
will be consistent with the restrictions on private business use of the bond-financed property, and, if not, whether any “remedial action” permitted under Section 141 of the Code may be taken by the City as a means of enabling that use arrangement to be put into effect without adversely affecting the tax-exempt status of the bonds that financed the property; and

(e) the Treasurer and the user of the property shall maintain records of such nongovernmental uses, if any, of bond-financed property, including copies of the pertinent leases, contracts or other documentation, and the related determination that those nongovernmental uses are not inconsistent with the tax-exempt status of the bonds that financed the property.

5. Records to be Maintained for Tax-Exempt Bonds. It is the procedure of the City that, unless otherwise permitted by future IRS regulations or other guidance, written records (which may be in electronic form) will be maintained with respect to each bond issue for as long as those bonds remain outstanding, plus three years. For this purpose, the bonds include refunding bonds that refund the original bonds and thereby refinance the property that was financed by the original bonds.

The records to be maintained are to include:

(a) the official Transcript of Proceedings for the original issuance of the bonds;

(b) records showing how the bond proceeds were invested, as described in 3(a) above;

(c) records showing how the bond proceeds were spent, as described in 3(b) above, including purchase contracts, construction contracts, progress payment requests, invoices, cancelled checks, payment of bond issuance costs, and records of “allocations” of bond proceeds to make reimbursement for project expenditures made before the bonds were actually issued;

(d) information, records and calculations showing that, with respect to each bond issue, the City was eligible for the “small issuer” exception or one of the spending exceptions to the arbitrage rebate requirement or, if not, that the rebate amount, if any, that was payable to the United States of America in respect of investments made with gross proceeds of that bond issue was calculated and timely paid with Form 8038-T timely filed with the IRS, as described in 3(c), (d) and (e) above; and

(e) records showing that special use arrangements, if any, affecting bond-financed property made by the City with nongovernmental persons, if any, are consistent with applicable restrictions on private business use of property financed with proceeds of tax-exempt bonds and restrictions on the use of proceeds of tax-exempt bonds to make or finance loans to any person other than a state or local government unit, as described in 4 above.

The basic purpose of the foregoing record retention procedure for the City’s tax-exempt bonds is to enable the City to readily demonstrate to the IRS upon an audit of any tax-exempt bond issue that the City has fully complied with all federal tax requirements that must be satisfied after the issue date of the bonds so that those bonds continue to be eligible for tax exemption under the Code.

(a) So long as any of the City’s tax-exempt bond issues remain outstanding, the Treasurer should periodically consult with the users of the City’s bond-financed property to review and determine whether current use arrangements involving that property continue to comply with applicable federal tax requirements as described in these Compliance Procedures. This may be accomplished, for example, by periodically meeting with users, providing questionnaires to users about current use arrangements, or adopting other protocols reasonably calculated to ensure compliance with applicable federal tax requirements on a continuing basis. This periodic review may be scheduled, for example, at or before the times that the City is required to file with the Municipal Securities Rulemaking Board the annual financial information and operating data pursuant to the City’s undertaking to provide continuing disclosure with respect to outstanding bonds.

(b) If at any time during the life of an issue of tax-exempt bonds, the City discovers that a violation of federal tax requirements applicable to that issue may have occurred, the Treasurer will consult with bond counsel to determine whether any such violation actually has occurred and, if so, take prompt action to accomplish an available remedial action under applicable IRS regulations or to enter into a closing agreement with the IRS under the Voluntary Closing Agreement Program described under Notice 2008-31 or other future published guidance.

7. Education Procedure With Respect to Federal Tax Requirements for Tax-Exempt Bonds. It is the procedure of the City that the Treasurer and his or her staff, as well as the principal operating officials of those departments of the City for which property is financed with proceeds of tax-exempt bonds should be provided with education and training on federal tax requirements applicable to tax-exempt bonds. The City recognizes that such education and training is vital as a means of helping to ensure that the City remains in compliance with those federal tax requirements in respect of its bonds. The City therefore will enable and encourage, to the extent the City can afford to do so, those personnel to attend and participate in educational and training programs with regard to the federal tax requirements applicable to tax-exempt bonds.

8. Responsibility for Continuing Disclosure Undertaking. Under the provisions of Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”), underwriters are required to obtain an agreement for ongoing continuing disclosure in connection with the public offering of municipal securities. The City’s responsibility to provide ongoing continuing disclosure to the municipal securities markets is set forth in the bond ordinance or in a separate continuing disclosure agreement for each publicly sold issue of bonds (the “Continuing Disclosure Undertaking”). Each ContinuingDisclosure Undertaking requires the City to provide to the municipal securities markets certain annual financial information and notices of certain listed events. For some types of listed events (e.g., bond calls), the Registrar has undertaken the responsibility of filing notice of the applicable listed event. If audited financial statements are not available by the time of each annual filing, the City shall file unaudited financial statements and file audited financial statements once they become available. For example, the annual filing of operating and financial information may be scheduled to occur at the same time financial information is provided to the State auditor’s office, if such time is before the annual deadline described in the Continuing Disclosure Undertaking. The Treasurer shall monitor compliance by the City with each Continuing Disclosure Undertaking, shall maintain a file that includes a copy

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of each Continuing Disclosure Undertaking entered into by the City, shall ensure that the information required to be disclosed is disclosed in a timely fashion and shall cause any failure to make disclosure to be remedied in a timely fashion.
CERTIFICATION

I, the undersigned, City Clerk/Treasurer of the City of Forks, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. 638 (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on November 13, 2018, as that ordinance appears on the minute book of the City.

2. The Ordinance will be in full force and effect five days after publication in the City's official newspaper, which publication date is expected to be November 15, 2018.

3. A quorum of the members of the City Council was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Ordinance.

Dated: November 13, 2018.

CITY OF FORKS, WASHINGTON

[Signature]
City Clerk/Treasurer