

VANCOUVER LIBRARY CAPITAL FACILITY AREA
CLARK COUNTY, WASHINGTON

RESOLUTION NO. 2016-07-03

A RESOLUTION of the Governing Body of the Vancouver Library Capital Facility Area, Clark County, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of unlimited tax general obligation refunding bonds to provide funds to pay all or part of the costs of refunding certain general obligation bonds to achieve a debt service savings and the administrative costs of such refunding and the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing a designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

Adopted July 19, 2016

This document prepared by:

*Foster Pepper PLLC
1111 Third Avenue, Suite 3000
Seattle, Washington 98101
(206) 447-4400*

TABLE OF CONTENTS*

| | Page |
|--|-------------|
| Section 1. Definitions..... | 1 |
| Section 2. Findings and Determinations | 5 |
| Section 3. Authorization of Bonds..... | 6 |
| Section 4. Description of Bonds; Appointment of Designated Representative | 6 |
| Section 5. Registrar; Registration and Transfer of Bonds | 6 |
| Section 6. Form and Execution of Bonds | 7 |
| Section 7. Payment of Bonds | 7 |
| Section 8. Refunding Plan; Bond Fund..... | 8 |
| Section 9. Redemption Provisions and Purchase of Bonds | 10 |
| Section 10. Failure To Pay Bonds..... | 11 |
| Section 11. Pledge of Taxes..... | 11 |
| Section 12. Tax Covenants; Designation of Bonds as “Qualified Tax Exempt Obligations.” | 11 |
| Section 13. Refunding or Defeasance of the Bonds | 12 |
| Section 14. Sale and Delivery of the Bonds | 13 |
| Section 15. Official Statement; Continuing Disclosure..... | 14 |
| Section 16. Supplemental and Amendatory Resolutions..... | 14 |
| Section 17. General Authorization and Ratification | 14 |
| Section 18. Severability | 15 |
| Section 19. Effective Date of Resolution..... | 15 |
| Exhibit A Parameters for Final Terms | |
| Exhibit B Form of Undertaking to Provide Continuing Disclosure | |

* *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.*

VANCOUVER LIBRARY CAPITAL FACILITY AREA
CLARK COUNTY, WASHINGTON

RESOLUTION NO. 2016-07-03

A RESOLUTION of the Governing Body of the Vancouver Library Capital Facility Area, Clark County, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of unlimited tax general obligation refunding bonds to provide funds to pay all or part of the costs of refunding certain general obligation bonds to achieve a debt service savings and the administrative costs of such refunding and the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing a designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

BE IT RESOLVED BY THE GOVERNING BODY OF THE VANCOUVER LIBRARY CAPITAL FACILITY AREA, CLARK COUNTY, WASHINGTON, AS FOLLOWS:

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

(a) “*2007 Bond Resolution*” means, collectively, Resolution No. 2007-05 VLCFA, adopted by the Board on May 1, 2007, and Resolution No. 2007-05-02 VLCFA, adopted by the Board on May 15, 2007.

(b) “*2007 Bonds*” means the Unlimited Tax General Obligation Bonds, 2007, of the VLCFA, issued in the aggregate principal amount of \$9,825,000 pursuant to the 2007 Bond Resolution.

(c) “*2007 Refunded Bonds*” means the 2007 Refunding Candidates selected by the Designated Representative and identified in the Refunding Plan to be refunded with proceeds of the Bonds.

(d) “*2007 Refunding Candidates*” means the 2007 Bonds stated to mature on or after December 1, 2018.

(e) “*2009 Bond Resolution*” means, collectively, Resolution No. 2009-04-01 VLCFA, adopted by the Board on April 28, 2009, and Resolution No. 2009-06-01 VLCFA, adopted by the Board on June 16, 2009.

(f) “*2009 Bonds*” means the Unlimited Tax General Obligation Bonds, 2009, of the VLCFA, issued in the aggregate principal amount of \$33,175,000 pursuant to the 2009 Bond Resolution.

(g) “*2009 Refunded Bonds*” means the 2009 Refunding Candidates selected by the Designated Representative and identified in the Refunding Plan to be refunded with proceeds of the Bonds.

(h) “*2009 Refunding Candidates*” means the 2009 Bonds stated to mature on or after December 1, 2019.

(i) “*Acquired Obligations*” means the Government Obligations purchased to carry out the Refunding Plan.

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

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

(l) “*Board*” means the governing body of the VLCFA, as duly and regularly constituted from time to time.

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

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

(o) “*Bond Fund*” means the Unlimited Tax General Obligation Bond Fund of the VLCFA created in Section 15 of Resolution No. 2007-05 VLCFA.

(p) “*Bond Purchase Contract*” 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 VLCFA, if consistent with this resolution. In the case of a competitive sale, the official notice of sale, the Purchaser’s bid and the award by the VLCFA shall constitute the Bond Purchase Contract for purposes of this resolution.

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

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

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

(t) “*Designated Representative*” means the officer of the VLCFA appointed in Section 4 to serve as the designated representative of the VLCFA in accordance with RCW 39.46.040.

(u) “*Final Terms*” means the terms and conditions for the sale of the Bonds, including the amount, date, denominations, interest rates, payment dates, final maturity,

redemption rights, price, and other terms or covenants, including minimum savings for refunding bonds.

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

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

(x) “*Issue Date*” means the date of initial issuance and delivery of the Bonds to the Purchaser in exchange for the purchase price of the Bonds.

(y) “*Letter of Representations*” means the Blanket Issuer Letter of Representations between the VLCFA and DTC, substantially in the form on file with the Secretary of the Board, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

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

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

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

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

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

(ee) “*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 of a Bond prior to its maturity, the Record Date means the Registrar’s close of business on the date on which the Registrar prepares the notice of redemption in accordance with Section 9.

(ff) “*Redemption Date*” means, with respect to the 2007 Refunded Bonds, December 1, 2017, and with respect to the 2009 Refunded Bonds, June 1, 2019.

(gg) “*Refunded Bond Resolutions*” means the 2007 Bond Resolution and the 2009 Bond Resolution.

(hh) “*Refunded Bonds*” means the 2007 Refunded Bonds and the 2009 Refunded Bonds.

(ii) “*Refunding Candidates*” means the 2007 Refunding Candidates and the 2009 Refunding Candidates.

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

(1) the deposit with the Refunding Trustee of proceeds of the Bonds (together with other money of the VLCFA, if necessary);

(2) the purchase by the Refunding Trustee of the Acquired Obligations and the application of the principal of and interest on the Acquired Obligations (and any other cash balance) to the call, payment and redemption of the Refunded Bonds on each applicable Redemption Date at the price of par plus accrued interest to such Redemption Date; and

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

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

(ll) “*Refunding Trustee*” means the 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.

(mm) “*Registered Owner*” means, with respect to a Bond, the person in whose name the Bond is registered on the Bond Register. For so long as the VLCFA utilizes the book-entry only system for the Bonds under the Letter of Representations, Registered Owner means the Securities Depository.

(nn) “*Registrar*” means the Fiscal Agent, or any successor bond registrar selected by the VLCFA.

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

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

(qq) “*Securities Depository*” means DTC, any successor thereto, any substitute securities depository selected by the VLCFA 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.

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

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

(tt) “*Undertaking*” means the undertaking to provide continuing disclosure entered into pursuant to Section 15.

(uu) “*VLCFA*” means the Vancouver Library Capital Facility Area, Clark County, Washington, a quasi-municipal corporation, independent taxing authority, and taxing district duly organized and existing under the laws of the State.

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

(a) *Voter Authorization of 2007 Bonds and 2009 Bonds.* At an election held on September 19, 2006, the requisite proportion of qualified voters of the VLCFA passed Proposition No. 1 approving the issuance of general obligation bonds in an aggregate principal amount of no more than \$43,000,000 and the collection of excess property taxes in amounts sufficient to pay the principal of and interest on those bonds.

(b) *Plan of Financing.* Pursuant to applicable law, including without limitation chapters 27.15, 39.36, 39.44, 39.46, and 39.53 RCW, the VLCFA is authorized to issue general obligation refunding bonds for the purpose of refunding outstanding general obligation bonds of the VLCFA without voter approval.

(c) *Debt Capacity.* Based on the following facts, the Bonds will be issued within the amount permitted to be issued by the VLCFA:

- (1) The assessed valuation of the taxable property within the VLCFA as ascertained by the last preceding assessment for collection in calendar year 2016 is \$16,141,852,364.
- (2) As of June 1, 2016, the VLCFA has unlimited tax general obligation indebtedness to finance library capital facilities outstanding in the principal amount of \$34,030,000 incurred with the approval of the requisite proportion of the qualified voters of the VLCFA at an election meeting the minimum turnout requirements, within the limit of 1¼% of the value of the taxable property in the VLCFA district.

(d) *The Bonds.* It is in the best interests of the VLCFA and its taxpayers to issue the Bonds to carry out the Refunding Plan if, in the determination of the Designated Representative, a savings will be effected by the difference between the principal and interest cost over the life of the Bonds and the principal and interest cost over the life of the Refunded Bonds but for such refunding, as set forth in Section 8 and in Exhibit A. The Board further finds that the Refunding Plan so approved by the Designated Representative in accordance with this resolution will discharge and satisfy the obligations, pledges, charges, trusts, covenants and agreements of the VLCFA under the Refunded Bond Resolutions as to the Refunded Bonds, and the Refunded Bonds will no longer be deemed to be outstanding immediately upon the deposit of the money specified in the Refunding Plan with the Refunding Trustee.

Section 3. Authorization of Bonds. The VLCFA is authorized to borrow money and issue negotiable unlimited tax general obligation refunding bonds evidencing such indebtedness in one or more series to provide funds necessary to carry out the Refunding Plan.

Section 4. Description of Bonds; Appointment of Designated Representative. The Finance Director of the Fort Vancouver Regional Library District is appointed as the Designated Representative of the VLCFA and is authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the VLCFA, 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. This Section shall constitute a “system of registration” as that term is used in RCW 39.46.030.

(b) *Registrar; Duties.* 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 VLCFA at all times. The Registrar is authorized, on behalf of the VLCFA, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as 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 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 interest rate and maturity. 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 redemption date.

(d) *Securities Depository; Book-Entry Only Form.* If a Bond is to be issued in book-entry form, DTC shall be appointed as initial Securities Depository and each such 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 VLCFA; 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 VLCFA, the VLCFA may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the VLCFA does not appoint a substitute Securities Depository, or (ii) the VLCFA 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 VLCFA 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 VLCFA 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.

(e) *DTC Letter of Representations.* To induce DTC to accept the Bonds as eligible for deposit at DTC, the VLCFA approves the Letter of Representations. The Designated Representative is authorized and directed to execute the Letter of Representations, on behalf of the VLCFA, and to deliver it to DTC on or before the Issue Date.

Section 6. Form and Execution of Bonds.

(a) *Form of Bonds; Signatures.* 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 and the Secretary of the Board, either or both of whose signatures may be manual or in facsimile. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the VLCFA 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 VLCFA, the Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the VLCFA as though that person had continued to be an officer of the VLCFA authorized to sign bonds. Any Bond also may be signed on behalf of the VLCFA by any person who, on the actual date of signing of the Bond, is an officer of the VLCFA 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 Vancouver Library Capital Facility Area, Clark County, Washington, Unlimited Tax General Obligation Refunding Bonds, 2016, described in the Bond Resolution." 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 shall be payable in the manner set forth in the

Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository shall be 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. The VLCFA 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 shall be 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. Refunding Plan; Bond Fund.

(a) *Appointment of Refunding Trustee; Selection of Refunded Bonds.* The Designated Representative is authorized and directed 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 Refunding Plan set forth in the Refunding Trust Agreement.

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

(c) *Substitution of Acquired Obligations.* The VLCFA reserves the right at any time to substitute cash or other Government Obligations ("Substitute Obligations") for any of the Acquired Obligations if the VLCFA obtains (1) an opinion of Bond Counsel to the effect that the interest on the Bonds and 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 (2) a verification by a nationally recognized independent certified public accounting firm that such substitution will not impair the timely payment of the amounts required to be paid by the Refunding Plan. Any surplus money resulting from the sale, transfer, other disposition or redemption of the Acquired Obligations and the Substitute Obligations shall be released from the trust estate and transferred to the VLCFA to be used for any lawful purpose of the VLCFA.

(d) *Refunding Trust Agreement.* The Designated Representative is authorized and directed to execute the Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the carrying out the Refunding Plan.

The Refunding Trust Agreement shall, among other things, authorize and direct the Refunding Trustee to purchase the Acquired Obligations (or Substitute Obligations) and to make the payments required to be made by the Refunding Plan. All Acquired Obligations (or Substitute Obligations) and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of the Refunded Bond Resolutions, this resolution, chapter 39.53 RCW and other applicable State law. All administrative costs (including 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 may be paid out of the amounts deposited with the Refunding Trustee or other available money of the VLCFA, in accordance with the Refunding Trust Agreement.

(e) *Call for Redemption of the Refunded Bonds.* The Designated Representative is authorized to call the Refunded Bonds for redemption on each applicable Redemption Date in accordance with the Refunded Bond Resolutions and this resolution. Each such call for redemption shall identify the Refunded Bonds, the maturity dates, the Redemption Date and the redemption price, and shall be irrevocable after the Bonds are delivered to the Purchaser. The Designated Representative is authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the Refunded Bond Resolutions, and to take all other actions necessary to effect the redemption of the Refunded Bonds on each applicable Redemption Date.

(f) *Additional Findings with Respect to Refunding.* Prior to approving the sale of the Bonds, the Designated Representative shall make the following determinations in writing if in his or her judgment the following conditions are met:

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

(2) The Refunding Plan will provide sufficient funds to discharge and satisfy the obligations of the VLCFA under the Refunded Bond Resolutions. In making such determination, the Designated Representative may rely upon a verification by a nationally recognized independent certified public accounting firm.

(g) *Bond Fund.* The Bond Fund has been previously created as a special fund of the VLCFA for the sole purpose of paying principal of and interest on the Bonds and other unlimited tax general obligation bonds of the VLCFA. Accrued interest on the Bonds, 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 VLCFA 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 the Bond Fund.

Section 9. Redemption Provisions and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds shall be subject to redemption at the option of the VLCFA on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Contract, 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 Contract, 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 Contract. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the VLCFA and surrendered for cancellation, the principal amount of the Term Bond so defeased or purchased (irrespective of its actual purchase price) shall be credited against one or more scheduled mandatory redemption installments for the Term Bond. The VLCFA 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 the Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds are to be redeemed at the option of the VLCFA, the VLCFA shall select the maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity are to be redeemed, 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.* 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 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 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 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 Designated Representative shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

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

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

(g) *Purchase of Bonds.* The VLCFA reserves the right to purchase any or all of the Bonds in the open market or offered to the VLCFA at any time at any price acceptable to the VLCFA 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, the VLCFA shall be obligated to pay interest on the Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until the 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 the call to the Registered Owner.

Section 11. Pledge of Taxes. The Bonds constitute a general indebtedness of the VLCFA and are payable from tax revenues of the VLCFA and such other money as is lawfully available and pledged by the VLCFA for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the VLCFA irrevocably pledges that it shall, in the manner provided by law, without limitation as to rate or amount, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the VLCFA 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 VLCFA.

Section 12. Tax Covenants; Designation of Bonds as “Qualified Tax Exempt Obligations.”

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

(b) *Post-Issuance Compliance.* The Designated Representative is authorized and directed to adopt and implement written procedures to facilitate compliance by the VLCFA 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 Bonds from being included in gross income for federal tax purposes.

(c) *Designation of Bonds as “Qualified Tax-Exempt Obligations.”* The Bonds may be designated as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code, if the Designated Representative makes the following findings and determinations as of the Issue Date:

- (1) the Bonds do not constitute “private activity bonds” 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 VLCFA and any entity subordinate to the VLCFA (including any entity that the VLCFA controls, that derives its authority to issue tax-exempt obligations from the VLCFA, or that issues tax-exempt obligations on behalf of the VLCFA) will issue during the calendar year in which the Bonds are issued will not exceed \$10,000,000; and
- (3) the amount of tax-exempt obligations, including the Bonds, designated by the VLCFA as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bonds are issued does not exceed \$10,000,000.

Section 13. Refunding or Defeasance of the Bonds. The VLCFA 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 VLCFA 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 VLCFA 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 VLCFA 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 of Bonds.

Section 14. Sale and Delivery of the Bonds.

(a) *Manner of Sale of Bonds; Delivery of Bonds.* The Designated Representative is authorized to sell the Bonds 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 VLCFA 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 VLCFA.

(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 Contract shall set forth the Final Terms. The Designated Representative is authorized to execute the Bond Purchase Contract on behalf of the VLCFA, 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 VLCFA, 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 best interest of the VLCFA to do so. If all bids are rejected, the Bonds may be sold pursuant to negotiated sale or in any manner provided by law that the Designated Representative determines is in the best interest of the VLCFA, within the parameters set forth in this resolution.

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

Section 15. 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 the 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 the preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The VLCFA approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has been approved by the Designated Representative and has been deemed final, if applicable, in accordance with this subsection.

(b) *Approval of Final Official Statement.* The VLCFA approves the preparation of a final Official Statement for the Bonds to be sold to the public or through a Purchaser as a placement agent in the form of the preliminary Official Statement that has been approved and, if applicable, deemed final in accordance with subsection (a) of this Section, with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes Designated Representative to execute and deliver the final Official Statement to the Purchaser. The VLCFA 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 B.

Section 16. Supplemental and Amendatory Resolutions. The VLCFA may supplement or amend this resolution for any one or more of the following purposes without the consent of any Registered Owners:

(a) To add covenants and agreements that do not materially adversely affect the interests of Registered Owners, or to surrender any right or power reserved to or conferred upon the VLCFA.

(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 Registered Owners.

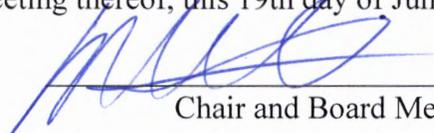
Section 17. General Authorization and Ratification. The Designated Representative and other appropriate officers of the VLCFA are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this resolution, and to do everything necessary for the prompt delivery of the Bonds to the Purchaser 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 18. 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 19. Effective Date of Resolution. This resolution shall take effect and be in force from and after its adoption.

ADOPTED by the Governing Body of the Vancouver Library Capital Facility Area, Clark County, Washington, at an open public meeting thereof, this 19th day of June, 2016.



Chair and Board Member



Board Member

Board Member

PARAMETERS FOR FINAL TERMS

- (a) Principal Amount. The aggregate principal amount of the Bonds shall not exceed the aggregate principal amount of the Refunded Bonds.
- (b) Date. The Bonds shall be dated the Issue Date, which shall not be later than one year after the effective date of this resolution.
- (c) Denominations. 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 Rates. 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. No rate of interest for any Bond may exceed 5.00%, and the true interest cost to the VLCFA for the Bonds may not exceed 3.00%.
- (e) Payment Dates. Interest shall be payable semiannually on dates acceptable to the Designated Representative, commencing no later than one year after 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 the earlier of (1) June 30, 2029, and (2) the date that is six months after the final maturity date of the Refunded Bonds.
- (g) Redemption Rights. The Designated Representative may approve in the Bond Purchase Contract provisions for the redemption of Bonds, subject to the following:
- (1) Optional Redemption. Any Bond may be designated as being (A) subject to redemption at the option of the VLCFA prior to its maturity date on the dates and at the prices set forth in the Bond

Purchase Contract; or (B) not subject to redemption prior to its maturity date. If a Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue 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 Contract.

(h) Price. The purchase price for the Bonds may not be less than 100% 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 they would cause the indebtedness of the VLCFA to exceed the legal debt capacity of the VLCFA on the Issue Date.

(2) The Designated Representative may determine whether it is in the best interest of the VLCFA 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 VLCFA, consistent with this resolution.

(3) The Bonds shall produce a minimum net present value savings to the VLCFA and its taxpayers of at least 5.00% (as a percentage of the Refunded Bonds). Net present value savings means the aggregate difference between (i) annual debt service on the Refunded Bonds, less (ii) annual debt service on the Bonds (including expenses related to costs of issuance of the Bonds), discounted to the Issue Date using the yield on Bonds as the discount rate, plus (iii) excess cash, if any, distributed to the VLCFA on the Issue Date, and less (iv) the amount of additional money of the VLCFA contributed to the refunding, if any, on the Issue Date.

[Form of]
UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

**Vancouver Library Capital Facility Area, Clark County, Washington
Unlimited Tax General Obligation Refunding Bonds, 2016**

The Vancouver Library Capital Facility Area, Clark County, Washington (the “VLCFA”), 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. 2016-07-03, adopted by the Governing Body of the VLCFA on June 19, 2016 (the “Bond Resolution”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The VLCFA 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)(i) (“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 Bonds, or other material events affecting the tax status of the 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 VLCFA, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the VLCFA or the sale of all or substantially all of the assets of the VLCFA 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 VLCFA to provide the required annual financial information described in paragraph (b)(i) on or before the date specified in paragraph (b)(ii).
- (b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the VLCFA 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 VLCFA, as such principles may be changed from time to time; (2) principal amount of general obligation bonds outstanding at the end of the fiscal year; (3) assessed valuation for the fiscal year; and (4) property tax levy amounts and rates for the 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 VLCFA (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the fiscal year ended December 31, 2016; 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.

If not submitted as part of the annual financial information described in paragraph (b)(i), the VLCFA will provide or cause to be provided to the MSRB audited financial statements, when and if available.

(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 VLCFA 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 VLCFA 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 obligations of the VLCFA under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the obligations of the VLCFA under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the VLCFA 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 VLCFA, and the VLCFA provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the VLCFA learns of any failure to comply with this Undertaking, the VLCFA will proceed with due diligence to cause such noncompliance to be corrected. No failure by the VLCFA 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 VLCFA 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 Designated Representative 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 VLCFA 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 VLCFA in carrying out this Undertaking; and
- (v) Effecting any necessary amendment of this Undertaking.

CERTIFICATION

I, the undersigned, Clerk of the Governing Body of the Vancouver Library Capital Facility Authority, Clark County, Washington (the "VLCFA"), hereby certify as follows:

1. The attached copy of Resolution No. 2016-07-03 (the "Resolution") is a full, true and correct copy of a resolution duly adopted at a special meeting of the Governing Body of the VLCFA held at the regular meeting place thereof on June 19, 2016, as that resolution appears on the minute book of the VLCFA.

2. At least 24 hours before the time of the special meeting, written notice specifying the time and place of the special meeting and the business to be transacted was provided as follows:

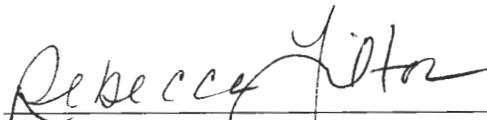
- a. Given to all members of the Governing Body of the VLCFA by mail, fax, electronic mail, or personal delivery.
- b. Prominently displayed at the main entrance of the County Public Service Center.
- c. The VLCFA is not required to post notice of the special meeting on the VLCFA's website because (i) the VLCFA does not have a web site; (ii) the VLCFA employs fewer than 10 full-time equivalent employees; and (iii) the VLCFA does not employ personnel whose duty, as defined by a job description or existing contract, is to maintain or update a web site.

3. No local radio or television stations, or newspapers of general circulation, have on file with the VLCFA a written request to be notified of any special meetings.

4. A quorum of the members of the Governing Body of the VLCFA was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Resolution.

Dated: June 19, 2016.

VANCOUVER LIBRARY CAPITAL
FACILITY AREA


Clerk of the Governing Body