



CITY COUNCIL
VIRGIL CLARKSON
Mayor

JASON HEARN
Deputy Mayor

JEFF GADMAN
LENNY GREENSTEIN
RON LAWSON
CYNTHIA PRATT
ANDY RYDER

CITY MANAGER
SCOTT SPENCE

LACEY CITY COUNCIL AGENDA
OCTOBER 24, 2013
7:00 P.M.
420 COLLEGE STREET, LACEY CITY HALL

CALL TO ORDER:

1. **PLEDGE OF ALLEGIANCE**
2. **APPROVAL OF AGENDA AND CONSENT AGENDA ITEM:**
 - A. [HPPC Phase 2 Unit 14 Final Plat Approval](#)

** Items listed under the consent agenda are considered to be routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

3. **ORDINANCES:**
 - A. [Revenue Bond Ordinance](#) (Troy Woo)
4. **CITY MANAGER'S REPORT:**
 - A. Presentation of 2014 Proposed Budget (Scott Spence)
5. **ADJOURN**



LACEY CITY COUNCIL MEETING
October 24, 2013

SUBJECT: Final Subdivision Approval for Hawks Prairie Phase 2 Unit 14 –Jubilee Fox Run. Project no. 13-119.

RECOMMENDATION: As consent agenda item, authorize the Mayor to sign the final subdivision map for Jubilee Fox Run, project number 13-119.

STAFF CONTACT: Scott Spence, City Manager *SS*
Rick Walk, Community Development Director *RW*
Sarah Schelling, Associate Planner *SS*

ORIGINATED BY: Community Development Department

ATTACHMENTS: 1. Final Subdivision Plat

FISCAL NOTE: NA

PRIOR REVIEW: Preliminary Subdivision Approval issued by City Council on May 12, 2005

BACKGROUND:

On May 12, 2005, the City Council approved the preliminary subdivision of Hawks Prairie Phase 2 Units 10 - 14. The project was approved for a total of 463 lots on 99.33 acres in the Hawks Prairie Planned Community and Hawks Prairie Planned Residential Development, westerly of Meriwood Drive NE, and adjacent to The Links at Hawks Prairie golf course. This final plat request is for unit 14, which consists of 59 lots on approximately 12 acres. Units 10, 11, and 12 have received final plat approval and been constructed. The plat has developed in accordance with its conditions of approval. All public works and planning improvements are in place, and have been approved or adequate financial securities are in place for their installation.

Appropriate agencies and departments have reviewed the request. The appropriate signatures have been obtained and it is now ready for the Mayor's signature. The applicant requests that the City Council authorize the Mayor to sign the final subdivision map for

Hawks Prairie Phase 2 Unit 14. This will allow the applicant to proceed with the development of the subdivision.

ADVANTAGES:

1. Signing the final subdivision map would allow the applicant to proceed with the development of the subdivision and the sale of lots. The final subdivision application meets the requirements of preliminary approval, is consistent with the City Comprehensive Plan, the City Zoning Code, and all applicable City regulations.

DISADVANTAGES:

1. Staff has not identified any disadvantages of approving this subdivision.

JUBILEE FOX RUN

A PORTION OF THE SE 1/4, SE 1/4 AND THE NE 1/4, SE 1/4 SEC. 26, AND THE NW 1/4, SW 1/4 SEC. 25 TWN. 19 N., RGE. 1 W., W.M.
CITY OF LACEY, THURSTON COUNTY, WASHINGTON

DEDICATION

KNOW ALL PEOPLE BY THESE PRESENTS THAT WE, THE UNDERSIGNED RICHARD OBERNESSER AND ALEXANDER HAWXHURST ARE THE OWNERS IN FEE SIMPLE OF THE LAND HEREBY PLATTED, HEREBY DECLARE THIS PLAT AND DEDICATE TO THE USE OF THE PUBLIC FOREVER ALL STREETS, AVENUES, PLACES AND SEWER EASEMENTS OR WHATEVER PUBLIC PROPERTY THERE IS SHOWN ON THE PLAT AND THE THEREOF FOR ANY AND ALL PUBLIC PURPOSES NOT INCONSISTENT WITH THE USE THEREOF FOR PUBLIC HIGHWAY PURPOSES; ALSO, THE RIGHT TO MAKE ALL NECESSARY SLOPES FOR CUTS OR FILLS UPON THE LOTS, BLOCKS, TRACTS, ETC. SHOWN ON THIS PLAT IN THE REASONABLE ORIGINAL GRADING OF ALL THE STREETS, AVENUES, PLACES, ETC. SHOWN HEREON. WE ALSO DEDICATE TO THE ENTITIES SHOWN THE TRACTS NOTED THEREON FOR THE PURPOSES AS SPECIFIED.

IN WITNESS WHEREOF I HAVE SET MY HAND AND SEAL THIS _____ DAY OF _____, 2013, A.D.

AGS JUBILEE, LLC A DELAWARE LIMITED LIABILITY COMPANY

BY: _____ BY: _____

ITS: _____ ITS: _____

ACKNOWLEDGEMENTS

STATE OF WASHINGTON)
)SS
COUNTY OF THURSTON)

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT _____ IS THE PERSON WHO APPEARED BEFORE ME, AND SAID PERSON ACKNOWLEDGED THAT HE SIGNED THIS INSTRUMENT, ON OATH STATED THAT HE WAS AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS THE _____ OF AGS JUBILEE, LLC A DELAWARE LIMITED LIABILITY COMPANY, TO BE THE FREE AND VOLUNTARY ACT OF SUCH PARTY FOR THE USES AND PURPOSES MENTIONED IN THE INSTRUMENT.

DATED: _____

SIGNATURE: _____

(PRINT NAME) _____
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON

RESIDING AT: _____

MY APPOINTMENT EXPIRES: _____

STATE OF WASHINGTON)
)SS
COUNTY OF THURSTON)

I CERTIFY THAT I KNOW OR HAVE SATISFACTORY EVIDENCE THAT _____ IS THE PERSON WHO APPEARED BEFORE ME, AND SAID PERSON ACKNOWLEDGED THAT HE SIGNED THIS INSTRUMENT, ON OATH STATED THAT HE WAS AUTHORIZED TO EXECUTE THE INSTRUMENT AND ACKNOWLEDGED IT AS THE _____ OF AGS JUBILEE, LLC A DELAWARE LIMITED LIABILITY COMPANY, TO BE THE FREE AND VOLUNTARY ACT OF SUCH PARTY FOR THE USES AND PURPOSES MENTIONED IN THE INSTRUMENT.

DATED: _____

SIGNATURE: _____

(PRINT NAME) _____
NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON

RESIDING AT: _____

MY APPOINTMENT EXPIRES: _____

LEGAL DESCRIPTION

PER FIRST AMERICAN TITLE INSURANCE COMPANY ORDER NO. NCS-608010-WA1. DATED MAY 10TH AT 7:30 AM.

A PARCEL OF LAND LYING WITHIN THE SOUTHEAST QUARTER OF SECTION 26, AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 19 NORTH, RANGE 1 WEST OF THE WILLAMETTE MERIDIAN, CITY OF LACEY, THURSTON COUNTY, WASHINGTON, AND MORE SPECIFICALLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 26;
THENCE NORTH 01°58'30" EAST, ALONG SAID EAST LINE THEREOF, 39.22 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUING ALONG SAID EAST LINE NORTH 01° 58' 30" EAST 1280.91 FEET;
THENCE SOUTH 87°57'38" EAST, ALONG THE NORTH LINE OF NISQUALLY CREST DIVISION NO. 2, AS SHOWN ON THE PLAT THEREOF, RECORDED UNDER AFN 1102424, RECORDS OF THURSTON COUNTY, WASHINGTON, A DISTANCE OF 282.91 FEET;
THENCE NORTH 36°01'39" WEST 506.88 FEET;
THENCE NORTH 05°16'26" WEST 164.27 FEET;
THENCE NORTH 33°11'28" EAST 64.52 FEET;
THENCE NORTH 05°35'58" WEST 60.91 FEET;
THENCE SOUTH 84°04'49" WEST 27.08 FEET;
THENCE NORTH 25°52'01" WEST 38.73 FEET;
THENCE SOUTH 64°07'59" WEST 126.61 FEET;
THENCE SOUTH 38°26'27" EAST 99.15 FEET;
THENCE SOUTH 00°19'16" EAST 41.65 FEET;
THENCE SOUTH 32°36'09" WEST 315.43 FEET;
THENCE SOUTH 00°27'28" EAST 180.48 FEET;
THENCE SOUTH 30°17'06" WEST 258.78 FEET;
THENCE SOUTH 11°01'46" WEST 503.27 FEET;
THENCE SOUTH 31°31'20" EAST 417.34 FEET;
THENCE SOUTH 00°00'00" EAST 288.89 FEET;
THENCE SOUTH 88°08'50" EAST 230.10 FEET TO THE POINT OF BEGINNING.



Axis
Survey & Mapping

13005 NE 126th PL
KIRKLAND, WA 98034
TEL. 425.823-5700
FAX 425.823-6700

APPROVALS

CITY ENGINEER

EXAMINED AND APPROVED THIS _____ DAY OF _____ A.D., 2013

PUBLIC WORKS DIRECTOR

HEALTH OFFICER

EXAMINED AND APPROVED THIS _____ DAY OF _____ A.D., 2013

THURSTON COUNTY HEALTH OFFICER

ASSESSOR

EXAMINED AND APPROVED THIS _____ DAY OF _____ A.D., 2013

THURSTON COUNTY ASSESSOR

TREASURER

I HEREBY CERTIFY THAT ALL TAXES ON THE LAND DESCRIBED HEREON HAVE BEEN FULLY PAID TO AND INCLUDING THE YEAR _____

THURSTON COUNTY TREASURER

CITY PLANNER

EXAMINED AND APPROVED THIS _____ DAY OF _____ A.D., 2013

CITY PLANNER

MAYOR FOR LACEY CITY COUNCIL

EXAMINED AND APPROVED THIS _____ DAY OF _____ A.D., 2013
LACEY CITY COUNCIL

MAYOR

ATTEST:

CITY CLERK

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT THE PLAT OF JUBILEE FOX RUN IS BASED UPON AN ACTUAL SURVEY AND SUBDIVISION OF SECTIONS 25 AND 26, TOWNSHIP 19 NORTH, RANGE 1 WEST, W.M., AS REQUIRED BY STATE STATUTES; THAT THE DISTANCES, COURSES AND ANGLES ARE SHOWN THEREON CORRECTLY; THAT THE MONUMENTS SHALL BE SET AND LOT AND BLOCK CORNERS SHALL BE STAKED CORRECTLY ON THE GROUND, THAT I FULLY COMPLIED WITH THE PROVISIONS OF THE STATE AND LOCAL STATUTES AND REGULATIONS GOVERNING PLATTING.

STEPHEN H. PHILLIPS JR
REGISTERED PROFESSIONAL LAND SURVEYOR

49916
CERTIFICATE DATE



COUNTY AUDITOR

FILED FOR RECORD AT THE REQUEST OF _____ THIS _____ DAY OF _____, 2013 AT _____ MINUTES PAST _____ O'CLOCK _____ M., AND RECORDED IN VOLUME _____ OF PLATS, ON PAGE _____, UNDER AUDITOR'S FILE NUMBER _____, RECORDS OF THURSTON COUNTY, WASHINGTON.

THURSTON COUNTY AUDITOR DEPUTY AUDITOR

JOB NO. 12-135

SHEET 1 OF 8

JUBILEE FOX RUN

A PORTION OF THE SE 1/4, SE 1/4 AND THE NE 1/4, SE 1/4 SEC. 26, AND THE NW 1/4, SW 1/4 SEC. 25 TWN. 19 N., RGE. 1 W., W.M.
CITY OF LACEY, THURSTON COUNTY, WASHINGTON

EASEMENT PROVISIONS

- ① AN EASEMENT IS HEREBY GRANTED TO THE CITY OF LACEY, PUGET SOUND ENERGY, INC., A GAS AND ELECTRIC COMPANY, ANY POWER COMPANY, ANY WATER COMPANY, ANY TELEPHONE COMPANY, ANY GAS COMPANY, ANY CABLE TELEVISION COMPANY, U.S. POSTAL SERVICE, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, UNDER AND UPON THE FRONT 10 FEET PARALLEL WITH AND ADJOINING THE STREET FRONTAGE OF ALL LOTS AND TRACTS, IN WHICH TO MAINTAIN UNDERGROUND PIPE, CONDUIT, CABLES AND WIRES WITH NECESSARY FACILITIES AND OTHER EQUIPMENT FOR THE PURPOSE OF SERVING THIS SUBDIVISION AND OTHER PROPERTY WITH ELECTRIC, TELEPHONE, GAS AND UTILITY SERVICE, TOGETHER WITH THE RIGHT TO ENTER UPON THE LOTS AT ALL TIMES FOR THE PURPOSE HEREIN STATED. THESE EASEMENTS ENTERED UPON FOR THESE PURPOSES SHALL BE RESTORED AS NEAR AS POSSIBLE TO THEIR ORIGINAL CONDITION. NO LINES OR WIRES FOR THE TRANSMISSION OF ELECTRIC CURRENT OR FOR TELEPHONE OR CABLE TELEVISION SHALL BE PLACED OR PERMITTED TO BE PLACED UPON ANY LOT UNLESS THE SAME SHALL BE UNDERGROUND OR IN CONDUIT ATTACHED TO A BUILDING.

SCHEDULE B ITEMS

- 1-3.) PERTAINS TO TAXES AND EXISTENCE OF CITY LIENS
- 4.) EASEMENT - FOR THE PURPOSE OF ELECTRIC TRANSMISSION AND/OR DISTRIBUTION IN FAVOR OF PUGET SOUND ENERGY. DATED MARCH 2, 1982, UNDER RECORDING NO. 8203020103. (PLOTTED)
- 5.) TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "DECLARATION OF COVENANTS REGARDING OPEN SPACE" RECORDED JULY 6, 2001, UNDER RECORDING NO. 3363608. (NOT PLOTTED)
- 6.) TERMS, PROVISIONS AND EASEMENT CONTAINED IN THE DOCUMENT ENTITLED "RECIPROCAL UTILITY AND DRAINAGE EASEMENT AGREEMENT" DATED JULY 6, 2001, UNDER RECORDING NO. 3363610. (NOT PLOTTED)
- 7.) TERMS, PROVISIONS AND EASEMENT CONTAINED IN THE DOCUMENT ENTITLED "GOLF CART PATH EASEMENT AGREEMENT" DATED JULY 6, 2001, UNDER RECORDING NO. 3363611. (PLOTTED)
- 8.) TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "GOLF COURSE ASSUMPTION OF RISK AND VIEW AGREEMENT" DATED JULY 6, 2001, UNDER RECORDING NO. 3363612. (NOT PLOTTED)
- 9.) CONDITIONS, NOTES, EASEMENTS, PROVISIONS CONTAINED AND OR DELINEATED ON THE FACE OF THE SURVEY UNDER RECORDING NO. 3379412, RECORDED SEPTEMBER 18, 2001, IN THURSTON COUNTY.
- 10.) TERMS AND PROVISIONS CONTAINED IN A BEACH ACCESS EASEMENT SERVING SAID PREMISES, AS RECORDED DECEMBER 20, 2002, UNDER RECORDING NO. 3488109. DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED OCTOBER 17, 2005 UNDER RECORDING NO. 3776629 AND MARCH 9, 2006 UNDER RECORDING NO. 3813911 & 3813912, ALL OF OFFICIAL RECORDS.
- 11.) COVENANTS, CONDITIONS, RESTRICTIONS AND/OR BUFFER/EASEMENTS, RECORDED DECEMBER 20, 2002, UNDER RECORDING NO. 3488110. DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED OCTOBER 17, 2005 UNDER RECORDING NO. 3776628 AND MARCH 9, 2006 UNDER RECORDING NO. 3813911 & 3813912. (NOT PLOTTED)
- 12.) TERMS, PROVISIONS CONTAINED IN AN EASEMENT SERVING SAID PREMISES ENTITLED "SIGNAGE EASEMENT AGREEMENT", RECORDED DECEMBER 20, 2002, UNDER RECORDING NO. 3488114. (NOT AVAILABLE)
- 13.) CONDITIONS, NOTES, EASEMENTS, PROVISIONS AND ENCRAGEMENTS CONTAINED AND/OR DELINEATED ON THE FACE OF THE SURVEY UNDER RECORDING NO. 3498761, RECORDED JANUARY 28, 2003, IN THURSTON COUNTY.
- 14.) COVENANTS, CONDITIONS, RESTRICTIONS AND/OR EASEMENTS RECORDED FEBRUARY 17, 2004, UNDER RECORDING NO. 3617712 (NOT PLOTTED) DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED MARCH 9, 2005 UNDER RECORDING NO. 3714657 & FEBRUARY 3, 2006 UNDER RECORDING NO. 3806006 (NOT PLOTTED) TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "ASSIGNMENT AND ASSUMPTION OF DECLARANT'S RIGHTS", RECORDED JULY 12, 2010, UNDER RECORDING NO. 4159758. (NOT PLOTTED) SAID INSTRUMENT IS A RE-RECORD OF RECORDING NO. 4157389 DATED JUNE 25, 2010. (NOT PLOTTED) TERMS AND PROVISIONS CONTAINED IN THE DOCUMENT ENTITLED "ASSIGNMENT AND ASSUMPTION OF DECLARANT'S RIGHTS", RECORDED JULY 12, 2010, UNDER RECORDING NO. 4159758. (NOT PLOTTED) DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED DECEMBER 23, 2010 UNDER RECORDING NO. 4188881. (NOT PLOTTED) AMENDMENT TO RESTATED MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HAWKS PRAIRIE A MASTER PLANNED COMMUNITY RECORDED DECEMBER 23, 2010 UNDER RECORDING NO. 4188880.
- 15.) COVENANTS, CONDITIONS, RESTRICTIONS AND/OR EASEMENTS RECORDED JANUARY 14, 2005, UNDER RECORDING NO. 3702933 (NOT PLOTTED) SAID DECLARATION AMENDS, RESTATES AND SUPERSEDES THE PRIOR DECLARATION RECORDED FEBRUARY 17, 2004 UNDER RECORDING NO. 3617795 (NOT PLOTTED) DOCUMENT(S) DECLARING MODIFICATIONS THEREOF RECORDED FEBRUARY 3, 2006 UNDER RECORDING NO. 4275193 (NOT PLOTTED)
- 16.) TERMS, PROVISIONS AND EASEMENT CONTAINED IN THE DOCUMENT ENTITLED "EMERGENCY ACCESS EASEMENT" JULY 5, 2012, UNDER RECORDING NO. 4275193. (PLOTTED)
- 17.) PERTAINS TO DEED OF TRUST AND THE TERMS AND CONDITIONS THEREOF UNDER RECORDING NO. 4201143.

REFERENCES

- (C.O.L.) REFERS TO INFORMATION OBTAINED FROM THE CITY OF LACEY, REFERENCE IS MADE TO SURVEY OF LACEY DATED SEPTEMBER 19TH, 1997 RECORDED UNDER SUR# 3111152 RECORDS OF THURSTON COUNTY, WASHINGTON.
- (P1) REFERS TO PLAT OF HAWKS PRAIRIE - PHASE 2, UNIT 11, DATED JULY 10TH, 2007 AND RECORDED UNDER PLAT# 3945919, RECORDS OF THURSTON COUNTY, WASHINGTON.
- (R1) REFERS TO SURVEY BY BLAIR E. PRIGGE DATED JULY 6TH, 2001 AND RECORDED UNDER SUR# 3379412, RECORDS OF THURSTON COUNTY, WASHINGTON.
- (R2) REFERS TO RECORD OF SURVEY, RECORDED UNDER #9104030177, RECORDS OF THURSTON COUNTY, WASHINGTON.
- (R3) REFERS TO RECORD OF SURVEY IN 2012, SHOWING A MISS OF HAWKS PRAIRIE - PHASE 2, UNIT 11 RECORDED UNDER #4302007, RECORDS OF THURSTON COUNTY, WASHINGTON.
- (R4) REFERS TO RECORD OF SURVEY, RECORDED UNDER #8604240018, RECORDS OF THURSTON COUNTY, WASHINGTON.

NOTES

1. ALL LAND AREA WITHIN THE BOUNDARIES OF THIS PLAT IS WITHIN A COMMUNITY FACILITIES DISTRICT OF THE CITY OF LACEY AND ALL SALEABLE LOTS ARE SUBJECT TO ALL SERVICE FEES AND CHARGES WHICH MAY BE LEVIED BY THE CITY OF LACEY FOR THE MAINTENANCE, OPERATION, AND IMPROVEMENT OF COMMUNITY FACILITIES AND FOR LIENS FOR ANY UNPAID SERVICE FEES OR CHARGES. (LMC 15.36.030,.040, AND 0.70)
2. THE HOMEOWNERS' ASSOCIATION WILL BE RESPONSIBLE FOR MAINTAINING AND LOCATING ALL IRRIGATION LINES LOCATED IN THE FRONT RIGHT-OF-WAY. THE HOMEOWNERS' ASSOCIATION WILL BE RESPONSIBLE FOR MAINTENANCE OF STREET TREES, MOWING, AND WEEDING IN THE RIGHT-OF-WAY. IN LIEU OF A HOMEOWNERS' ASSOCIATION, A COMMUNITY FACILITIES DISTRICT MAY BE ESTABLISHED PER LMC 3.46. (DG&PWS WATER 6.210 IRRIGATION; TRANSPORTATION 4G.100 STREET TREES)
3. THE PLANTER AREAS OF ALL RIGHTS-OF-WAY IMPROVED BY THIS SUBDIVISION WILL BE MAINTAINED BY THE JUBILEE COMMUNITY HOME OWNERS ASSOCIATION.
4. THE DEVELOPER SHALL MEET ALL LOCAL, STATE AND FEDERAL CODE REQUIREMENTS.
- ⑤ AGS JUBILEE, LIMITED LIABILITY COMPANY, OWNERS IN FEE SIMPLE OF THE LAND HEREBY PLATTED DO HEREBY CONVEY OWNERSHIP AND MAINTENANCE OF TRACTS B, B-1, K, L AND T (LANDSCAPE AND UTILITIES) TO THE JUBILEE COMMUNITY ASSOCIATION. IT SHALL BE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATES FOR THE COST AND MAINTENANCE.
- ⑥ TRACT "A" IS DESIGNATED FOR INGRESS AND EGRESS FOR LOTS 1437-1441 AND FOR UTILITY EASEMENT. THE OWNERS OF LOTS 1437-1441 HAVE AN UNDIVIDED INTEREST TRACT "A" FOR TAX PURPOSES. IT SHALL BE THE RESPONSIBILITY OF THE OWNERS OF LOTS 1437-1441 TO MAINTAIN THE PRIVATE DRIVEWAY LOCATED WITHIN TRACT "A". THERE SHALL BE NO ACCESS TO LOTS 1434-1436 AND 1442 FROM TRACT A.
- ⑦ AGS JUBILEE, LIMITED LIABILITY COMPANY, OWNERS IN FEE SIMPLE OF THE LAND HEREBY PLATTED DO HEREBY CONVEY OWNERSHIP AND MAINTENANCE OF TRACT Y1 (OPEN SPACE) TO THE JUBILEE COMMUNITY ASSOCIATION. IT SHALL BE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATES FOR THE COST AND MAINTENANCE.
8. CITY OF LACEY STANDARD CAST IN PLACE MONUMENTS (DWG #4-20) WILL BE SET UPON COMPLETION OF ROADWAY CONSTRUCTION. REBAR AND CAP P.L.S. #49916 WILL BE SET AT LOT CORNERS UPON COMPLETION OF CONSTRUCTION.
9. ALL PROPOSED HOUSES / STRUCTURES SHALL HAVE ROOF AND FOUNDATION DRAINS TIGHTLINED TO A PROPERLY SIZED STORM RETENTION SYSTEM. THE DEVELOPER SHALL REFER TO 'UPC APPENDIX M' FOR SPECIFIC PIPING REQUIREMENTS.
10. AGS JUBILEE, LIMITED LIABILITY COMPANY, OWNERS IN FEE SIMPLE OF THE LAND HEREBY PLATTED, GRANT THE CITY OF LACEY EASEMENT RIGHTS IN WHICH TO INSTALL, LAY, CONSTRUCT, RENEW, OPERATE AND MAINTAIN ITS PUBLIC FACILITIES AND OTHER EQUIPMENT FOR THE PURPOSE OF SERVING THIS SUBDIVISION AND OTHER PROPERTY, WHICH LIE UNDER AND UPON THE FRONT 10 FEET PARALLEL WITH AND ADJOINING THE STREET FRONTAGE OF ALL LOTS AND TRACTS AND UTILITIES EASEMENTS SHOWN HEREON.
- ⑪ AN EASEMENT IS HEREBY GRANTED TO LOTS 22-24 OF THE PLAT OF NISQUALLY CREST DIVISION NO. 11 FOR THE USE OF FENCES, SHEDS AND LANDSCAPING AS SHOWN ON SHEET 6 OF 8. IT SHALL BE THE RESPONSIBILITY OF THE OWNERS OF LOTS 22-24 OF SAID PLAT TO MAINTAIN THE EASEMENT AREA AS SHOWN ON THE PLAT. NO ADDITIONAL STRUCTURES OR LANDSCAPING SHALL BE ADDED. THE EASEMENT AREAS SHALL REMAIN IN IT'S NATURAL STATE.

SURVEYORS NOTES

1. PRIMARY CONTROL POINTS AND ACCESSIBLE MONUMENT POSITIONS WERE FIELD MEASURED UTILIZING GLOBAL POSITIONING SYSTEM (GPS) SURVEY TECHNIQUES USING LEICA SYSTEM 1200 EQUIPMENT. MONUMENT POSITIONS THAT WERE NOT DIRECTLY OBSERVED USING GPS SURVEY TECHNIQUES WERE TIED INTO THE CONTROL POINTS UTILIZING LEICA ELECTRONIC TOTAL STATIONS FOR THE MEASUREMENT OF BOTH ANGLES AND DISTANCES. THIS SURVEY MEETS OR EXCEEDS THE STANDARDS SET BY WAC 332-130-090.
2. LOT CORNERS AND TRACT CORNERS POINTS ARE TO BE MONUMENTED WITH 1/2" X 24" METAL STAKES WITH YELLOW AXIS CAP, LS NO. 49916 AS SHOWN. THE FRONT LOT CORNER MONUMENTS ARE TO BE SET AS TACKS IN THE CURBS ON THE SIDE LOT LINES EXTENDED. SEE CURB PLUG TABLE
3. EVIDENCE OF OCCUPATION OF LAND (FOR EXAMPLE: FENCES, STRUCTURES, PAVING, GRAVELED SURFACES, ETC.) MAY NOT COINCIDE WITH THE DEEDED BOUNDARY LINES AS SHOWN ON THIS DRAWING. THERE ARE AREAS ON THIS SURVEY APPEARING TO HAVE DISCREPANCIES BETWEEN THE DEEDED BOUNDARY LINES AND CERTAIN EVIDENCE OF OCCUPATION. WHERE DISCREPANCIES EXIST AXIS RECOMMENDS THAT THE OWNER OR POTENTIAL PURCHASER CONSULT WITH LEGAL COUNSEL TO DETERMINE HOW BEST TO INTERPRET THEIR PROPERTY RIGHTS AND ADDRESS ANY POTENTIAL BOUNDARY DISPUTES.



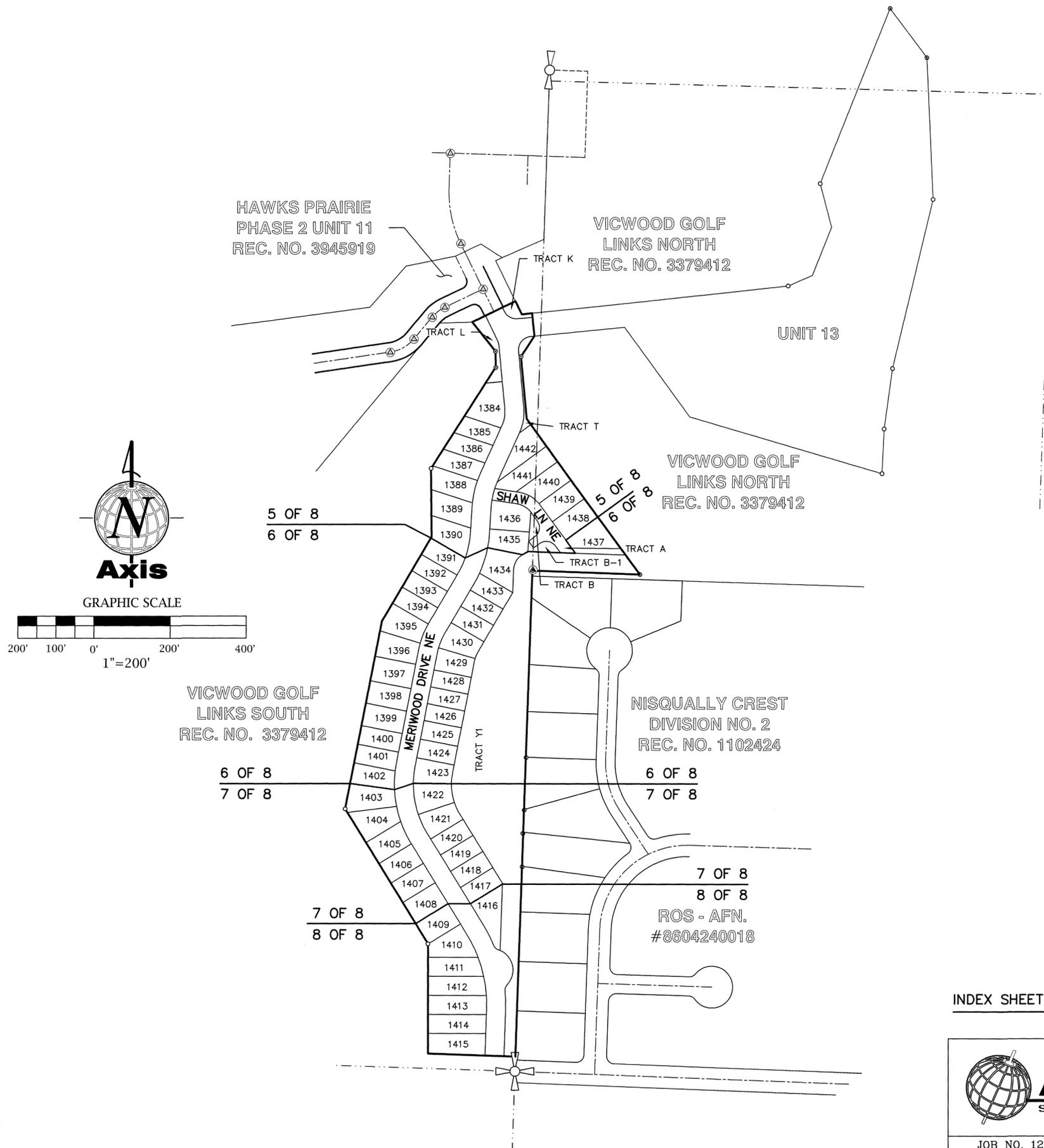
Axis
Survey & Mapping

13005 NE 126th PL
KIRKLAND, WA 98034
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FAX 425.823-6700



JUBILEE FOX RUN

A PORTION OF THE SE 1/4, SE 1/4 AND THE NE 1/4, SE 1/4 SEC. 26, AND THE NW 1/4, SW 1/4 SEC. 25 TWN. 19 N., RGE. 1 W., W.M.
CITY OF LACEY, THURSTON COUNTY, WASHINGTON



LOT #	ADDRESS	CITY, STATE, ZIP CODE
LOT 1384	4845 MERIWOOD DR NE	LACEY, WA 98516
LOT 1385	4841 MERIWOOD DR NE	LACEY, WA 98516
LOT 1386	4837 MERIWOOD DR NE	LACEY, WA 98516
LOT 1387	4833 MERIWOOD DR NE	LACEY, WA 98516
LOT 1388	4829 MERIWOOD DR NE	LACEY, WA 98516
LOT 1389	4825 MERIWOOD DR NE	LACEY, WA 98516
LOT 1390	4821 MERIWOOD DR NE	LACEY, WA 98516
LOT 1391	4817 MERIWOOD DR NE	LACEY, WA 98516
LOT 1392	4813 MERIWOOD DR NE	LACEY, WA 98516
LOT 1393	4809 MERIWOOD DR NE	LACEY, WA 98516
LOT 1394	4805 MERIWOOD DR NE	LACEY, WA 98516
LOT 1395	4801 MERIWOOD DR NE	LACEY, WA 98516
LOT 1396	4797 MERIWOOD DR NE	LACEY, WA 98516
LOT 1397	4793 MERIWOOD DR NE	LACEY, WA 98516
LOT 1398	4789 MERIWOOD DR NE	LACEY, WA 98516
LOT 1399	4785 MERIWOOD DR NE	LACEY, WA 98516
LOT 1400	4781 MERIWOOD DR NE	LACEY, WA 98516
LOT 1401	4777 MERIWOOD DR NE	LACEY, WA 98516
LOT 1402	4773 MERIWOOD DR NE	LACEY, WA 98516
LOT 1403	4769 MERIWOOD DR NE	LACEY, WA 98516
LOT 1404	4765 MERIWOOD DR NE	LACEY, WA 98516
LOT 1405	4761 MERIWOOD DR NE	LACEY, WA 98516
LOT 1406	4757 MERIWOOD DR NE	LACEY, WA 98516
LOT 1407	4753 MERIWOOD DR NE	LACEY, WA 98516
LOT 1408	4749 MERIWOOD DR NE	LACEY, WA 98516
LOT 1409	4745 MERIWOOD DR NE	LACEY, WA 98516
LOT 1410	4741 MERIWOOD DR NE	LACEY, WA 98516
LOT 1411	4737 MERIWOOD DR NE	LACEY, WA 98516
LOT 1412	4733 MERIWOOD DR NE	LACEY, WA 98516
LOT 1413	4729 MERIWOOD DR NE	LACEY, WA 98516
LOT 1414	4725 MERIWOOD DR NE	LACEY, WA 98516
LOT 1415	4721 MERIWOOD DR NE	LACEY, WA 98516
LOT 1416	4717 MERIWOOD DR NE	LACEY, WA 98516
LOT 1417	4713 MERIWOOD DR NE	LACEY, WA 98516
LOT 1418	4709 MERIWOOD DR NE	LACEY, WA 98516
LOT 1419	4705 MERIWOOD DR NE	LACEY, WA 98516
LOT 1420	4701 MERIWOOD DR NE	LACEY, WA 98516
LOT 1421	4697 MERIWOOD DR NE	LACEY, WA 98516
LOT 1422	4693 MERIWOOD DR NE	LACEY, WA 98516
LOT 1423	4689 MERIWOOD DR NE	LACEY, WA 98516
LOT 1424	4685 MERIWOOD DR NE	LACEY, WA 98516
LOT 1425	4681 MERIWOOD DR NE	LACEY, WA 98516
LOT 1426	4677 MERIWOOD DR NE	LACEY, WA 98516
LOT 1427	4673 MERIWOOD DR NE	LACEY, WA 98516
LOT 1428	4669 MERIWOOD DR NE	LACEY, WA 98516
LOT 1429	4665 MERIWOOD DR NE	LACEY, WA 98516
LOT 1430	4661 MERIWOOD DR NE	LACEY, WA 98516
LOT 1431	4657 MERIWOOD DR NE	LACEY, WA 98516
LOT 1432	4653 MERIWOOD DR NE	LACEY, WA 98516
LOT 1433	4649 MERIWOOD DR NE	LACEY, WA 98516
LOT 1434	4645 MERIWOOD DR NE	LACEY, WA 98516
LOT 1435	4641 MERIWOOD DR NE	LACEY, WA 98516
LOT 1436	4637 MERIWOOD DR NE	LACEY, WA 98516
LOT 1437	8520 SHAW LN NE	LACEY, WA 98516
LOT 1438	8516 SHAW LN NE	LACEY, WA 98516
LOT 1439	8512 SHAW LN NE	LACEY, WA 98516
LOT 1440	8508 SHAW LN NE	LACEY, WA 98516
LOT 1441	8504 SHAW LN NE	LACEY, WA 98516
LOT 1442	4838 MERIWOOD DR NE	LACEY, WA 98516
TRACT A	8500 SHAW LN NE	LACEY, WA 98516
TRACT B	8513 SHAW LN NE	LACEY, WA 98517
TRACT B-1	8517 SHAW LN NE	LACEY, WA 98518
TRACT K	4960 MERIWOOD DR NE	LACEY, WA 98519
TRACT L	4955 MERIWOOD DR NE	LACEY, WA 98520
TRACT T	4920 MERIWOOD DR NE	LACEY, WA 98521
TRACT Y1	4620 MERIWOOD DR NE	LACEY, WA 98522

INDEX SHEET

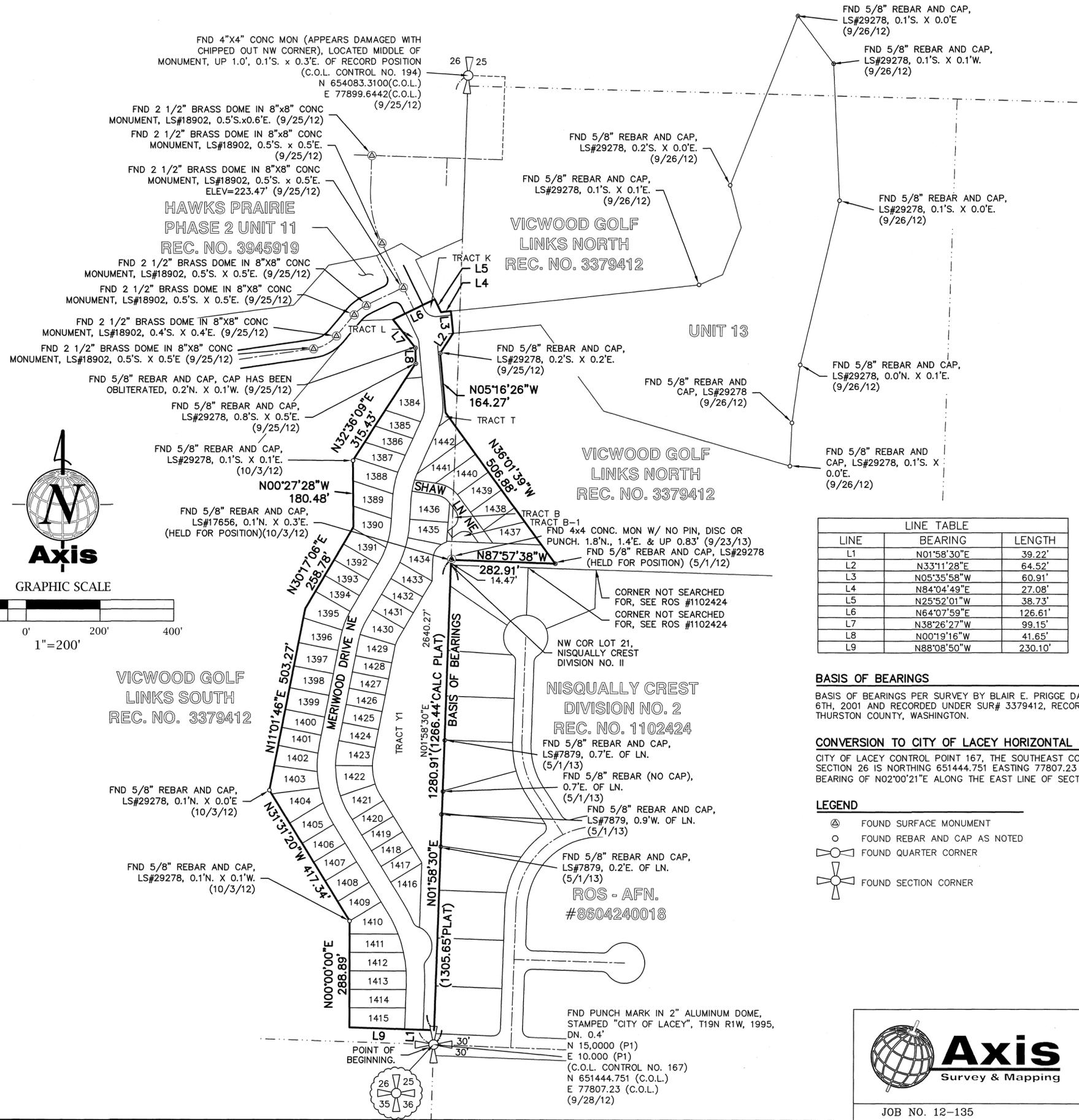


13005 NE 126th PL
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FAX 425.823-6700



JUBILEE FOX RUN

A PORTION OF THE SE 1/4, SE 1/4 AND THE NE 1/4, SE 1/4 SEC. 26, AND THE NW 1/4, SW 1/4 SEC. 25 TWN. 19 N., RGE. 1 W., W.M.
CITY OF LACEY, THURSTON COUNTY, WASHINGTON



FND 4"x4" CONC MON (APPEARS DAMAGED WITH CHIPPED OUT NW CORNER), LOCATED MIDDLE OF MONUMENT, UP 1.0', 0.1'S. X 0.3'E. OF RECORD POSITION (C.O.L. CONTROL NO. 194)
N 654083.3100(C.O.L.)
E 77899.6442(C.O.L.)
(9/25/12)

FND 2 1/2" BRASS DOME IN 8"x8" CONC MONUMENT, LS#18902, 0.5'S. X 0.6'E. (9/25/12)
FND 2 1/2" BRASS DOME IN 8"x8" CONC MONUMENT, LS#18902, 0.5'S. X 0.5'E. (9/25/12)
FND 2 1/2" BRASS DOME IN 8"x8" CONC MONUMENT, LS#18902, 0.5'S. X 0.5'E. (9/25/12)
ELEV=223.47' (9/25/12)

**HAWKS PRAIRIE
PHASE 2 UNIT 11
REC. NO. 3945919**

FND 2 1/2" BRASS DOME IN 8"x8" CONC MONUMENT, LS#18902, 0.5'S. X 0.5'E. (9/25/12)
FND 2 1/2" BRASS DOME IN 8"x8" CONC MONUMENT, LS#18902, 0.5'S. X 0.5'E. (9/25/12)
FND 2 1/2" BRASS DOME IN 8"x8" CONC MONUMENT, LS#18902, 0.4'S. X 0.4'E. (9/25/12)
FND 2 1/2" BRASS DOME IN 8"x8" CONC MONUMENT, LS#18902, 0.5'S. X 0.5'E. (9/25/12)

FND 5/8" REBAR AND CAP, LS#29278, 0.2'S. X 0.0'E. (9/26/12)
FND 5/8" REBAR AND CAP, LS#29278, 0.1'S. X 0.1'E. (9/26/12)

**VICWOOD GOLF
LINKS NORTH
REC. NO. 3379412**

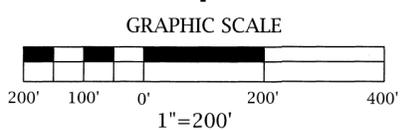
FND 5/8" REBAR AND CAP, LS#29278, 0.1'S. X 0.0'E. (9/26/12)

FND 5/8" REBAR AND CAP, LS#29278, 0.1'S. X 0.1'W. (9/26/12)

FND 5/8" REBAR AND CAP, LS#29278, 0.1'S. X 0.0'E. (9/26/12)

FND 5/8" REBAR AND CAP, LS#29278, 0.2'S. X 0.2'E. (9/25/12)
FND 5/8" REBAR AND CAP, LS#29278, 0.0'N. X 0.1'E. (9/26/12)

FND 5/8" REBAR AND CAP, LS#29278, 0.1'S. X 0.0'E. (9/26/12)



**VICWOOD GOLF
LINKS SOUTH
REC. NO. 3379412**

FND 5/8" REBAR AND CAP, LS#29278, 0.1'N. X 0.0'E. (10/3/12)

FND 5/8" REBAR AND CAP, LS#29278, 0.1'N. X 0.1'W. (10/3/12)

FND 4x4 CONC. MON W/ NO PIN, DISC OR PUNCH. 1.8"N., 1.4"E. & UP 0.83' (9/23/13)
FND 5/8" REBAR AND CAP, LS#29278 (HELD FOR POSITION) (5/1/12)

CORNER NOT SEARCHED FOR, SEE ROS #1102424
CORNER NOT SEARCHED FOR, SEE ROS #1102424

**NISQUALLY CREST
DIVISION NO. 2
REC. NO. 1102424**

FND 5/8" REBAR AND CAP, LS#7879, 0.7'E. OF LN. (5/1/13)
FND 5/8" REBAR (NO CAP), 0.7'E. OF LN. (5/1/13)
FND 5/8" REBAR AND CAP, LS#7879, 0.9'W. OF LN. (5/1/13)

**ROS - AFN.
#8604240018**

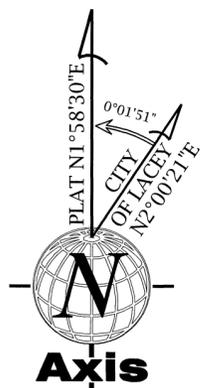
FND PUNCH MARK IN 2" ALUMINUM DOME, STAMPED "CITY OF LACEY", T19N R1W, 1995, DN. 0.4'
N 15.0000 (P1)
E 10.0000 (P1)
(C.O.L. CONTROL NO. 167)
N 651444.751 (C.O.L.)
E 77807.23 (C.O.L.)
(9/28/12)

LINE	BEARING	LENGTH
L1	N01°58'30"E	39.22'
L2	N33°11'28"E	64.52'
L3	N05°35'58"W	60.91'
L4	N84°04'49"E	27.08'
L5	N25°52'01"W	38.73'
L6	N64°07'59"E	126.61'
L7	N38°26'27"W	99.15'
L8	N00°19'16"W	41.65'
L9	N88°08'50"W	230.10'

BASIS OF BEARINGS
BASIS OF BEARINGS PER SURVEY BY BLAIR E. PRIGGE DATED JULY 6TH, 2001 AND RECORDED UNDER SUR# 3379412, RECORDS OF THURSTON COUNTY, WASHINGTON.

CONVERSION TO CITY OF LACEY HORIZONTAL DATUM
CITY OF LACEY CONTROL POINT 167, THE SOUTHEAST CORNER OF SECTION 26 IS NORTHING 651444.751 EASTING 77807.23 USING A BEARING OF N02°00'21"E ALONG THE EAST LINE OF SECTION 26.

- LEGEND**
- ⊗ FOUND SURFACE MONUMENT
 - FOUND REBAR AND CAP AS NOTED
 - ⊕ FOUND QUARTER CORNER
 - ⊗ FOUND SECTION CORNER

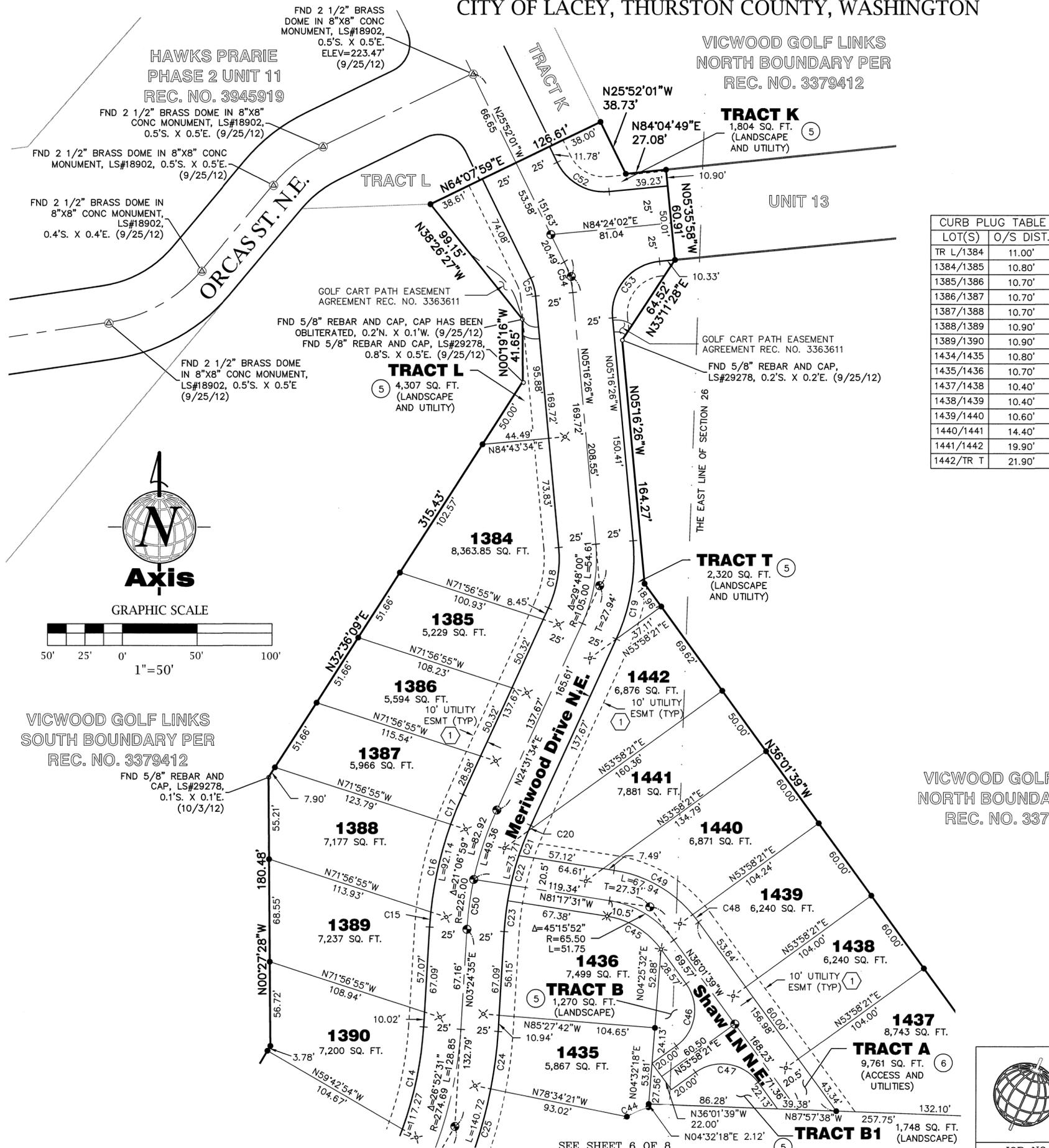


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JUBILEE FOX RUN

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CITY OF LACEY, THURSTON COUNTY, WASHINGTON



CURVE TABLE			
CURVE	DELTA ANGLE	RADIUS	LENGTH
C1	Δ = 5°57'07"	350.00'	36.36'
C2	Δ = 8°16'30"	350.00'	50.55'
C3	Δ = 8°32'44"	350.00'	52.20'
C4	Δ = 10°43'28"	350.00'	65.51'
C5	Δ = 12°19'44"	300.00'	64.55'
C6	Δ = 7°56'19"	300.00'	41.57'
C7	Δ = 8°33'14"	300.00'	44.79'
C8	Δ = 9°31'11"	300.00'	49.85'
C9	Δ = 4°12'38"	300.00'	22.05'
C10	Δ = 4°46'49"	225.00'	18.77'
C11	Δ = 14°03'11"	225.00'	55.19'
C12	Δ = 0°25'20"	225.00'	1.66'
C13	Δ = 10°40'52"	250.00'	46.61'
C14	Δ = 16°11'39"	250.00'	70.66'
C15	Δ = 2°18'23"	250.00'	10.06'
C16	Δ = 13°50'46"	250.00'	60.42'
C17	Δ = 4°57'50"	250.00'	21.66'
C18	Δ = 29°48'00"	80.00'	41.61'
C19	Δ = 29°48'00"	130.00'	67.61'
C20	Δ = 1°06'38"	200.00'	3.88'
C21	Δ = 5°08'12"	200.00'	17.93'
C22	Δ = 8°55'31"	200.00'	31.16'
C23	Δ = 5°56'38"	200.00'	20.75'
C24	Δ = 7°29'56"	300.00'	39.26'
C25	Δ = 13°32'54"	300.00'	70.94'
C26	Δ = 5°49'40"	300.00'	30.51'
C27	Δ = 13°53'24"	175.00'	42.42'
C28	Δ = 5°21'56"	175.00'	16.39'
C29	Δ = 10°29'02"	250.00'	45.74'
C30	Δ = 19°11'17"	250.00'	83.72'
C31	Δ = 12°52'47"	250.00'	56.20'
C32	Δ = 8°43'26"	400.00'	60.90'
C33	Δ = 49°09'29"	20.00'	17.16'
C34	Δ = 4°33'21"	55.50'	4.41'
C35	Δ = 111°16'53"	55.50'	107.79'
C36	Δ = 49°09'28"	20.00'	17.16'
C37	Δ = 7°15'06"	400.00'	50.63'
C38	Δ = 16°04'01"	152.71'	42.82'
C39	Δ = 18°50'16"	152.71'	50.21'
C40	Δ = 10°17'41"	152.71'	27.44'
C41	Δ = 5°21'56"	75.00'	7.02'
C42	Δ = 13°53'24"	75.00'	18.18'
C43	Δ = 55°06'56"	50.00'	48.10'
C44	Δ = 18°08'27"	50.00'	15.83'
C45	Δ = 45°15'52"	55.00'	43.45'
C46	Δ = 90°00'00"	30.00'	47.12'
C47	Δ = 90°00'00"	30.00'	47.12'
C48	Δ = 4°14'29"	86.00'	6.37'
C49	Δ = 41°01'23"	86.00'	61.57'
C50	Δ = 8°32'51"	225.00'	33.57'
C51	Δ = 20°35'35"	35.00'	12.58'
C52	Δ = 69°43'57"	35.00'	42.60'
C53	Δ = 89°40'28"	35.00'	54.78'
C54	Δ = 20°35'31"	60.00'	21.56'

CURB PLUG TABLE	
LOT(S)	O/S DIST.
TR L/1384	11.00'
1384/1385	10.80'
1385/1386	10.70'
1386/1387	10.70'
1387/1388	10.70'
1388/1389	10.90'
1389/1390	10.90'
1434/1435	10.80'
1435/1436	10.70'
1437/1438	10.40'
1438/1439	10.40'
1439/1440	10.60'
1440/1441	14.40'
1441/1442	19.90'
1442/TR T	21.90'

- LEGEND**
- SET 1/2" X 24" REBAR AND CAP, LS#49916
 - ⊙ CITY OF LACEY STANDARD (DWG #4-20)
CAST IN PLACE SURFACE MONUMENT, LS#49916
 - FOUND - SEE SHEET 4 OF 8
 - ⊗ SEE EASEMENT NOTE SHEET 2 OF 8
 - ⊗ SEE NOTES SHEET 2 OF 8
 - ✕ SET LEAD/TACK - SEE CURB PLUG TABLE

Axis
Survey & Mapping

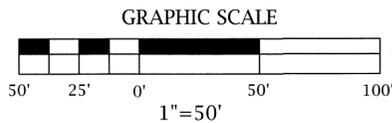
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JUBILEE FOX RUN

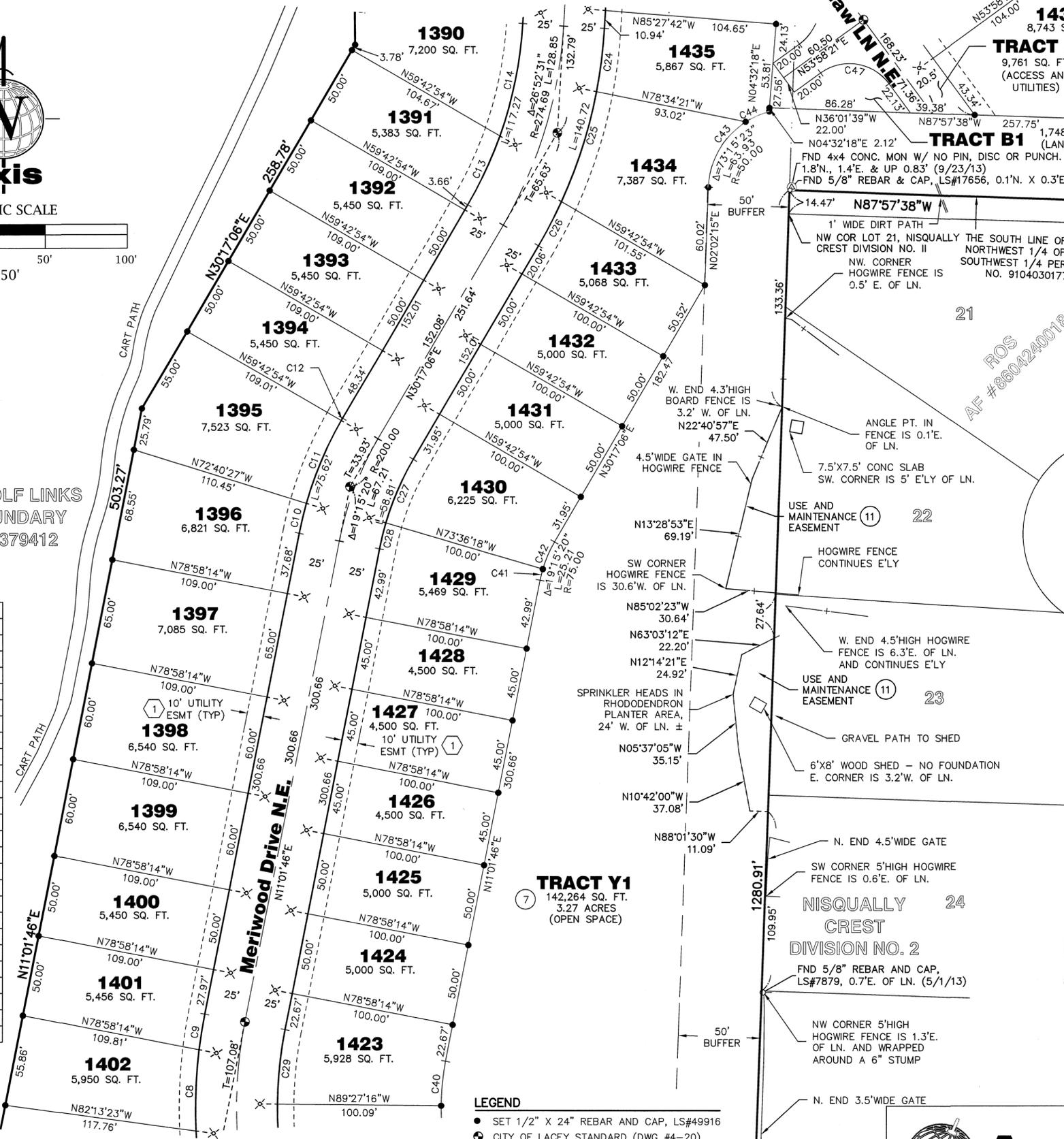
A PORTION OF THE SE 1/4, SE 1/4 AND THE NE 1/4, SE 1/4 SEC. 26, AND THE NW 1/4, SW 1/4 SEC. 25 TWN. 19 N., RGE. 1 W., W.M.
CITY OF LACEY, THURSTON COUNTY, WASHINGTON

SEE SHEET 5 OF 8



VICWOOD GOLF LINKS
SOUTH BOUNDARY
REC. NO. 3379412

LOT(S)	O/S DIST.
1390/1391	10.90'
1391/1392	10.60'
1392/1393	10.70'
1393/1394	10.70'
1394/1395	10.70'
1395/1396	10.70'
1396/1397	10.60'
1397/1398	10.60'
1398/1399	10.60'
1399/1400	10.70'
1400/1401	10.70'
1401/1402	10.70'
1423/1424	10.70'
1424/1425	10.70'
1425/1426	10.70'
1426/1427	10.70'
1427/1428	10.70'
1428/1429	10.70'
1429/1430	10.70'
1430/1431	10.90'
1431/1432	10.90'
1432/1433	10.90'
1433/1434	10.90'
1434/1435	10.80'
1435/1436	10.70'



CURVE	DELTA ANGLE	RADIUS	LENGTH
C1	Δ = 5°57'07"	350.00'	36.36'
C2	Δ = 8°16'30"	350.00'	50.55'
C3	Δ = 8°32'44"	350.00'	52.20'
C4	Δ = 10°43'28"	350.00'	65.51'
C5	Δ = 12°19'44"	300.00'	64.55'
C6	Δ = 7°56'19"	300.00'	41.57'
C7	Δ = 8°33'14"	300.00'	44.79'
C8	Δ = 9°31'11"	300.00'	49.85'
C9	Δ = 4°12'38"	300.00'	22.05'
C10	Δ = 4°46'49"	225.00'	18.77'
C11	Δ = 14°03'11"	225.00'	55.19'
C12	Δ = 0°25'20"	225.00'	1.66'
C13	Δ = 10°40'52"	250.00'	46.61'
C14	Δ = 16°11'39"	250.00'	70.66'
C15	Δ = 2°18'23"	250.00'	10.06'
C16	Δ = 13°50'46"	250.00'	60.42'
C17	Δ = 4°57'50"	250.00'	21.66'
C18	Δ = 29°48'00"	80.00'	41.61'
C19	Δ = 29°48'00"	130.00'	67.61'
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C25	Δ = 13°32'54"	300.00'	70.94'
C26	Δ = 5°49'40"	300.00'	30.51'
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C36	Δ = 49°09'28"	20.00'	17.16'
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C38	Δ = 16°04'01"	152.71'	42.82'
C39	Δ = 18°50'16"	152.71'	50.21'
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C41	Δ = 5°21'56"	75.00'	7.02'
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C45	Δ = 45°15'52"	55.00'	43.45'
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C47	Δ = 90°00'00"	30.00'	47.12'
C48	Δ = 4°14'29"	86.00'	6.37'
C49	Δ = 41°01'23"	86.00'	61.57'
C50	Δ = 8°32'51"	225.00'	33.57'
C51	Δ = 20°35'35"	35.00'	12.58'
C52	Δ = 69°43'57"	35.00'	42.60'
C53	Δ = 89°40'28"	35.00'	54.78'
C54	Δ = 20°35'31"	60.00'	21.56'

- LEGEND**
- SET 1/2" X 24" REBAR AND CAP, LS#49916
 - ⊙ CITY OF LACEY STANDARD (DWG #4-20) CAST IN PLACE SURFACE MONUMENT, LS#49916
 - FOUND - SEE SHEET 4 OF 8
 - ⊗ SEE EASEMENT NOTE SHEET 2 OF 8
 - ⊗ SEE NOTES SHEET 2 OF 8
 - ⊗ SET LEAD/TACK - SEE CURB PLUG TABLE

SEE SHEET 7 OF 8



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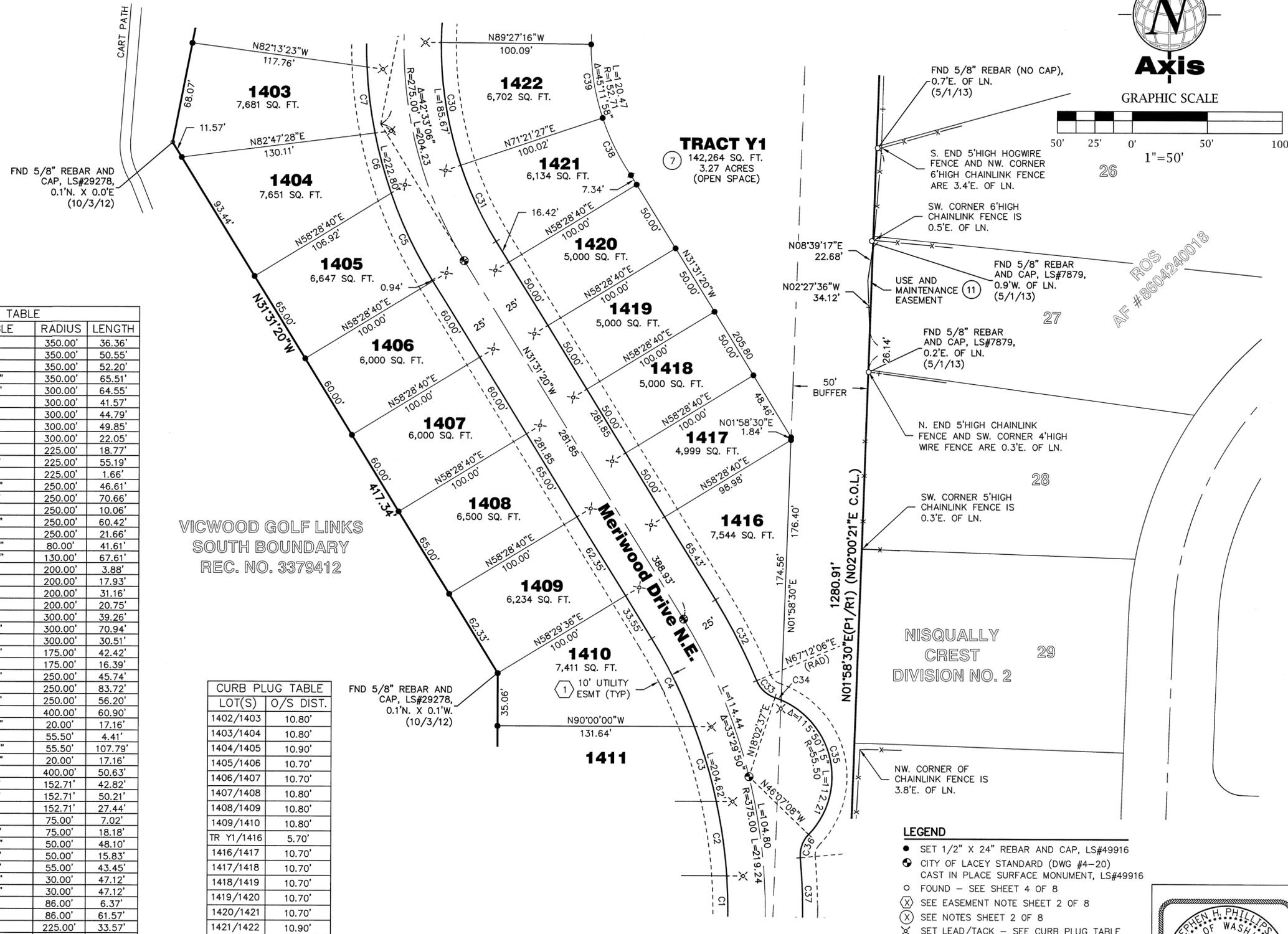
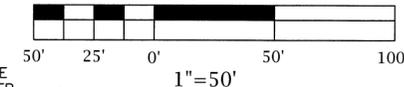
JUBILEE FOX RUN

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CITY OF LACEY, THURSTON COUNTY, WASHINGTON

SEE SHEET 6 OF 8



GRAPHIC SCALE



CURVE TABLE			
CURVE	DELTA ANGLE	RADIUS	LENGTH
C1	Δ = 5°57'07"	350.00'	36.36'
C2	Δ = 8°16'30"	350.00'	50.55'
C3	Δ = 8°32'44"	350.00'	52.20'
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C17	Δ = 4°57'50"	250.00'	21.66'
C18	Δ = 29°48'00"	80.00'	41.61'
C19	Δ = 29°48'00"	130.00'	67.61'
C20	Δ = 1°06'38"	200.00'	3.88'
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C35	Δ = 111°16'53"	55.50'	107.79'
C36	Δ = 49°09'28"	20.00'	17.16'
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C39	Δ = 18°50'16"	152.71'	50.21'
C40	Δ = 10°17'41"	152.71'	27.44'
C41	Δ = 5°21'56"	75.00'	7.02'
C42	Δ = 13°53'24"	75.00'	18.18'
C43	Δ = 55°06'56"	50.00'	48.10'
C44	Δ = 18°08'27"	50.00'	15.83'
C45	Δ = 45°15'52"	55.00'	43.45'
C46	Δ = 90°00'00"	30.00'	47.12'
C47	Δ = 90°00'00"	30.00'	47.12'
C48	Δ = 4°14'29"	86.00'	6.37'
C49	Δ = 41°01'23"	86.00'	61.57'
C50	Δ = 8°32'51"	225.00'	33.57'
C51	Δ = 20°35'35"	35.00'	12.58'
C52	Δ = 69°43'57"	35.00'	42.60'
C53	Δ = 89°40'28"	35.00'	54.78'
C54	Δ = 20°35'31"	60.00'	21.56'

CURB PLUG TABLE	
LOT(S)	O/S DIST.
1402/1403	10.80'
1403/1404	10.80'
1404/1405	10.90'
1405/1406	10.70'
1406/1407	10.70'
1407/1408	10.80'
1408/1409	10.80'
1409/1410	10.80'
TR Y1/1416	5.70'
1416/1417	10.70'
1417/1418	10.70'
1418/1419	10.70'
1419/1420	10.70'
1420/1421	10.70'
1421/1422	10.90'

SEE SHEET 8 OF 8

Axis
Survey & Mapping

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FAX 425.823-6700



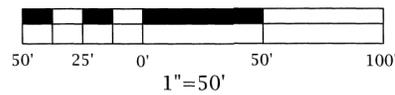
JUBILEE FOX RUN

A PORTION OF THE SE 1/4, SE 1/4 AND THE NE 1/4, SE 1/4 SEC. 26, AND THE NW 1/4, SW 1/4 SEC. 25 TWN. 19 N., RGE. 1 W., W.M.
CITY OF LACEY, THURSTON COUNTY, WASHINGTON

VICWOOD GOLF LINKS
SOUTH BOUNDARY
REC. NO. 3379412



GRAPHIC SCALE

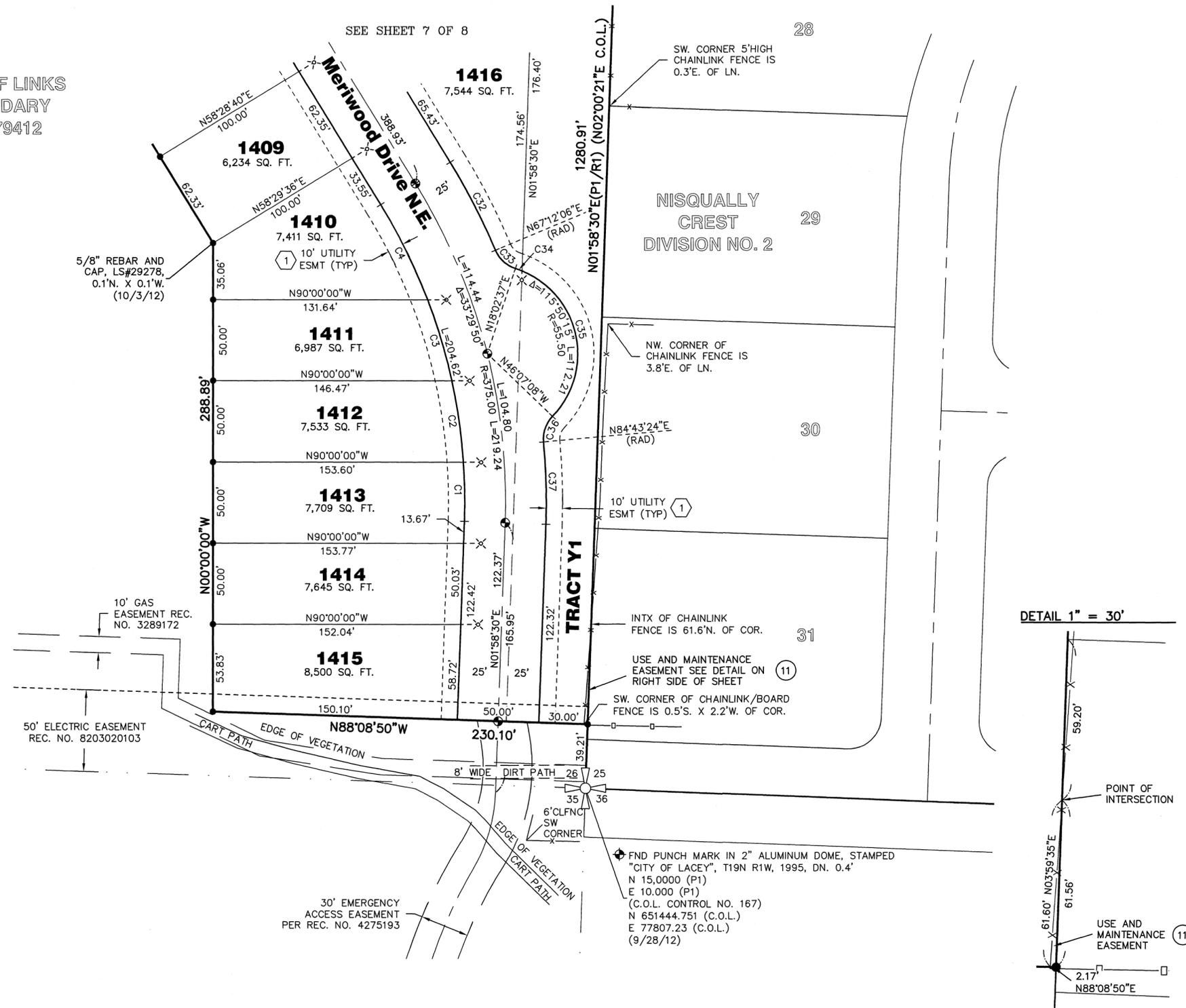


CURVE TABLE			
CURVE	DELTA ANGLE	RADIUS	LENGTH
C1	Δ = 5°57'07"	350.00'	36.36'
C2	Δ = 8°16'30"	350.00'	50.55'
C3	Δ = 8°32'44"	350.00'	52.20'
C4	Δ = 10°43'28"	350.00'	65.51'
C5	Δ = 12°19'44"	300.00'	64.55'
C6	Δ = 7°56'19"	300.00'	41.57'
C7	Δ = 8°33'14"	300.00'	44.79'
C8	Δ = 9°31'11"	300.00'	49.85'
C9	Δ = 4°12'38"	300.00'	22.05'
C10	Δ = 4°46'49"	225.00'	18.77'
C11	Δ = 14°03'11"	225.00'	55.19'
C12	Δ = 0°25'20"	225.00'	1.66'
C13	Δ = 10°40'52"	250.00'	46.61'
C14	Δ = 16°11'39"	250.00'	70.66'
C15	Δ = 2°18'23"	250.00'	10.06'
C16	Δ = 13°50'46"	250.00'	60.42'
C17	Δ = 4°57'50"	250.00'	21.66'
C18	Δ = 29°48'00"	80.00'	41.61'
C19	Δ = 29°48'00"	130.00'	67.61'
C20	Δ = 1°06'38"	200.00'	3.88'
C21	Δ = 5°08'12"	200.00'	17.93'
C22	Δ = 8°55'31"	200.00'	31.16'
C23	Δ = 5°56'38"	200.00'	20.75'
C24	Δ = 7°29'56"	300.00'	39.26'
C25	Δ = 13°32'54"	300.00'	70.94'
C26	Δ = 5°49'40"	300.00'	30.51'
C27	Δ = 13°53'24"	175.00'	42.42'
C28	Δ = 5°21'56"	175.00'	16.39'
C29	Δ = 10°29'02"	250.00'	45.74'
C30	Δ = 19°11'17"	250.00'	83.72'
C31	Δ = 12°52'47"	250.00'	56.20'
C32	Δ = 8°43'26"	400.00'	60.90'
C33	Δ = 49°09'29"	20.00'	17.16'
C34	Δ = 4°33'21"	55.50'	4.41'
C35	Δ = 111°16'53"	55.50'	107.79'
C36	Δ = 49°09'28"	20.00'	17.16'
C37	Δ = 7°15'06"	400.00'	50.63'
C38	Δ = 16°04'01"	152.71'	42.82'
C39	Δ = 18°50'16"	152.71'	50.21'
C40	Δ = 10°17'41"	152.71'	27.44'
C41	Δ = 5°21'56"	75.00'	7.02'
C42	Δ = 13°53'24"	75.00'	18.18'
C43	Δ = 55°06'56"	50.00'	48.10'
C44	Δ = 18°08'27"	50.00'	15.83'
C45	Δ = 45°15'52"	55.00'	43.45'
C46	Δ = 90°00'00"	30.00'	47.12'
C47	Δ = 90°00'00"	30.00'	47.12'
C48	Δ = 4°14'29"	86.00'	6.37'
C49	Δ = 41°01'23"	86.00'	61.57'
C50	Δ = 8°32'51"	225.00'	33.57'
C51	Δ = 20°35'35"	35.00'	12.58'
C52	Δ = 69°43'57"	35.00'	42.60'
C53	Δ = 89°40'28"	35.00'	54.78'
C54	Δ = 20°35'31"	60.00'	21.56'

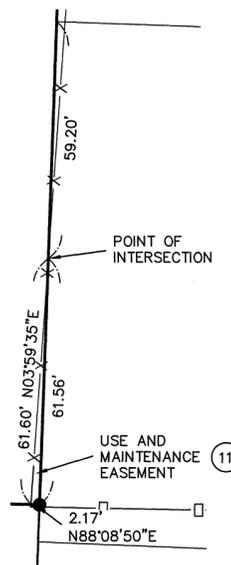
CURB PLUG TABLE	
LOT(S)	O/S DIST.
1410/1411	11.40'
1411/1412	10.90'
1412/1413	10.90'
1413/1414	10.60'
1414/1415	10.60'

LEGEND

- SET 1/2" X 24" REBAR AND CAP, LS#49916
- ⊙ CITY OF LACEY STANDARD (DWG #4-20)
CAST IN PLACE SURFACE MONUMENT, LS#49916
- FOUND - SEE SHEET 4 OF 8
- ⊗ SEE EASEMENT NOTE SHEET 2 OF 8
- ⊗ SEE SHEET 2 OF 8
- ⊗ SET LEAD/TACK - SEE CURB PLUG TABLE



DETAIL 1" = 30'



13005 NE 126th PL
KIRKLAND, WA 98034
TEL. 425.823-5700
FAX 425.823-6700





LACEY CITY COUNCIL MEETING
October 24, 2013

SUBJECT: 2013 Revenue Bond Ordinance

RECOMMENDATION: Adopt ordinance authorizing Finance Director or City Manager to conduct the sale of revenue bonds.

STAFF CONTACT: Scott Spence, City Manager *SS*
Troy Woo, Finance Director *TW*

ORIGINATED BY: Troy Woo, Finance Department

ATTACHMENTS: 1. Ordinance No. 1420
2. DA Davidson & Co. City Council Update

FISCAL NOTE:

PRIOR REVIEW: Finance and Economic Development Committee on August 26, 2013, and City Council on September 12, 2013

BACKGROUND:

Debt financing is needed to fund the City's utility capital improvement programs (CIP). The combined Water and Sewer (including Stormwater) bond issue par amount is an estimated \$8,420,000. This amount includes proceeds to fund the required revenue bond reserve, which is typically equal to the average annual debt service. The proposed bonds will have a 20-year repayment schedule and provide funding for 2013 and 2014 Water and Stormwater CIP projects. Staff and bond counsel have identified the following CIP projects as qualified tax-exempt bond expenses.

2013 Waterline Replacement - Skyline/Irene Area	\$ 700,000
20th Avenue Waterline Replacement	450,000
Reclaimed Water Construction - Infiltration Facility	2,505,788
ATEC Water TF Backwash	1,998,000

2014 Waterline Replacement - Skokomish Waterline Replacement	1,186,092
Chambers Lake Stormwater Facility	<u>1,384,000</u>
	\$8,223,880

The water system projects were identified within the adopted Water Comprehensive Plan and 5-Year Water Rate Study. The plan and study also identified the issuance of revenue bonds in 2013, 2015, and 2017, so the proposed revenue bond issue is advancing according to schedule.

The draft Stormwater Comprehensive Plan financial chapter identifies debt financing in 2013 and 2018. A recent \$1.0 million grant award changed the Stormwater CIP priority. The \$1.0 million Chambers Lake Stormwater Facility Department of Ecology grant award requires a project completion date prior to the end of June 2015. This Stormwater capital project was originally programmed for construction in 2017 and 2018, but is being rescheduled to take advantage of the grant opportunity. Due to the wetland nature of the area, construction must occur during the summer of 2014. The change in schedule caused an earlier debt requirement than reported in the previous comprehensive plan financial chapter. As a result of this opportunity, the Stormwater Comprehensive Plan financial chapter and rate recommendation were updated by the City's consultants.

The proposed bonds are parity bonds. Parity bonds are series of bonds that have the same claim priority or lien against pledged revenues. This is a common practice for municipalities to strengthen their credit worthiness by diversifying pledged revenues. In the City of Lacey's case, it will be pledging water, wastewater, and stormwater revenues for a combined bond credit. The pledge of specific revenues makes the proposed revenue bonds different than general obligation bonds, which are secured by the general taxing power of the City.

The proposed utility revenue bond issuance commits the City to much more than just the annual interest and principal payments. The City is committing to compliance with IRS arbitrage rebate rules, continuing disclosure requirements of the Municipal Securities Rulemaking Board, and other requirements that give bond holders assurances that the City will be able to make payments throughout the bond terms. The following are significant bond covenants within the proposed bond ordinance:

- Section 1 includes the definition for the bond reserve account requirements, which is the lesser of (A) 125 percent of the average annual debt service or (B) maximum annual debt service.
- Section 9 sets the order of priority for payments. Revenues collected by the City's utilities shall be used in order for the following:
 1. Operation and maintenance expenses
 2. Bond interest
 3. Bond principal
 4. Payments related to qualified insurance or qualified letter of credit
 5. Bond reserve fund payments

6. Junior debt payments
7. Other lawful City expenses or purposes

- Section 14(A)(i) commits the City to establish revenues that are sufficient to pay operations and maintenance expenses, interest and principal payments, and bond reserve payments.
- Section 14(A)(ii) requires that the City's net utility revenue equal at least 1.2 times the annual debt service. In other words, the City's utility revenues must be 20 percent higher than its operating expenses.
- Section 14(C) restricts the sale of assets
- Section 17 provides the requirements for future parity bonds. This section will provide the covenants for future scheduled bond issues for the City's utilities.

The proposed bond ordinance provides for a number of flexibility provisions that the City does not have any plans to use. The 20-year repayment schedule represents a long period, so in the event that the City may wish to use any of these options the bond ordinance must address them. The following are the provisions that City has the option of utilizing:

- Section 10 allows for the use of a rate stabilization fund. Deposits would be made into this fund with the intent to use to mitigate future rate increases. Rate stabilization funds will impact pledged revenues, so section 10 outlines how deposits and withdrawals affect the gross revenue calculations.
- Section 11(B) allows five years to fully fund the required bond reserve. The proposed bond issue assumes that the bond reserve will be capitalized at the time of bond closing.
- Section 11(B) allows the City to substitute qualified insurance or qualified letters of credit in lieu of the amounts required to be paid into the reserve fund. This option is not expected to be used due to current market conditions.
- Section 14(A)(ii) gives the City some flexibility to engage a professional utility consultant in the event it cannot comply with the rate covenants rather than face immediate default on the bonds.

Section 4 of the proposed bond ordinance appoints the Finance Director or the City Manager in the absence of the Finance Director, as the City's designated representative and authorizes the designated representative to conduct the sale of the bonds when the terms are deemed the most advantageous to the City. The designated representative can approve the final terms of the bonds if they are within the following key parameters:

- Principal amount shall not exceed \$9,200,000

- Date of delivery may not be later than December 1, 2014
- Interest rates of any bond cannot exceed 5.5 percent and the true interest cost may not exceed 5.5 percent
- The bonds cannot mature later than November 1, 2033
- Purchase price of the bonds must be between 98 percent and 120 percent of the stated principal amount of the bonds

At its August 26, 2013, meeting, the Finance and Economic Development Committee reviewed the utilities debt need and the City Council adopted a reimbursement resolution relating to this debt issue on September 12, 2013. Staff recommends the adoption of Ordinance No. 1420 authorizing the sale of utility revenue bonds.

ADVANTAGES:

1. Provides necessary resources to complete the utility capital improvement programs necessary to continue to deliver services, comply with State and Federal mandates, and maintain quality of services.
2. Allows the utility rate increases to remain level and predictable rather than extreme rate increase fluctuations depending on cash flow needed.

DISADVANTAGES:

1. 20-year repayment term commitment for future resources and bond covenants.

CITY OF LACEY, WASHINGTON
WATER AND SEWER REVENUE BONDS, SERIES 2013

ORDINANCE NO. 1420

AN ORDINANCE of the City of Lacey, Washington, providing for the issuance and sale of not to exceed \$9,200,000 principal amount of water and sewer revenue bonds to obtain funds for certain capital improvements to the City's waterworks utility; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

Passed: October 24, 2013

This document prepared by:

*Foster Pepper PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98101
(206) 447-4400*

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CITY OF LACEY, WASHINGTON

ORDINANCE NO. 1420

AN ORDINANCE of the City of Lacey, Washington, providing for the issuance and sale of not to exceed \$9,200,000 principal amount of water and sewer revenue bonds to obtain funds for certain capital improvements to the City's waterworks utility; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the final terms of the sale of the bonds; and providing for other related matters.

WHEREAS, the City of Lacey, Washington (the "City") owns, operates and maintains water, sewer and stormwater systems, which systems are collectively referred to as the "Waterworks Utility" or the "System"; and

WHEREAS, it is in the best interest of the City that the City undertake various improvements at the Waterworks Utility; and

WHEREAS, in order to finance improvements to the Waterworks Utility, to fund a reserve account and pay the costs of issuance and sale of the bonds, it is hereby found necessary and advisable that the City issue its water and sewer revenue bonds (the "Bonds") with a lien on the revenues of the Waterworks Utility;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, ORDAINS as follows:

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

"Annual Debt Service" for any fiscal year or calendar year means the sum of:

- (A) the interest due in such year on all outstanding Parity Bonds excluding, however, interest to be paid from the proceeds of Parity Bonds, and any Payment Agreement Payments due in such year and less the federal credit for a portion of interest on Future Parity Bonds if permitted to be deducted as provided in Section 11(B),
- (B) the principal of all outstanding Serial Bonds due in such year, and
- (C) the Sinking Fund Requirement, if any, for such year.

If the interest rate on any such bonds is other than a fixed rate, the rate shall be calculated on the assumption that the interest rate on those bonds would be equal to the rate (the "assumed RBI-based rate") that is 90% of the average Bond Buyer Revenue Bond Index or comparable index during the fiscal quarter preceding the quarter in which the calculation is made; except that, for purposes of determining actual compliance with the rate coverage requirement set forth

in Section 14(A)(ii) of this ordinance in any past fiscal year, the actual amount of interest paid on any issue of variable interest rate bonds shall be taken into account.

Notwithstanding the foregoing, debt service on Parity Bonds with respect to which a Payment Agreement is in force shall be calculated by the City to reflect the net economic effect on the City intended to be produced by the terms of such Parity Bonds and the terms of such Payment Agreement, in accordance with the requirements applicable to such Payment Agreement.

“*Assessments*” means assessments (including interest and penalties) levied in any utility local improvement district of the City for the acquisition or construction of additions and improvements to and extension of the System, if such assessments are pledged to be paid into the Bond Fund.

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

“*Average Annual Debt Service*” means the amount determined by dividing (A) the sum of all interest and principal to be paid on all Parity Bonds from the date of determination to the last maturity date of such Parity Bonds, by (B) the number of fiscal years or calendar years from and including the fiscal year or calendar year in which the determination is made to the last fiscal year or calendar year in which any of such Parity Bonds will be outstanding.

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

“*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.

“*Bond Fund*” means the special funds of the City known as the Water Debt Service, Wastewater Debt Service Funds, which have been created, and the Stormwater Debt Service Fund, authorized to be created pursuant to this ordinance, for the payment of principal of and interest on the Bonds and any Future Parity Bonds.

“*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of the Bonds.

“*Bond Registrar*” means the Fiscal Agent, or any successor bond registrar selected by the City.

“*Bonds*” means the bonds issued pursuant to and for the purposes provided in this ordinance.

“*City*” means the City of Lacey, Washington, a municipal corporation duly organized and existing under the laws of the State.

“*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

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

“*Contract Resource Obligation*” means an obligation of the City, designated as a Contract Resource Obligation and entered into pursuant to Section 13 of this ordinance, to make payments for water or sewer supply, transmission or service to another person or entity.

“*Debt Service Account*” means the account of that name in the Bond Fund created pursuant to this ordinance.

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

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

“*Final Terms*” means the terms and conditions for the sale of the Bonds including, but not limited to the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants.

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

“*Future Parity Bonds*” means all revenue bonds or other revenue obligations of the City issued after the date of the issuance of the Bonds and having a lien upon Gross Revenue for the payment of the principal thereof and interest thereon equal to the lien upon Gross Revenue for the payment of the principal of and interest on the Bonds.

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

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

“*Issue Date*” means, with respect to the Bonds, the date of initial issuance and delivery of the Bonds to the Underwriter in exchange for the purchase price of the Bonds.

“*Letter of Representations*” means the Blanket Issuer Letter of Representations between the City and the Securities Depository, dated August 22, 1995, as it may be amended from time

to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Net Revenue*” means Gross Revenue less the Operation and Maintenance Expenses.

“*Operation and Maintenance Expenses*” means all of those expenses incurred in the operation and maintenance of the System, including but not limited to general administrative expenses, amounts due under Contract Resource Obligations and payments to the LOTT Clean Water Alliance or any other governmental or private entity for the purchase of water supply and sewage treatment and disposal services, but not including depreciation and City imposed taxes and payments to be made in lieu of City taxes.

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

“*Parity Bonds*” means the Bonds and any Future Parity Bonds.

“*Payment Agreement*” means, to the extent permitted from time to time by applicable law, a written agreement entered into by the City (A) in connection with or incidental to the issuance, incurring or carrying of any Parity Bonds; (B) for the purpose of managing or reducing the City’s exposure to fluctuations or levels of interest rates, currencies or commodities or for other interest rate, investment, asset or liability management purposes; (C) with a Qualified Counterparty; and (D) which provides, on either a current or forward basis, for an exchange of payments determined in accordance with a formula specified therein.

“*Payment Agreement Payments*” means the amounts periodically required to be paid by the City to the Qualified Counterparty pursuant to a Payment Agreement. The term “Payment Agreement Payments” does not include any termination payment required to be paid with respect to a Payment Agreement.

“*Payment Agreement Receipts*” means the amounts periodically required to be paid by the Qualified Counterparty to the City pursuant to a Payment Agreement.

“*Permitted Investments*” means any investments or investment agreements permitted for cities under the laws of the State of Washington as amended from time to time.

“*Professional Utility Consultant*” means the independent person(s) or firm(s) selected by the City having a favorable reputation for skill and experience with water, sewer and stormwater systems of comparable size and character to the System in such areas as are relevant to the purposes for which they are retained.

“*Project*” means the improvements to the System including the waterline replacement project at the Skyridge, Irene and Fir Park areas, the 20th Avenue SE waterline replacement, the reclaimed water infiltration facility construction (Woodland Creek Community Park), ATEC Water Treatment Facility Backwash, Skokomish waterline replacement and Chambers Lake stormwater facility.

“*Project Fund*” means the funds or accounts created or designated by the Finance Director for the purpose of depositing Bond proceeds to carry out the Project.

“*Qualified Counterparty*” means with respect to a Payment Agreement an entity (A) whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability or whose payment obligations under a Payment Agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability are rated (at the time the Payment Agreement is entered into) at least as high as A3 by Moody’s and A- by S&P, or the equivalent thereof by any successor thereto, and (B) who is otherwise qualified to act as the other party to a Payment Agreement under any applicable laws of the State.

“*Qualified Insurance*” means any unconditional municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States or by a service corporation acting on behalf of one or more such insurance companies, which insurance company or service corporation, as of the time of issuance of such policy or surety bond, is rated in one of the two highest rating categories by Moody’s Investors Service and Standard & Poor’s Ratings Services, a Division of the McGraw Hill Companies, or their comparably recognized business successors.

“*Qualified Letter of Credit*” means any irrevocable letter of credit issued by a financial institution for the account of the City on behalf of the owners of any Parity Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the two highest rating categories by Moody’s Investors Service or Standard & Poor’s Ratings Services, a Division of the McGraw Hill Companies, Inc., or their comparably recognized business successors.

“*Rate Stabilization Account*” means the account of that name authorized to be created within the Revenue Fund pursuant to Section 10 of this ordinance.

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

“*Rebate Amount*” means the amount, if any, determined to be payable with respect to the Bonds to the United States of America in accordance with Section 148(f) of the Code.

“*Record Date*” means the Bond 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 shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 7.

“*Registered Owner*” means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the City utilizes the book–entry system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

“*Reserve Account*” means the account of that name created in the Bond Fund pursuant to this ordinance to secure the payment of principal of and interest on the Parity Bonds.

“*Reserve Account Requirement*” means with respect to all outstanding Parity Bonds the lesser of (A) 125% of Average Annual Debt Service or (B) maximum Annual Debt Service; provided, however, that at the time of issuance of any series of Parity Bonds, the Reserve Account Requirement allocable to a series of Parity Bonds shall not exceed 10% of the initial principal amount of that series of Parity Bonds.

“*Revenue Fund*” means collectively the special funds of the City known as the Water Utility, Wastewater Utility and Stormwater Utility Funds into which the City will pay all of the Gross Revenue of the System as collected.

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

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

“*Securities Depository*” means DTC, any successor thereto, any substitute securities depository selected by the City, or the nominee of any of the foregoing. Any Securities Depository must be qualified under applicable laws and regulations to provide the services proposed to be provided by it.

“*Serial Bonds*” means Parity Bonds other than Term Bonds.

“*Sinking Fund Requirement*” means, for any fiscal year or calendar year, the principal amount of Term Bonds required to be purchased, redeemed or paid at maturity in such year as established by the ordinance of the City authorizing the issuance of such Term Bonds.

“*State*” means the State of Washington.

“*System*” or “*Waterworks Utility*” means the combined water, sewer and stormwater systems of the City, as the same may be added to, improved and extended for as long as any of the Parity Bonds are outstanding.

“*Term Bonds*” means the Bonds identified as such, if any, and any Future Parity Bonds identified as Term Bonds in the ordinance authorizing the issuance thereof, the payment of the principal of which is provided for by a mandatory schedule of deposits of money equal (in the aggregate) to the full principal amount of such Term Bonds, into the Bond Fund, and by a mandatory redemption schedule corresponding (as to time and amounts) to such mandatory schedule of deposits.

“*Undertaking*” means the undertaking to provide continuing disclosure entered into pursuant to Section 23 of this ordinance.

“*Underwriter*” means D.A. Davidson & Co. who has been selected by the Designated Representative to serve as the underwriter for the Bonds.

Section 2. Plan of Improvements. The City hereby specifies and adopts a system or plan of additions to and betterments and extensions of the System, consisting of the waterline replacement project at the Skyridge, Irene and Fir Park areas, the 20th Avenue SE waterline

replacement, the reclaimed water infiltration facility construction (Woodland Creek Community Park) and any other capital improvements to the System approved by the City Council (the “Project”). The Project will be undertaken in accordance with specifications and contracts for acquisition and construction approved by the City Council from time to time.

The estimated cost of the Project is declared to be, as near as may be, the sum of \$17,559,679, of which approximately \$8,200,000 shall be funded with Bond proceeds.

Section 3. Authorization of the Bonds. The City shall now issue and sell the Bonds in the aggregate principal amount of not to exceed \$9,200,000 for the purpose of providing funds for the Project, to fund the Reserve Account and to pay costs of issuance of the Bonds.

Section 4. Description of the Bonds; Appointment of Designated Representative. The Finance Director, or City Manager in the absence of the Finance Director, is appointed as the City’s Designated Representative and is authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the City, and to approve the Final Terms of the Bonds, with such additional terms and covenants as he deems advisable, within the following parameters:

(A) *Principal Amount.* The Bonds may be issued in one or more series and shall not exceed the aggregate principal amount of \$9,200,000.

(B) *Date or Dates.* The Bonds shall be dated as of its date of delivery to the Underwriter, which date may not be later than December 31, 2014.

(C) *Denominations, Series Designation, etc.* The Bonds must be issued in Authorized Denominations, shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.

(D) *Interest Rate(s).* The Bonds shall bear interest at fixed rates per annum (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent interest payment 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, provided that no rate of interest for any Bond may exceed 5.50%, and the “all-in” true interest cost to the City for the Bonds may not exceed 5.50%.

(E) *Payment Dates.* Interest must be payable at fixed rates semiannually on such dates as are acceptable to the Designated Representative, commencing no later than one year following the Issue Date. Principal payments shall commence on a payment date acceptable to the Designated Representative and must be payable at maturity or in mandatory redemption installments on such dates as are acceptable to the Designated Representative.

(F) *Final Maturity.* The Bonds shall mature no later than November 1, 2033.

(G) *Redemption Rights.* In his discretion, the Designated Representative may approve provisions for the optional and mandatory redemption of Bonds, as follows:

(i) Optional Redemption. Any Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date, or (B) not subject to redemption prior to its maturity date.

(ii) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity.

(H) *Price.* The purchase price for the Bonds may not be less than 98% or more than 120% of the stated principal amount of the Bonds.

(I) *Other Terms and Conditions.*

(i) The Bonds may be sold in accordance with Section 22 of this ordinance.

(ii) The Designated Representative may determine whether it is in the City's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as he may determine are in the best interests of the City, consistent with this ordinance.

Section 5. Bond Registrar; Registration and Transfer of Bonds.

(A) *Registration of Bonds.* The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register.

(B) *Bond Registrar; Duties.* The Fiscal Agent is appointed as Bond Registrar for the Bonds. The Bond 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 City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds 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 each Bond. The Bond Registrar may become an Owner of a Bond with the same rights it would have if it were not the Bond 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 Beneficial Owners.

(C) *Bond Register; Transfer and Exchange.* The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register. The Bond Register shall contain the name and mailing address of the Registered Owner of each Bond and the principal amount and number of each Bond held by each Registered Owner. A Bond surrendered to the Bond Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same series, interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer

registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

(D) *Securities Depository; Book-Entry Form.* The Bonds initially shall be registered in the name of Cede & Co., as the nominee of DTC, acting as Securities Depository. Bonds so registered shall be held fully immobilized in book-entry form by DTC in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond (or portion of a Bond) held in book-entry form may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City or such substitute Securities Depository's successor; or (iii) to any person if the Bond is no longer held in book-entry form. Upon the resignation of the Securities Depository from its functions as depository, or upon a termination of the services of the Securities Depository by the City, the City may appoint a substitute Securities Depository. If (i) a Securities Depository resigns from its functions as depository, and no substitute Securities Depository can be obtained, or (ii) the City determines that a Bond is to be in certificated form, such Bond no longer shall be held in book-entry form and the ownership of such Bond may be transferred to any person as provided in this ordinance.

Neither the City nor the Bond 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 City nor the Bond Registrar shall be responsible for any notice which is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 6. Payment of Bonds. Principal of and interest on the Bonds shall be payable in lawful money of the United States of America. For as long as a Bond is registered in the name of the Securities Depository, payment of principal of and interest on that Bond shall be made in the manner set forth in the Letter of Representations. If a Bond ceases to be in book-entry form, interest on that Bond shall be paid by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register as of the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received at least 10 days before an interest payment date and at the sole expense of the requesting Registered Owner. Principal of a Bond shall be payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 7. Redemption Provisions and Open Market Purchase of Bonds.

(A) *Optional Redemption.* The Bonds shall be subject to optional redemption acceptable to the Designated Representative, within the parameters set forth in Section 4. Any Bond that is subject to optional redemption may be selected by the City, in its sole discretion, for redemption in whole or in part at any time.

(B) *Mandatory Redemption.* Bonds designated as Term Bonds by the Designated Representative, within the parameters set forth in Section 4, if not previously

redeemed under any optional redemption provisions, defeased or purchased and surrendered for cancellation under the provisions set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest. If Term Bonds are redeemed under the optional redemption provisions, defeased or purchased by the City and cancelled, the principal amount of the Term Bonds so redeemed, defeased or purchased (irrespective of their actual redemption or purchase prices) shall be credited against one or more scheduled mandatory redemption amounts for those Term Bonds. The City shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that maturity of Term Bonds for which notice of redemption has not already been given.

(C) *Selection of Bonds for Redemption; Partial Redemption.* All or a portion of the principal amount of any Bond that is subject to optional or mandatory redemption 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 Bond 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 series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount remaining unredeemed. The principal portion of any Bond registered in the name of the Securities Depository which is to be partially redeemed shall be selected in accordance with the Letter of Representations. If a Bond ceases to be held in book-entry form, the portion to be partially redeemed shall be selected randomly in such manner as the Bond Registrar shall determine.

(D) *Notice of Redemption.* While a Bond is registered in the name of the Securities Depository, notice of redemption shall be given as required in accordance with the Letter of Representations. If a Bond ceases to be held in book-entry form, unless waived by the Registered Owner of the Bond to be redeemed, the City shall cause notice of an intended redemption of Bonds to be given by the Bond 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 of each Bond to be redeemed 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 of any Bond. 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 a Bond.

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

(F) *Effect of Redemption.* Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund

(or in an escrow account established to carry out a refunding or defeasance of the redeemed Bonds, if any).

(G) *Open Market Purchase.* The City reserves the right to purchase any or all of the Bonds in the open market at any time at any price acceptable to the City plus accrued interest to the date of purchase.

Section 8. Failure to Pay Bonds. If any Bond is not redeemed when properly presented at its maturity date or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 9. Revenue Fund. The City pledges to pay all of the Gross Revenues of the Waterworks Utility into the Revenue Fund as collected.

The Gross Revenue deposited in the Revenue Fund shall be used only for the following purposes and in the following order of priority:

FIRST, to pay the Operation and Maintenance Expenses, including payments for Contract Resource Obligations, and to maintain a balance in the Revenue Fund sufficient in amount to enable the City to continuously meet Operation and Maintenance Expenses on a current basis;

SECOND, to make all payments required to be made into the Bond Fund to pay interest on any Parity Bonds;

THIRD, to make all payments required to be made into the Bond Fund to pay the maturing principal of any Serial Bonds, to make all payments required to be made into the Bond Fund to satisfy the Sinking Fund Requirement and to make any Payment Agreement Payments with respect to any Payment Agreements;

FOURTH, to make all payments required to be made pursuant to a reimbursement agreement or agreements (or other equivalent documents) in connection with Qualified Insurance or a Qualified Letter of Credit; provided that if there is not sufficient money to make all payments under any reimbursement agreements the payments will be made on a pro rata basis;

FIFTH, to make all payments required to be made into the Reserve Account to secure the payment of the principal of and interest on outstanding Parity Bonds;

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

SEVENTH, to retire by redemption or purchase in the open market any outstanding water and sewer revenue bonds, water and sewer revenue warrants or other water and sewer revenue obligations of the City, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the System, to make deposits into a Rate Stabilization Account, or for any other lawful City purposes.

Section 10. Rate Stabilization Account. A special account of the City to be designated the “Water and Sewer Rate Stabilization Account” (the “Rate Stabilization Account”) is hereby authorized to be created within the Revenue Fund, at the discretion of the Finance Director, to cope with future increases in revenue requirements of the System. In accordance with the provisions of Section 9 of this ordinance, the City may from time to time appropriate or budget amounts in the Revenue Fund for deposit in the Rate Stabilization Account and may from time to time withdraw amounts therefrom to prevent or mitigate water and sewer rate increases or for other lawful purposes of the City related to the System. Amounts withdrawn from the Rate Stabilization Account shall increase Gross Revenue for the period for which they are withdrawn, and amounts deposited in the Rate Stabilization Account shall reduce Gross Revenue for the period for which they are deposited. Credits to or from the Rate Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within such fiscal year. Earnings on the Rate Stabilization Account shall be credited to the Revenue Fund.

Section 11. Bond Fund. There has been created in the office of the Finance Director funds of the City known as the Water Debt Service and Wastewater Debt Service Funds, and is hereby authorized to be created the Stormwater Debt Service Fund (collectively, the “Bond Fund”), which funds shall be drawn upon for the sole purpose of paying the principal of, premium if any, and interest on the Bonds and any Future Parity Bonds. The money in the Bond Fund shall be kept separate and apart from all other funds and accounts of the City.

(A) *Debt Service Account.* A special account known as the Debt Service Account is hereby created in the Bond Fund for the purpose of paying the principal of, premium, if any, and interest on the Parity Bonds.

As long as any of the Bonds remain outstanding, the City hereby irrevocably obligates and binds itself to set aside and pay from the Revenue Fund into the Debt Service Account, on or before the date due, those amounts necessary, together with Gross Revenue collected and deposited and such other money as is on hand and available therefor in the Debt Service Account, to pay the interest or principal and interest next coming due on the outstanding Bonds.

The City covenants and agrees that in the event it issues any Future Parity Bonds that are Term Bonds, it will provide in each ordinance authorizing the issuance of the same for annual payments to be made from the Revenue Fund into the Debt Service Account sufficient, together with Gross Revenue collected and deposited and such other money as is on hand and available therefor in such account, to satisfy the Sinking Fund Requirement with respect to such Term Bonds.

(B) *Reserve Account.* A Reserve Account is hereby created in the Bond Fund for the purpose of securing the payment of the principal of and interest on the Bonds and any

Future Parity Bonds. The City hereby covenants and agrees that it will satisfy the Reserve Account Requirement for the Bonds with Bond proceeds.

The City further covenants and agrees that in the event it issues any Future Parity Bonds it will provide in each ordinance authorizing the issuance of such Future Parity Bonds for the payment into the Reserve Account out of Future Parity Bond proceeds, Gross Revenue or Assessments (or, at the option of the City, out of any other funds on hand and legally available therefor) approximately equal additional annual installments so that by five years from the date of issuance of such Future Parity Bonds there will have been paid into the Reserve Account an amount that, together with money already on deposit therein, will be at least equal to the Reserve Account Requirement. The City may substitute Qualified Insurance or a Qualified Letter of Credit for amounts required to be deposited into the Reserve Account. Such Qualified Letter of Credit or Qualified Insurance shall not be cancellable on less than five years' notice. In the event of any cancellation, the Reserve Account shall be funded in accordance with the provisions of this section providing for payment in the event of a deficiency therein, as if the Parity Bonds that remain outstanding had been issued on the date of such notice of cancellation.

The City further covenants and agrees that when the required deposits have been made into the Reserve Account, it will at all times maintain therein an amount at least equal to the Reserve Account Requirement, as redetermined in each calendar year with respect to the Parity Bonds secured by such Reserve Account. Whenever there is a sufficient amount in the Bond Fund, including all accounts therein, to pay the principal of, premium, if any, and interest on all outstanding Parity Bonds, the money in the Reserve Account may be used to pay the principal of, premium, if any, and interest on the Parity Bonds secured thereby. Money in the Reserve Account may also be withdrawn to redeem and retire, and to pay the premium, if any, and interest due to such date of redemption, on the outstanding Parity Bonds secured by such Reserve Account, as long as the money remaining on deposit in such Reserve Account is at least equal to the Reserve Account Requirement determined with respect to the Parity Bonds then outstanding.

The City may recalculate the Reserve Account Requirement from time to time and the City may transfer out of the Reserve Account any amount in excess of the Reserve Account Requirement.

In the event the Bonds outstanding are ever refunded, the money set aside in the Reserve Account to secure the payment thereof may be used to retire Bonds or may be transferred to any other reserve account that may be created to secure the payment of any bonds issued to refund the Bonds.

In the event there shall be a deficiency in the Debt Service Account to meet maturing installments of either interest on or principal of and interest on the outstanding Parity Bonds payable out of such Account, such deficiency shall be made up from the Reserve Account by the withdrawal of money therefrom and by the sale or redemption of obligations held in the Reserve Account, if necessary, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency, and if a deficiency still exists immediately prior to an interest payment date and after the withdrawal of cash, the City shall then draw from any Qualified Letter of Credit, Qualified Insurance, or other equivalent credit facility in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the

agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. If more than one Qualified Letter of Credit or Qualified Insurance is available, draws shall be made ratably thereon to make up the deficiency. Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up within 12 months from money in the Revenue Fund first available after making the payments required to be made under paragraphs "FIRST" through "FOURTH" of Section 9 of this ordinance.

In calculating the Reserve Account Requirement the City may deduct the direct payment the City is expected to receive in respect of any Future Parity Bonds for which the federal government will provide the City with a direct payment of a portion of the interest from the interest portion of Annual Debt Service.

(C) *Lien of Bond Fund.* The Bonds, together with the interest thereon, shall be payable from Assessments, if any, and Gross Revenue, and such Gross Revenue is hereby pledged and set aside out of the Revenue Fund into the Bond Fund. Said amounts so pledged are hereby declared to be a lien and charge upon Assessments, if any, and Gross Revenue equal to the lien and charge thereon to secure and pay the principal of and interest on any Future Parity Bonds and superior to all other charges of any kind or nature, except the Operation and Maintenance Expenses.

(D) *Investment of Money in Bond Fund.* All money in the Debt Service Account or Reserve Account may be kept in cash or invested in Permitted Investments maturing not later than the last maturity of the Bonds outstanding at the time of such purchase. Interest earned on or profits made from the sale of such investments shall be deposited in and become a part of the Bond Fund or the Revenue Fund.

Section 12. Adequacy of Revenue. The City Council hereby declares that in fixing the amounts to be paid into the Bond Fund it has considered and has due regard for the Operation and Maintenance Expenses and has not obligated the City to set aside and pay into the Bond Fund more money from the Revenue Fund than in its judgment will be available over and above such Operation and Maintenance Expenses.

Section 13. Contract Resource Obligations. The City may at any time enter into one or more contracts or other obligations for the acquisition, from facilities to be constructed, of water or sewer supply, transmission, or service relating to the Waterworks Utility. The City may determine that such contract or other obligation is a Contract Resource Obligation, and may provide that all payments under that Contract Resource Obligation (including payments prior to the time that supply, transmission, or service is being provided, or during a suspension or after termination of supply or service) shall be Operation and Maintenance Expenses if the following requirements are met at the time such Contract Resource Obligation is entered into:

(a) No Event of Default (as defined in Section 26 of this ordinance) has occurred and is continuing.

(b) There shall be on file a certificate of a Professional Utility Consultant or an independent certified public accountant, stating that: (i) the payments to be made by the City in connection with the Contract Resource Obligation are reasonable for the supply, transmission,

treatment, or other service rendered; (ii) the source of any new supply, and any facilities to be constructed to provide the supply, transmission, treatment, or other service, are sound from a water or other commodity supply or transmission planning standpoint, are technically and economically feasible in accordance with prudent utility practice, and are likely to provide supply or transmission or other service no later than a date set forth in the Professional Utility Consultant's, or independent certified public accountant's, certification; and (iii) the Net Revenue (further adjusted by the Professional Utility Consultant's, or independent certified public accountant's, estimate of the payments to be made in accordance with the Contract Resource Obligation) for the five fiscal years following the year in which the Contract Resource Obligation is incurred, as such Net Revenue is estimated by the Professional Utility Consultant, or independent certified public accountant (with such estimate based on such factors as he or she considers reasonable), will be at least equal to the rate coverage requirement set forth in Section 14(A)(ii) of this ordinance.

Payments required to be made under Contract Resource Obligations shall not be subject to acceleration.

Nothing in this section shall be deemed to prevent the City from entering into other agreements for the acquisition of water supply, transmission, treatment, or other commodity or service from existing facilities and from treating those payments as Operation and Maintenance Expenses of the Waterworks Utility. Nothing in this section shall be deemed to prevent the City from entering into other agreements for the acquisition of water supply, transmission, treatment, or other commodity or service from facilities to be constructed and from agreeing to make payments with respect thereto, such payments constituting a lien and charge on Net Revenue subordinate to that of Parity Bonds.

Section 14. General Covenants. The City hereby covenants with the owner of each of the Bonds for as long as any of the same remain outstanding as follows:

(A) *Rates and Charges.* The City covenants that it will establish, maintain and collect lawful rates and charges for the use of the services and facilities of the System, and shall adjust such rates and charges from time to time so that:

(i) Gross Revenue will at all times be sufficient (a) to pay all Operation and Maintenance Expenses and to pay all taxes, assessments or other governmental charges lawfully imposed on the System or the revenue therefrom or payments in lieu thereof and any other amounts that the City may now be and hereafter become obligated to pay from Gross Revenue by law or contract, and, together with Assessments actually collected, (b) to pay the principal of and interest on all outstanding Parity Bonds as and when the same become due and payable, to make all payments required to be made into the Bond Fund to satisfy the Sinking Fund Requirement, and to make when due all payments required to be made into the Reserve Account; and

(ii) the Net Revenue in each calendar year will equal at least 1.20 times Annual Debt Service for such year (after deducting Assessments actually collected for such year). For the purpose of meeting the requirement of this paragraph there may be added to Net Revenue for any calendar year any amount withdrawn from the Rate Stabilization Account

and credited to Gross Revenue as provided in Section 10 of this ordinance. There shall be subtracted from Net Revenue for any calendar year any amounts in such year withdrawn from the Revenue Fund and deposited into the Rate Stabilization Account in such calendar year.

Annual Debt Service shall be deemed to exclude from interest the amount the City is expected to receive in respect of any Future Parity Bonds for which the federal government will provide the City with a direct payment of a portion of the interest from the interest portion of annual debt service.

The failure of the City to comply with the rate covenants described above shall not be an Event of Default (as defined in Section 26 of this ordinance) if the City promptly retains a Professional Utility Consultant or an independent certified public accountant, to recommend to the City Council adjustments in the rates of the Waterworks Utility necessary to meet the requirements of those subparagraphs and if the City Council adopts the recommended modifications within 180 days of the date the failure become known to the City.

(B) *Maintenance of System.* The City covenants that it will at all times keep and maintain the System in good repair, working order and condition, and will at all times operate the same and the business in connection therewith in an efficient manner and at a reasonable cost.

(C) *Sale or Disposition of the System.* The City will not sell, mortgage, lease or otherwise dispose of or encumber all or any portion of the System, except as follows:

(i) The City may sell, mortgage, lease or otherwise dispose of all or substantially all of the System if, simultaneously with such sale, mortgage, lease or other disposition or encumbrance, provision is made for the payment into the Bond Fund of cash or Government Obligations sufficient together with interest to be earned thereon to pay the principal of and interest on all then outstanding Parity Bonds.

(ii) Except as provided in subsection (iii) below, the City will not sell, mortgage, lease or otherwise dispose of or encumber any part of the useful operating properties of the System in excess of 5% of the value of the net utility plant of the System unless prior to such sale, mortgage, lease or other disposition or encumbrance:

(a) there shall have been filed with the Finance Director a certificate of a Professional Utility Consultant stating that such sale, mortgage, lease or other disposition or encumbrance will not impair the ability of the City to comply with the rate covenants set forth in Section 14(A) of this ordinance; or

(b) provision is made for the payment, redemption or other retirement of a principal amount of outstanding Parity Bonds equal to the greater of the following amounts: (X) an amount that will be in the same proportion to the net principal amount of Parity Bonds then outstanding (defined as the total principal amount of the Parity Bonds less the amount of cash and investments in the Bond Fund and accounts therein) that the Net Revenue from the portion of the System sold or disposed of for the 12 preceding months bears to the total Net Revenue for such period; or (Y) an amount that will be in the same proportion to the net principal amount of Parity Bonds then outstanding that the book value of

the part of the System sold or disposed of bears to the book value of the entire System immediately prior to such sale or disposition.

(iii) The City may sell or otherwise dispose of any of the works, plant, properties and facilities of the System or any real or personal property comprising a part of the same (a) with a value less than 5% of the net utility plant of the System, (b) which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the System, or no longer necessary, material to or useful in such operation, without making any deposit into the Bond Fund, or (c) has a value more than 5% of the net utility plant of the System and the City receives a Certificate of a Professional Utility Consultant that such disposition will not impair the ability of the City to comply with Section 14(A)(ii).

(D) *Collection of Assessments.* The City shall promptly collect all Assessments levied in any utility local improvement district now or hereafter created to secure the payment of the principal of and interest on any Parity Bonds and shall pay the same into the Bond Fund without allocation of such Assessments to any particular series of Parity Bonds. It is hereby provided further, however, that nothing in this ordinance or in this subsection shall be construed to prohibit the City from issuing revenue bonds having a lien on Gross Revenue junior to the lien on such revenue for the payment of the principal of and interest on Parity Bonds and pledging as security for the payments of such junior lien bonds assessments levied in any utility local improvement district that may have been created to pay part or all the cost of improvements to the System for which such junior lien revenue bonds were specifically issued.

(E) *Books and Accounts.* The City covenants that it will maintain complete books and records relating to the operation of the System and its financial affairs, and will cause such books and records to be audited annually, and cause to be prepared an annual financial and operating statement, said statement to be mailed to any owner of Parity Bonds upon request.

(F) *Insurance.* The City covenants that it will carry fire and extended coverage insurance on the System as is ordinarily carried on the property of similar public utilities by other municipal corporations engaged in the operation of the same if such insurance can be obtained at a reasonable cost, to the full insurable value thereof, and will also carry adequate public liability insurance and other kinds of insurance as under good practices are ordinarily carried on the properties of similar public utilities by private companies engaged in the operation of the same; provided, however, that the City may if deemed necessary and advisable by the City Council, institute or continue a self-insurance program with respect to any or all of the aforementioned risks. The premiums paid for all such insurance shall be regarded and paid as an Operation and Maintenance Expense.

(G) *Delinquencies.* The City covenants that it will promptly collect all service charges and Assessments, determine in a timely manner all delinquencies, and take all necessary legal action to enforce collection of such delinquencies.

(H) *No Free Service.* Except as permitted by law, the City will not furnish any service of the System to any customer free of charge.

Section 15. Tax Covenants; Designation of Bonds as “Qualified Tax-Exempt Obligations.”

(A) *Preservation of Tax Exemption for Interest on Bonds.* The City 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 City treated as proceeds of the Bonds at any time during the term of the Bonds which will cause interest on the Bonds 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 Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bonds, including the calculation and payment of any penalties that the City has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Bonds from being included in gross income for federal income tax purposes.

(B) *Post-Issuance Compliance.* The Finance Director is authorized and directed to review and update the City’s written procedures to facilitate compliance by the City with the covenants in this Section 15 and the applicable requirements of the Code that must be satisfied after the issue date to maintain the tax treatment of the Bonds and the receipt of interest thereon.

(C) *Designation of Bonds as “Qualified Tax-Exempt Obligations.”* The Bonds shall be designated as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

(i) the Bonds are not “private activity bonds” within the meaning of Section 141 of the Code;

(ii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) which 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 Bonds are issued will not exceed \$10,000,000; and

(iii) the amount of tax-exempt obligations, including the Bonds, 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 Bonds are issued does not exceed \$10,000,000.

Section 16. Payment Agreements.

(A) *General.* To the extent, and for the purposes permitted from time to time by Chapter 39.96 RCW and other applicable provisions of State law, the City may enter into Payment Agreements with respect to any Parity Bonds, subject to the conditions set forth in this section and in other provisions of this ordinance.

(B) *Manner and Schedule of Payments.* Each Payment Agreement shall set forth the manner in which the Payment Agreement Payments and the Payment Agreement Receipts shall be calculated and a schedule of payment dates.

(C) *Authorizing Ordinance.* Prior to entering into a Payment Agreement, the City Council shall pass an ordinance authorizing such agreement and setting forth such provisions as the City Council deems necessary or desirable and are not inconsistent with the provisions of this ordinance.

(D) *Calculation of Payment Agreement Payments and Debt Service on Junior Lien Obligations with Respect to which a Payment Agreement is in Force.* It is the intent of the City, for purposes of the rate coverage requirement set forth in Section 14(A)(ii) of this ordinance and the Future Parity Bonds test set forth in Section 17(A)(v) of this ordinance, that debt service on Parity Bonds with respect to which a Payment Agreement is in force shall be calculated to reflect the net economic effect on the City intended to be produced by the terms of the Parity Bonds and the terms of the Payment Agreement. In calculating such amounts, the City shall be guided by the following requirements:

(i) The amount of interest deemed to be payable on any Parity Bonds with respect to which a Payment Agreement is in force shall be an amount equal to the amount of interest that would be payable at the rate or rates stated in those Parity Bonds plus Payment Agreement Payments minus Payment Agreement Receipts.

(ii) For any period during which Payment Agreement Payments are not taken into account in calculating interest on any outstanding Parity Bonds because the Payment Agreement is not then related to any outstanding Parity Bonds, Payment Agreement Payments on that Parity Payment Agreement shall be calculated based upon the following assumptions:

(a) *City Obligated to Make Payments Based on Fixed Rate.* If the City is obligated to make Payment Agreement Payments based on a fixed rate and the Qualified Counterparty is obligated to make payments based on a variable rate index, payments by the City will be based on the assumed fixed payor rate, and payments by the Qualified Counterparty will be based on a rate equal to the average rate determined by the variable rate index specified by the Payment Agreement during the fiscal quarter preceding the quarter in which the calculation is made; and

(b) *City Obligated to Make Payments Based on Variable Rate Index.* If the City is obligated to make Payment Agreement Payments based on a variable rate index and the Qualified Counterparty is obligated to make payments based on a fixed rate, payments by the City will be based on a rate equal to the average rate determined by the variable rate index specified by the Payment Agreement during the fiscal quarter preceding the quarter in which the calculation is made, and the Qualified Counterparty will make payments based on the fixed rate specified by the Payment Agreement.

(E) *Prior Notice to Rating Agency.* The City shall give notice to any Rating Agency that issued a rating on the Bonds 30 days prior to the date it intends to enter into a Payment Agreement with respect to any Parity Bonds.

Section 17. Future Parity Bonds. The City hereby further covenants and agrees with the owners of the Bonds for as long as any of the same remain outstanding as follows:

(A) That it will not issue any bonds with a lien on Gross Revenue superior to the lien on such revenues of the Bonds. The City may issue Future Parity Bonds for:

FIRST, the purpose of acquiring, constructing and installing additions and improvements to and extensions of, acquiring necessary equipment for, or making necessary replacements or repairs and capital improvements to the System, or for any other lawful purpose; or

SECOND, the purpose of refunding or purchasing and retiring at or prior to their maturity any outstanding revenue bonds or other obligations payable out of Gross Revenue; and to pledge that payments be made into the Bond Fund for the payment of the principal thereof and interest thereon out of the Revenue Fund sufficient to pay the principal of and interest on such Future Parity Bonds and to maintain the reserves required therefor, which such payments may rank equally with the payments out of such Revenue Fund into the Bond Fund and the Reserve Account to pay and secure the payment of the principal of and interest on any Parity Bonds then outstanding, upon compliance with the following conditions:

(i) That at the time of the issuance of such Future Parity Bonds there is no deficiency in the Bond Fund.

(ii) If there are Assessments levied in any utility local improvement district in which additions and improvements to and extensions of the System will be constructed from the proceeds of such Future Parity Bonds, the ordinance authorizing such Future Parity Bonds shall require that such assessments be paid into the Bond Fund.

(iii) If there are Assessments pledged to be paid into a warrant or bond redemption fund for revenue bonds or warrants being refunded by Future Parity Bonds, the ordinance authorizing such Future Parity Bonds shall require such Assessments to be used for the refunding or paid into the Bond Fund.

(iv) The principal of and interest on the Future Parity Bonds shall be payable out of the Bond Fund, and the ordinance authorizing their issuance shall further provide for payments into the Bond Fund to satisfy the Sinking Fund Requirement and payments into the Reserve Account to satisfy the Reserve Account Requirement, all as required by Section 11 of this ordinance.

(v) Prior to the delivery of any Future Parity Bonds, the City shall have on file in the office of the Finance Director either

(a) a certificate of the Finance Director showing that the Net Revenue determined as hereafter provided for each calendar or fiscal year after the issuance of such Future Parity Bonds will equal at least 1.20 times the Annual Debt Service (after deducting

Assessments allocated to the years in which they would be received if the unpaid balance of each assessment roll were paid in the remaining number of installments with interest on the declining balance at the times and at the rate provided in the ordinance confirming the assessment roll) for each such calendar or fiscal year for all Parity Bonds plus the Future Parity Bonds (which may include amounts withdrawn from the Rate Stabilization Account, as provided in Section 10 of this ordinance) proposed to be issued. For purposes this certificate, "Net Revenue" shall be the Net Revenue for a period of any 12 consecutive months (which may include amounts withdrawn from the Rate Stabilization Account, as provided in Section 10 of this ordinance) out of the 24 months immediately preceding the date of delivery of such proposed Future Parity Bonds.

(b) a certificate of a Professional Utility Consultant showing that the Net Revenue determined and adjusted as hereafter provided for each calendar or fiscal year after the issuance of such Future Parity Bonds (the "Adjusted Net Revenue") will equal at least 1.20 times the Annual Debt Service (after deducting Assessments, allocated to the years in which they would be received if the unpaid balance of each assessment roll were paid in the remaining number of installments with interest on the declining balance at the times and at the rate provided in the ordinance confirming the assessment roll) for each such calendar or fiscal year for all Parity Bonds plus the Future Parity Bonds proposed to be issued.

The Adjusted Net Revenue shall be the Net Revenue for a period of any 12 consecutive months (which may include amounts withdrawn from the Rate Stabilization Account, as provided in Section 10 of this ordinance) out of the 24 months immediately preceding the date of delivery of such proposed Future Parity Bonds as adjusted by such Professional Utility Consultant to take into consideration changes in Net Revenue estimated to occur under the following conditions for each year after such delivery for so long as any Parity Bonds, including the Future Parity Bonds proposed to be issued, shall be outstanding:

(X) the additional Net Revenue that would have been received if any change in rates and charges adopted prior to the date of such certificate and subsequent to the beginning of such 12-month period, had been in force during the full 12-month period;

(Y) the additional Net Revenue that would have been received if any facility of the System that became fully operational after the beginning of such 12-month period had been so operating for the entire period; and

(Z) the additional Net Revenue estimated by such Professional Utility Consultant to be received as a result of any additions, betterments and improvements to and extensions of any facilities of the System that are (1) under construction at the time of such certificate or (2) will be constructed from the proceeds of the Future Parity Bonds to be issued.

Such Professional Utility Consultant may rely upon, and his or her certificate shall have attached thereto, financial statements of the System certified by the Finance Director showing income and expenses for the period upon which the same is based.

(B) Notwithstanding the foregoing requirement, if Future Parity Bonds are to be issued for the purpose of refunding at or prior to their maturity any part or all of the then outstanding Parity Bonds and the issuance of such refunding Future Parity Bonds will result in a debt service savings and does not require an increase of more than \$5,000 in any fiscal or calendar year for principal of and interest on such refunding Future Parity Bonds over and above the amount required in such year for the principal of and interest on the bonds being refunded thereby, the condition stated in subsection (A)(v) of this section need not be met.

(C) Nothing herein contained shall prevent the City from issuing any revenue bonds, warrants or other obligations that are a charge upon the money in the Revenue Fund junior or inferior to the payments required by this ordinance to be made into the Bond Fund and the Reserve Account.

Section 18. Refunding or Defeasance of the Bonds. The City 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 the affected 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 City 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 ordinance 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 City 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.

While a Bond is registered in the name of the Securities Depository, notice of any defeasance shall be given in the manner prescribed in the Letter of Representations for notices of redemption of Bonds. If a Bond ceases to be held in book-entry form, then unless specified by the City in a refunding or defeasance plan, selection of Bonds to be defeased, notice of defeasance and replacement of Bond certificates shall be done in accordance with the provisions of this ordinance for the redemption of Bonds prior to their maturity.

Section 19. Form of the Bonds. The Bonds shall be in substantially the following form:

No. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF WASHINGTON
CITY OF LACEY

WATER AND SEWER REVENUE BOND, SERIES 2013

INTEREST RATE: _____% MATURITY DATE: _____ CUSIP NO.: _____

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Lacey, Washington (the “City”), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from the _____, 2013, or the most recent date to which interest has been paid or duly provided for until payment of this Bond at the Interest Rate set forth above, payable on _____, 2014, and semiannually thereafter on the first days of each _____ and _____. The principal of and interest on this Bond are payable solely out of the special fund of the City known as the Water Debt Service, Wastewater Debt Service and Stormwater Debt Service Funds (collectively, the “Bond Fund”).

Both principal of and interest on this Bond are payable in lawful money of the United States of America. For so long as the Bonds are held in fully immobilized form, payments of principal and interest shall be made as provided in accordance with the operational arrangements of DTC referred to in the Blanket Issuer Letter of Representations from the City to The Depository Trust Company. In the event that the Bonds are no longer held in fully immobilized form, interest on this Bond shall be paid by check or draft mailed to the Registered Owner at the address appearing on the Bond Register on the 15th day of the month preceding the interest payment date, and principal of this Bond shall be payable upon presentation and surrender of this Bond by the Registered Owner at the principal office of the fiscal agency of the State of Washington in New York, New York (the “Bond Registrar”).

Principal and interest are payable solely out of the Bond Fund, into which fund the City hereby irrevocably binds itself to pay certain fixed amounts out of the Gross Revenue of the System, as the same is defined in Ordinance No. 1420 of the City (the “Bond Ordinance”), without regard to any fixed proportion, namely, amounts sufficient to pay the principal of and interest on the outstanding Bonds and any additional and/or refunding water and sewer revenue bonds issued on a parity of lien with the Bonds and to accumulate a reserve, all at the times and in the manner set forth in the Bond Ordinance. Reference is made to the Bond Ordinance for definitions of capitalized terms not otherwise defined herein.

This Bond is one of a total issue of \$_____ par value of the Bonds, all of like date and tenor, except as to maturity, redemption provisions and interest rates, all payable from the Bond Fund and all issued by the City under and pursuant to the laws of the State of Washington and the Bond Ordinance for the purpose of providing funds to pay the cost of certain capital improvements to the Waterworks Utility of the City as specified in the Bond Ordinance.

The Bonds are subject to redemption prior to their stated maturity as provided in the Bond Ordinance and certificate outlining the Final Terms of the Bonds.

The Gross Revenue is hereby pledged to the payment of principal of and interest on the Bonds, and the Bonds constitute a charge or lien upon such revenues prior and superior to any

other charges whatsoever, excluding charges for Operation and Maintenance Expenses of the System, and equal to the lien and charge thereon of any Future Parity Bonds. The Bonds are not a general obligation of the City.

The City hereby covenants and agrees with the owners of the Bonds to carry out fully all covenants and meet all obligations of the City as set forth herein and in the Bond Ordinance, and reference is hereby made to the Bond Ordinance for a complete statement of such covenants.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication set forth hereon has been signed by the Bond Registrar.

This Bond is interchangeable for Bonds of any authorized denomination of an equal aggregate principal amount, and of the same interest rate and maturity. This Bond is transferable only upon the registry books of the Bond Registrar by surrender of this certificate to the Bond Registrar, duly assigned and executed as indicated below. Such exchange or transfer shall be without cost to the owner or transferee. The City may deem the person in whose name this Bond is registered to be the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Bond and for any and all other purposes whatsoever. The Bond Registrar shall not be obligated to transfer or exchange this Bond during the fifteen days preceding any interest payment date or the date on which notice of redemption of such Bond is to be given nor after such notice has been given.

It is hereby certified and declared that the Bonds are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and the ordinances of the City and that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have happened, have been done and have been performed as required by law.

IN WITNESS WHEREOF, the City has caused this Bond to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, and its corporate seal to be impressed or a facsimile thereof imprinted hereon this ____ day of _____, 2013.

CITY OF LACEY, WASHINGTON

By _____ /s/ _____
Mayor

ATTEST:

_____/s/_____
City Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This is one of the City of Lacey, Washington, Water and Sewer Revenue Bonds, Series 2013, dated _____, 2013, described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY
Bond Registrar

By: _____
Authorized Officer

Section 20. Execution and Authentication of the Bonds. The Bonds shall be signed on behalf of the City by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and shall have the seal of the City impressed or a facsimile thereof imprinted thereon.

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

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

Section 21. Lost or Stolen Bonds. In case any Bonds shall be lost, stolen or destroyed, the Bond Registrar may deliver a new bond or bonds of like amount, date, maturity, interest rate, tenor, and effect to the Registered Owner or nominee thereof upon the owner paying the expenses and charges of the City in connection therewith and upon filing with the Bond Registrar evidence satisfactory to said Bond Registrar that such bond or bonds were actually lost, stolen or destroyed and or ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

Section 22. 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 to the Underwriter based on his assessment of market conditions, in consultation with appropriate City officials and staff and

advisors. In determining the Final Terms, the Designated Representative shall take into account those factors that, in his judgment, may be expected to result in the lowest true interest cost on the Bonds to their maturity, including, but not limited to current interest rates for obligations comparable to the Bonds.

(B) *Preparation, Execution and Delivery of the Bonds.* The Bonds will be prepared at City expense and will be delivered to the Underwriter, with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 23. Official Statement; Continuing Disclosure.

(A) *Preliminary Official Statement.* The Designated Representative shall review the form of each preliminary official statement prepared in connection with the sale of the Bonds to the public. For the sole purpose of the Underwriter's compliance with paragraph (b)(1) of Rule 15c2-12, the Designated Representative is authorized to "deem final" that preliminary official statement as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary official statement that has been "deemed final" in accordance with this paragraph.

(B) *Approval of Final Official Statement.* The City approves the preparation of a final official statement for the Bonds to be sold to the public in the form of the preliminary official statement, with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes the Designated Representative to execute and deliver such final official statement to the Underwriter. The City authorizes and approves the distribution by the Underwriter of that final official statement to purchasers and potential purchasers of the Bonds.

(C) *Undertaking to Provide Continuing Disclosure.* To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to 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 A.

Section 24. Project Fund. There have been created special accounts of the City known as the Water Capital, Wastewater Capital and Stormwater Capital Funds (collectively, the "Project Fund"). Money in the Project Fund shall be used for the purpose of paying the cost of the Project described in Section 2 or other improvements to the System and paying costs of issuing the Bonds, if necessary. Bond proceeds deposited in the Project Fund and not immediately needed to pay the costs of the Project described in Section 2 and costs incidental thereto may be temporarily invested in Permitted Investments that will mature prior to the date on which the money so invested shall be needed. All Bond proceeds and all interest earned and income or profits derived by virtue of such investments shall remain in the Project Fund and be used for the acquisition, installation and construction of such projects or other improvements to the System. Any Bond proceeds and investment earnings thereon not required for such purposes shall be deposited in the Bond Fund and used to redeem outstanding Bonds at the earliest date on which such Bonds shall mature or be callable.

Section 25. Application of Bond Proceeds. The proceeds of the Bonds shall be applied as follows:

(A) The amount necessary to satisfy the Reserve Account Requirement shall be deposited into the Reserve Account.

(B) The remaining portion of the Bond proceeds shall be deposited into the Project Fund and applied to pay costs of the Project and costs of issuing the Bonds.

Section 26. Events of Default. The City hereby covenants and agrees with the owners of the Bonds, in order to protect and safeguard the covenants and obligations undertaken by the City securing the Bonds, that the following shall constitute “Events of Default”:

(A) If default shall be made in the due and punctual payment of the principal of and premium, if any, on any of the Bonds when the same shall become due and payable, either at maturity or by proceedings for mandatory redemption or otherwise;

(B) If default shall be made in the due and punctual payment of any installment of interest on any Bond;

(C) If the City shall fail to purchase or redeem Term Bonds, if any, in an aggregate principal amount at least equal to the Sinking Fund Requirement for the applicable fiscal year;

(D) If the City shall default in the observance and performance of any other of the covenants, conditions and agreements on the part of the City contained in this ordinance and the default or defaults shall have continued for a period 90 days after the City shall have received from the owners of not less than 20% in principal amount of Parity Bonds outstanding, a written notice specifying and demanding the cure of such default;

(E) If an order, judgment or decree shall be entered by any court of competent jurisdiction: (i) appointing a receiver, trustee or liquidator for the City or the whole or any substantial part of the System; (ii) approving a petition filed against the City seeking the bankruptcy, arrangement or reorganization of the City under any applicable law of the United States or the State; or (iii) assuming custody or control of the City or of the whole or any substantial part of the System under the provisions of any other law for the relief or aid of debtors and such order, judgment or decree shall not be vacated or set aside or stayed (or, in case custody or control is assumed by said order, such custody or control shall not be otherwise terminated) within 60 days from the date of the entry of such order, judgment or decree; or

(F) If the City shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) file a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law; (iii) make an assignment for the benefit of its creditors; (iv) consent to the appointment of a receiver of the whole or any substantial part of the System; or (v) consent to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the City or of the whole or any substantial part of the System.

Section 27. Authorization to Officials and Agents. The proper City officials are hereby authorized and directed to approve an official statement or other disclosure document, and to do everything necessary and proper for the prompt issuance, execution and delivery of the Bonds in conformance with the provisions of this ordinance and for the proper use and application of the proceeds of the sale thereof as provided in this ordinance.

Section 28. Supplements and Amendments.

(A) The City Council from time to time and at any time may adopt an ordinance or ordinances supplementing or amending this ordinance, which ordinance or ordinances thereafter shall become a part of this ordinance, for any one or more or all of the following purposes:

(i) To add to the covenants and agreements of the City in this ordinance other covenants and agreements thereafter to be observed, which shall not adversely affect the interests of the owners of any Parity Bonds in any material respect, or to surrender any right or power herein reserved to or conferred upon the City.

(ii) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this ordinance in regard to such matters or questions as the City Council may deem necessary or desirable and not inconsistent with this ordinance and which shall not adversely affect the interests of the owners of any Parity Bonds in any material respect.

(iii) To amend or supplement any provision contained in this ordinance for the purpose of obtaining or maintaining a rating on the Bonds so long as such amendment or supplement is not inconsistent with this ordinance and will not adversely affect the interests of the owners of any Parity Bonds in any material respect.

Any such supplemental ordinance of the City Council may be adopted without the consent of the owners of any Parity Bonds at any time outstanding, notwithstanding any of the provisions of subsection B of this section; provided, however, that the City shall obtain an opinion of nationally recognized bond counsel to the effect that such supplemental ordinance complies with this subsection A and will not adversely affect the interests of the owners of any Parity Bonds in any material respect.

(B) With the consent of the owners of not less than a majority in aggregate principal amount of the Parity Bonds at the time outstanding, the City Council may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

(i) Extend the fixed maturity of any Parity Bond, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the owner of each Parity Bond so affected; or

(ii) Reduce the aforesaid percentage of owners of Parity Bonds required to approve any such supplemental ordinance, without the consent of the owners of all Parity Bonds then outstanding.

It shall not be necessary for the consent of bondowners under this subsection B to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

(C) Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be deemed modified and amended in accordance therewith, and the respective rights, duties and obligations of the City under this ordinance and all owners of Bonds outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this ordinance for any and all purposes.

Section 29. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 30. Ratification. Any action consistent with the authority but prior to the effective date of this ordinance is hereby ratified and confirmed.

Section 31. Effective Date. This ordinance shall take effect five days after its passage, approval and publication as required by law.

PASSED by the City Council of the City of Lacey, Washington, at an open public meeting thereof, this 24th day of October, 2013, and signed in authentication of its passage this 24th day of October, 2013.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

**City of Lacey, Washington
Water and Sewer Revenue Bonds, 2013**

To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the above-referenced Bonds (the “Bonds”), the City makes the following written Undertaking for the benefit of holders of the Bonds:

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The City 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 subsection (b) of this section (“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; (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 City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City 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 City to provide required annual financial information on or before the date specified in subsection (b) of this section.

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

(i) Shall consist of (1) annual financial statements showing ending fund equity for the System prepared in accordance with generally accepted accounting principles applicable to government entities (and modified as may be required by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included

in the official statement for the Bonds; (2) the principal amount of outstanding Parity Bonds; and (3) debt service coverage for the Parity Bonds;

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City's fiscal year ending December 31, 2013; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Undertaking. The 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 City 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. The Undertaking evidenced by this section shall inure to the benefit of the City and the Beneficial Owner of a Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The City's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the City's obligations under this Undertaking shall terminate if those provisions of Rule 15c2-12 which require the City 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 City, and the City provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the City learns of any failure to comply with the Undertaking, the City will proceed with due diligence to cause such noncompliance to be corrected. No failure by the City or other obligated person to comply with the Undertaking shall constitute an Event of Default (as defined in Section 26 of this ordinance) in respect of the Bonds. The sole remedy of a Beneficial Owner of a Bond shall be to take action to compel the City or other obligated person to comply with the Undertaking, including seeking an order of specific performance from an appropriate court.

(g) Designation of Official Responsible to Administer Undertaking. The Designated Representative or her designee is authorized to take such further actions as may be necessary, appropriate or convenient to carry out this 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 subsection (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 City 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 in accordance with Rule 15c2-12;

(iv) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the City in carrying out the Undertaking; and

(v) Effecting any necessary amendment of the Undertaking.

CERTIFICATION

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

1. The attached copy of Ordinance No. 1420 (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 October 24, 2013, 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 October ____, 2013.

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.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2013.

CITY OF LACEY, WASHINGTON

City Clerk

City Council Update



Proposed Water & Sewer Revenue Bonds, 2013

October 16, 2013

Dave Trageser
Senior Vice President
(206) 903-8699
Dtrageser@dadco.com



D.A. Davidson & Co.

member SIPC

City of Lacey, Washington
\$8,500,000 (Preliminary) Water and Sewer Revenue Bonds, 2013
Schedule of Events
(As of October 16, 2013)

CITY: City of Lacey, Washington
DAD: Underwriter (D.A. Davidson)
BC: Bond Counsel (Foster Pepper PLLC)

SEPTEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

NOVEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Date	Event	Participants
Completed	Finance Committee Update	CITY, DAD
Completed	City provides disclosure updates	CITY
Completed	1 st draft of Bond Delegation Ordinance	BC
Completed	Distribute 1 st draft of the POS	DAD
Completed	Comments due on Bond Ordinance	All
Completed	Send information to S&P	DAD
Completed	Distribute draft Rating Presentation to City	DAD
Completed	Comments due on first draft of POS	All
Completed	Distribute 2 nd draft of POS & draft of purchase contract	DAD
Completed	Rating call rehearsal	CITY, DAD
Completed	Rating conference call with S&P @ TBD	DIST, DAD
Completed	Final comments due on POS	All
 Oct 24	Pass Bond Delegation Ordinance	CITY, BC, DAD
Oct 25	Receive rating; Distribute POS to potential investors	DAD
Nov 4	Review market conditions/ pre-pricing call @ 1:00 pm	DAD, CITY
Nov 5	Bond Order Period – sign purchase contract	DAD, CITY, BC
Nov 19	Bond Closing and distribution of proceeds	All

Note – Council meets the 2nd and 4th Thursday @ 7 p



D.A. Davidson & Co.

member SIPC

SOURCES AND USES OF FUNDS

CITY OF LACEY

Water & Sewer Revenue Bonds, 2013

Assumes 10/16/13 market, 'BQ' designated, Estimated 'AA-' Rating

Dated Date 11/19/2013
Delivery Date 11/19/2013

Sources:

Bond Proceeds:

Par Amount	8,420,000.00
Premium	329,006.75
	<u>8,749,006.75</u>

Other Sources of Funds:

Existing Debt Service Reserve	215,834.00
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8,964,840.75

Uses:

Project Fund

Deposits:	8,223,880.00
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Other Fund Deposits:

Debt Service Reserve Fund	624,150.00
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Cost of Issuance:

Other Cost of Issuance	50,000.00
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Delivery Date Expenses:

Underwriter's Discount	63,150.00
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Other Uses of Funds:

Additional Proceeds	3,660.75
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8,964,840.75



D.A. Davidson & Co.

member SIPC

BOND SUMMARY STATISTICS

CITY OF LACEY

Water & Sewer Revenue Bonds, 2013

Assumes 10/16/13 market, 'BQ' designated, Estimated 'AA-' Rating

Dated Date	11/19/2013
Delivery Date	11/19/2013
Last Maturity	11/01/2033
Arbitrage Yield	3.312095%
True Interest Cost (TIC)	3.669854%
Net Interest Cost (NIC)	3.811308%
All-In TIC	3.733935%
Average Coupon	4.084180%
Average Life (years)	11.571
Duration of Issue (years)	9.186
Par Amount	8,420,000.00
Bond Proceeds	8,749,006.75
Total Interest	3,979,176.07
Net Interest	3,713,319.32
Total Debt Service	12,399,176.07
Maximum Annual Debt Service	624,150.00
Average Annual Debt Service	621,512.58



D.A. Davidson & Co.

member SIPC

BOND PRICING

CITY OF LACEY

Water & Sewer Revenue Bonds, 2013

Assumes 10/16/13 market, 'BQ' designated, Estimated 'AA-' Rating

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bond:									
	11/01/2014	305,000	2.000%	0.400%	101.515				4,620.75
	11/01/2015	325,000	2.000%	0.660%	102.591				8,420.75
	11/01/2016	335,000	2.000%	0.950%	103.047				10,207.45
	11/01/2017	340,000	2.000%	1.290%	102.725				9,265.00
	11/01/2018	345,000	2.000%	1.710%	101.370				4,726.50
	11/01/2019	355,000	2.000%	1.990%	100.055				195.25
	11/01/2020	360,000	3.000%	2.260%	104.734				17,042.40
	11/01/2021	370,000	3.000%	2.540%	103.291				12,176.70
	11/01/2022	380,000	3.000%	2.740%	102.050				7,790.00
	11/01/2023	395,000	3.000%	2.910%	100.771				3,045.45
	11/01/2024	405,000	4.000%	3.080%	107.831	C 3.149%	11/01/2023	100.000	31,715.55
	11/01/2025	420,000	4.000%	3.230%	106.506	C 3.335%	11/01/2023	100.000	27,325.20
	11/01/2026	440,000	4.000%	3.410%	104.941	C 3.521%	11/01/2023	100.000	21,740.40
	11/01/2027	455,000	4.125%	3.560%	104.697	C 3.691%	11/01/2023	100.000	21,371.35
	11/01/2028	475,000	4.250%	3.690%	104.626	C 3.840%	11/01/2023	100.000	21,973.50
		<u>5,705,000</u>							<u>201,616.25</u>
Term Bond:									
	11/01/2029	495,000	4.500%	3.940%	104.570	C 4.122%	11/01/2023	100.000	22,621.50
	11/01/2030	520,000	4.500%	3.940%	104.570	C 4.122%	11/01/2023	100.000	23,764.00
		<u>1,015,000</u>							<u>46,385.50</u>
Term Bond #2:									
	11/01/2031	540,000	4.750%	4.160%	104.765	C 4.389%	11/01/2023	100.000	25,731.00
	11/01/2032	565,000	4.750%	4.160%	104.765	C 4.389%	11/01/2023	100.000	26,922.25
	11/01/2033	595,000	4.750%	4.160%	104.765	C 4.389%	11/01/2023	100.000	28,351.75
		<u>1,700,000</u>							<u>81,005.00</u>
		<u>8,420,000</u>							<u>329,006.75</u>

BOND DEBT SERVICE

CITY OF LACEY

Water & Sewer Revenue Bonds, 2013

Assumes 10/16/13 market, 'BQ' designated, Estimated 'AA-' Rating

Dated Date 11/19/2013
 Delivery Date 11/19/2013

Period	Principal	Coupon	Interest	Debt Service
11/01/2014	305,000	2.000%	286,169.69	591,169.69
11/01/2015	325,000	2.000%	295,131.26	620,131.26
11/01/2016	335,000	2.000%	288,631.26	623,631.26
11/01/2017	340,000	2.000%	281,931.26	621,931.26
11/01/2018	345,000	2.000%	275,131.26	620,131.26
11/01/2019	355,000	2.000%	268,231.26	623,231.26
11/01/2020	360,000	3.000%	261,131.26	621,131.26
11/01/2021	370,000	3.000%	250,331.26	620,331.26
11/01/2022	380,000	3.000%	239,231.26	619,231.26
11/01/2023	395,000	3.000%	227,831.26	622,831.26
11/01/2024	405,000	4.000%	215,981.26	620,981.26
11/01/2025	420,000	4.000%	199,781.26	619,781.26
11/01/2026	440,000	4.000%	182,981.26	622,981.26
11/01/2027	455,000	4.125%	165,381.26	620,381.26
11/01/2028	475,000	4.250%	146,612.50	621,612.50
11/01/2029	495,000	4.500%	126,425.00	621,425.00
11/01/2030	520,000	4.500%	104,150.00	624,150.00
11/01/2031	540,000	4.750%	80,750.00	620,750.00
11/01/2032	565,000	4.750%	55,100.00	620,100.00
11/01/2033	595,000	4.750%	28,262.50	623,262.50
	8,420,000		3,979,176.07	12,399,176.07



D.A. Davidson & Co.

member SIPC

**City of Lacey, Washington
Water & Sewer Revenue Bonds, 2013**

Distribution List

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SUMMARY FOR PUBLICATION

ORDINANCE NO. 1420

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on October 24, 2013, Ordinance No. 1420, entitled “AN ORDINANCE OF THE CITY OF LACEY, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$9,200,000 PRINCIPAL AMOUNT OF WATER AND SEWER REVENUE BONDS TO OBTAIN FUNDS FOR CERTAIN CAPITAL IMPROVMENTS TO THE CITY’S WATERWORKS UTILITY; FIXING OR SETTING PARAMETERS WITH RESPECT TO CERTAIN TERMS AND COVENANTS OF THE BONDS; APPOINTING THE CITY’S DESIGNATED REPRESENTATIVE TO APPROVE THE FINAL TERMS OF THE SALE OF THE BONDS; AND PROVIDING FOR OTHER RELATED MATTERS.”

The main points of the Ordinance are described as follows:

- Section 1. Defines terms used throughout the ordinance.
- Section 2. Describes the plan of improvements.
- Section 3. Authorization of the bonds not to exceed \$9,200,000.
- Section 4. Description of the bonds, appointment of the designated representative, and setting parameters for final terms of the bonds .
- Section 5. The Bond Registrar responsibilities and the transfer and exchange of the bonds are described.
- Section 6. Describes the payment of the bonds.
- Section 7. Redemption provisions and open market purchase of the bonds
- Section 8. Actions in the event of failure to pay bonds.
- Section 9. Description of the revenue fund and establishes priority of gross revenue.
- Section 10. Description of the rate stabilization fund.
- Section 11. Description of the bond fund and reserve account.
- Section 12. Provides provisions for the adequacy of revenue.
- Section 13. Description of contract resource obligations.

- Section 14. Description of the general bond covenants.
- Section 15. The City covenants that it will take all actions necessary to preserve the tax-exempt status of the bonds and designation of the bonds as “Qualified Tax-Exempt Obligations”.
- Section 16. Provides provisions for payment agreements.
- Section 17. Description of covenants for future parity bonds.
- Section 18. Describes necessary actions for the refunding or defeasance of the bonds.
- Section 19. Form of the bonds.
- Section 20. Execution and authentication of the bonds.
- Section 21. Description of the procedures for lost or stolen bonds
- Section 22. Manner of sale of bonds and delivery of bonds.
- Section 23. The City authorizes the designated representative to review and approve the final Preliminary Official Statement and to provide continuing disclosure.
- Section 24. Description of project fund.
- Section 25. Application of bond proceeds.
- Section 26. Description of events of default
- Section 27. Authorization to officials and agents.
- Section 28. Provides provisions for supplemental and amendatory ordinances.
- Section 29. Describes the severability provisions.
- Section 30. General authorization and ratification.
- Section 31. Sets the effective date of this ordinance as five (5) days after its publication.

A copy of the full text of this Ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: October 28, 2013.