

CITY OF LACEY, WASHINGTON

ORDINANCE NO. 1475

AN ORDINANCE of the City of Lacey, Washington, providing for the issuance and sale of a water and sewer revenue bond in the principal amount of \$502,001.31 to finance certain sewer utility projects; fixing the form and terms of the bond; and providing for the sale of the bond to the City's LID Debt Fund.

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, the City issued its Water and Sewer Revenue Bonds, 2013 in the original aggregate principal amount of \$8,290,000 (the "2013 Bonds") pursuant to Ordinance No. 1420; and

WHEREAS, pursuant to Ordinance No. 1420, the City may issue debt that is a charge upon the money in the Revenue Fund junior or inferior to the payments required to be made for the 2013 Bonds, and any bonds issued on a parity with the 2013 Bonds; and

WHEREAS, pursuant to Ordinance No. 1428, the City created Utility Local Improvement District No. 23 ("ULID No. 23") to install sewer facilities to properties within ULID No. 23 (the "Improvements"); and

WHEREAS, pursuant to Ordinance No. 1469, the City confirmed the assessment roll for ULID No. 23 in the amount of \$502,001.31 and no prepayments have been made; and

WHEREAS, for the purpose of funding the Improvements, it is in the best interest of the City to issue a Water and Sewer Revenue Bond, 2015 (the "Bond") authorized herein; and

WHEREAS, the Bond will be purchased as an investment by the City's LID Debt Fund with a lien of revenues equal to the debt issued for the City's outstanding Utility Local Improvement District No. 21 debt;

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:

"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, including assessments in ULID No. 23 and 21.

“*Bond*” means the Water and Sewer Revenue Bond, 2015 issued pursuant to and for the purposes provided in this ordinance.

“*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 Bond and any Parity Bonds.

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

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

“*Bond Subaccount*” means the subaccount created in the Bond Fund for the sole purpose of paying the Bond.

“*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.

“*Future Parity Bonds*” means all revenue bonds or other revenue obligations of the City 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 Parity Bonds.

“*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.”

“*Improvements*” means the improvements to the parcels in ULID No. 23 connecting them to the City’s sewer system.

“*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 the person in whose name the Bond is registered on the Bond Register and who has the beneficial interest in the Bond.

“*Parity Bonds*” means the 2013 Bonds and any Future Parity Bonds.

“*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.

“*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 Improvements.

“*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.

“*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 or the Bond are outstanding.

“*2013 Bonds*” means the City’s Water and Sewer Revenue Bonds, 2013 in the aggregate principal amount of \$8,290,000 pursuant to Ordinance No. 1420.

Section 2. Authorization of the Bond; Payment, Registration and Transfer. For the purpose of providing financing for the Improvements within ULID No. 23, the City authorizes the issuance of its water and sewer revenue bond in the principal amount of \$502,001.13 (the “Bond”). The Bond shall be designated as the “City of Lacey, Washington Water and Sewer Revenue Bond, 2015,” shall be dated as of the date of delivery thereof to the City’s LID Debt Fund and shall mature on September 1, 2035 (the “Maturity Date”).

The Bond will be payable upon receipt of Assessments from ULID No. 23. Interest on the Bond shall be payable annually on each September 1, beginning on September 1, 2016, through the Maturity Date, at the rate of 4.10%. Interest shall be computed on the basis of a 360-day year for the actual number of days elapsed.

The Bond shall be issued in fully registered form. Both principal of and interest on the Bond shall be payable in lawful money of the United States of America. The City Finance Director is appointed to act as Bond Registrar for the Bond. The Bond shall be purchased only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Bond Registrar (the “Bond Register”). The Bond Register shall contain the name and mailing address of the Owner. The Bond may not be assigned or transferred by the Owner, and is not subject to acceleration. When the Bond has been paid in full, both principal and interest, it shall be surrendered by the Owner to the Bond Registrar, who shall cancel such Bond.

The Bond Registrar shall keep, or cause to be kept, at his or her office, sufficient books for the registration of the Bond. The Bond Registrar is authorized, on behalf of the City, to

authenticate and deliver the Bond in accordance with the provisions of the Bond and this ordinance, to serve as the City's paying agent for the Bond and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for the representations contained in the Bond Registrar's Certificate of Authentication on the Bond.

Section 3. Prepayment. The City reserves the right and option to prepay and redeem any or all of the outstanding principal on the Bond prior to the Maturity Date, at par plus accrued interest on the principal portion to be redeemed to the date fixed for prepayment, whenever there shall be sufficient money in the Bond Subaccount (as further described in Section 5). No notice of prepayment is required. Interest on the principal portion of the Bond so prepaid shall cease to accrue on the date of such prepayment.

Section 4. 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 any 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, including the Bond Subaccount, 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, including the Bond; 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 5. Bond Fund and Bond Subaccount. There has been created in the office of the Finance Director funds of the City known as the Water Debt Service Fund, Wastewater Debt Service Fund and 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 Parity Bonds. The City shall establish a subaccount (the “Bond Subaccount”) for the sole purpose of paying the Bond. The money in the Bond Subaccount shall be kept separate and apart from all other funds and accounts of the City.

The City covenants that on or before a payment of interest or principal on the Bond is due, it will deposit in the Bond Subaccount Assessments in ULID No. 23 and other amounts out of the Revenue Fund as shall be necessary, when added to other amounts paid into the Bond Subaccount, to pay the interest and principal due on the Bond as the same becomes due. The Bond shall have a lien on Revenues junior to the payment of Operation and Maintenance Expenses of the System and the Parity Bonds. The Bond shall be on a parity with ULID No. 21 debt. The City further covenants that so long as the Bond is outstanding it will deposit in the Bond Subaccount the Assessments and such additional amounts out of the Revenue Fund as shall be necessary, when added to other amounts paid into the Bond Subaccount, to pay the principal of the Bond as the same becomes due and payable. The Bond shall not be deemed to constitute a general obligation or pledge of the faith and credit of the City or debt of any other system of the City other than the System.

Section 6. Adequacy of Revenue. The City Council hereby declares that in fixing the amounts to be paid into the Bond Fund, including the Bond Subaccount, 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 or Bond Subaccount more money from the Revenue Fund than in its judgment will be available over and above such Operation and Maintenance Expenses.

Section 7. Collection of Assessments. The City shall promptly collect all Assessments levied in ULID No. 23 created to secure the payment of the principal of and interest on the Bond and shall pay the same into the Bond Subaccount.

Section 8. Additional System Debt. The City reserves the right to issue additional revenue bonds, notes or warrants of the Waterworks Utility senior or on a parity to the lien on the Net Revenues of the System pledged to the Bond. The City may also issue additional revenue bonds, notes or warrants which are a charge upon the Net Revenues of the System junior or inferior to the payments required to be made therefrom into the Bond Subaccount.

Section 9. Form of the Bond. The Bond shall be in substantially the following form:

No. R-1

\$502,001.13

UNITED STATES OF AMERICA
STATE OF WASHINGTON
CITY OF LACEY

WATER AND SEWER REVENUE BOND, 2015

INTEREST RATE: 4.10%

MATURITY DATE: SEPTEMBER 1, 2035

OWNER: CITY'S LID DEBT FUND

PRINCIPAL AMOUNT: FIVE HUNDRED TWO THOUSAND ONE AND 13/100 DOLLARS

The City of Lacey, Washington (the "City"), for value received, hereby promises to pay to the Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from the September 8, 2015, 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 September 1, 2016, and annually thereafter on the first days of each September. The principal of and interest on this Bond are payable solely out of a subaccount of the City's Water Debt Service, Wastewater Debt Service and Stormwater Debt Service Funds (the "Bond Subaccount").

Both principal of and interest on this Bond are payable in lawful money of the United States of America.

This Bond is 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 sewer improvements to the Waterworks Utility of the City as specified in Ordinance No. 1475 (the "Bond Ordinance").

The Bond is subject to prepayment prior to its maturity date as provided in the Bond Ordinance.

The Gross Revenue is hereby pledged to the payment of principal of and interest on the Bond, and the Bond constitutes a charge or lien upon such revenues junior to the lien and charge thereon of any Parity Bonds and charges for Operation and Maintenance Expenses of the System. 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 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.

It is hereby certified and declared that the Bond is 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 8th day of September, 2015.

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 Bond, 2015, dated September 8, 2015, described in the Bond Ordinance.

CITY FINANCE DIRECTOR, Bond Registrar

By: _____
Authorized Officer

Section 10. Execution and Authentication of the Bond. The Bond 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 the Bond 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 Bond so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bond shall cease to be an officer or officers of the City before the Bond so signed shall been authenticated or delivered by the Bond Registrar, or issued by the City, such Bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. The Bond may also be signed and attested on behalf of the City by such persons 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 11. Sale and Delivery of the Bond. The City Council hereby determines that it is in the City's best interest to issue and sell the Bond as described herein, payable solely from the Net Revenues of the System. The City Council further determines that it is in the City's best interest to purchase the Bond as an investment, under the terms and conditions described in this ordinance, to be held as an investment of funds available, in excess of the System's current needs.

Section 12. Project Fund. There has been created a special account of the City known as the Wastewater Capital Fund (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 (including interfund loans for the Project and paying costs of issuing the Bond, if necessary).

Section 13. Authorization to Officials and Agents. The proper City officials are hereby authorized and directed to do everything necessary and proper for the prompt issuance, execution and delivery of the Bond 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 14. 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 15. 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 27th day of August, 2015, and signed in authentication of its passage this 27th day of August, 2015.



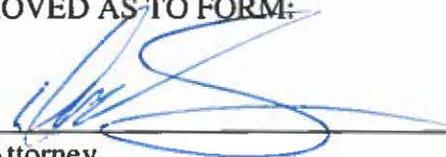
Mayor

ATTEST:

for 

City Clerk

APPROVED AS TO FORM:



City Attorney

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. 1475 (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 August 27, 2015, 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 August 31, 2015.

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 27th day of August, 2015.

CITY OF LACEY, WASHINGTON

for Peter Edmonds, Deputy City Clerk
City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO. 1475

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on August 27, 2015, Ordinance No. 1475, entitled "AN ORDINANCE OF THE CITY OF LACEY, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A WATER AND SEWER REVENUE BOND IN THE PRINCIPAL AMOUNT OF \$502,001.31 TO FINANCE CERTAIN SEWER UTILITY PROJECTS; FIXING THE FORM AND TERMS OF THE BOND; AND PROVIDING FOR THE SALE OF THE BOND TO THE CITY'S LID DEBT FUND."

The main points of the Ordinance are described as follows:

- Section 1. Defines terms used throughout the ordinance.
- Section 2. Authorization and intent to establish special funds for the deposit of the bond proceeds.
- Section 3. Provides provisions for prepayment of any outstanding bonds.
- Section 4. Description of the City's pledge of gross revenues of the Waterworks Utility.
- Section 5. Description of the established bond funds for the purpose of repayment of the bonds and interest.
- Section 6. Declaration of adequacy of revenues available for repayment.
- Section 7. The City pledges to collect assessments levied in ULID No. 23
- Section 8. The City reserves the right to issue additional revenue bonds, notes or warrants senior or on a parity to the lien on the net revenues of the system pledged to the bonds.
- Section 9. Provides the form of the bond.
- Section 10. Describes the process to execute the bonds.
- Section 11. Manner of sale of bonds and delivery of bonds.
- Section 12. Description of the project fund used for the purpose of paying the costs of the project.

Section 13. Authorization of officials and agents.

Section 14. Describes the severability provisions.

Section 15. Sets the effective date of this ordinance as five (5) days after its passage.

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: August 31, 2015.

UNITED STATES OF AMERICA

STATE OF WASHINGTON

CITY OF LACEY

WATER AND SEWER REVENUE BOND, 2015

REGISTERED OWNER: CITY OF LACEY LID DEBT FUND
INTEREST RATE: 4.10%
FINAL MATURITY DATE: SEPTEMBER 1, 2035
PRINCIPAL AMOUNT: FIVE HUNDRED TWO THOUSAND ONE AND 13/100 DOLLARS

The City of Lacey, Washington (the "City"), for value received, hereby promises to pay to the Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from September 8, 2015, 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 September 1, 2016, and annually thereafter on the first days of each September. The principal of and interest on this Bond are payable solely out of a subaccount of the City's Water Debt Service, Wastewater Debt Service and Stormwater Debt Service Funds (the "Bond Subaccount").

Both principal of and interest on this Bond are payable in lawful money of the United States of America.

This Bond is 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 sewer improvements to the Waterworks Utility of the City as specified in Ordinance No. 1475 (the "Bond Ordinance").

The Bond is subject to prepayment prior to its maturity date as provided in the Bond Ordinance.

The Gross Revenue is hereby pledged to the payment of principal of and interest on the Bond, and the Bond constitutes a charge or lien upon such revenues junior to the lien and charge thereon of any Parity Bonds and charges for Operation and Maintenance Expenses of the System. 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 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.

It is hereby certified and declared that the Bond is 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 8th day of September, 2015.

CITY OF LACEY, WASHINGTON

By _____
Mayor

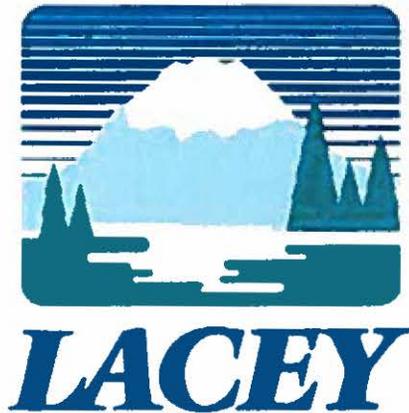
ATTEST:

City Clerk

REGISTRATION CERTIFICATE

This Bond is registered in the name of the Registered Owner on the books of the City, in the office of the Finance Director of the City (the "Bond Registrar"), as to both principal and interest, as noted in the registration blank below.

<u>Date of Registration</u>	<u>Name and Address of Registered Owner</u>	<u>Signature of Registrar</u>
September 8, 2015	LID Debt Fund City of Lacey 420 College Street SW Lacey, Washington 98503	_____ Finance Director

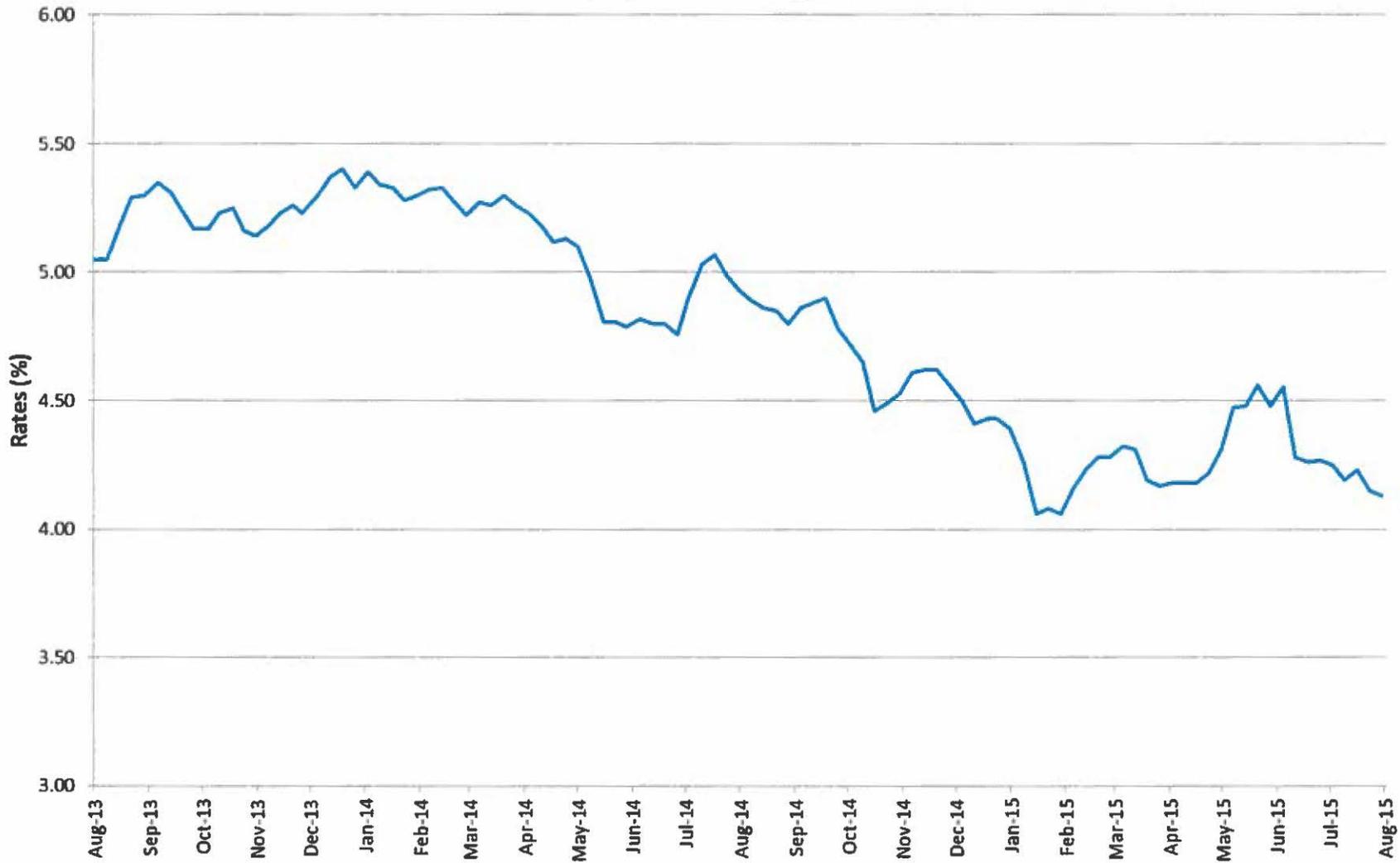


Recommended Bond and Assessment Rate for Water & Sewer Revenue Bond, 2015 (ULID No. 23)

July 31, 2015

*Dave Trageser
Managing Director
D.A. Davidson & Co.
(206) 518-0675
dtrageser@dadco.com*

Bond Buyer 25 Revenue Bond Index 30-Year Revenue Bonds (2 year history)



Note: The Bond Buyer published 25 Revenue Bond Index consists of 25 municipal revenue bonds. It is published weekly, on Thursday, after the market close. The bonds in the index have 30-year maturities and are rated A1 by Moody's or A+ by Standard & Poor's.



Recommendations

The City has decided to purchase the Water & Sewer Revenue Bond, 2015 (ULID No. 23). Purchasing the Bond (versus a public offering or private placement) saves approximately \$20,000 of issuances cost, along with reduced city staff time. There is no need for a reserve account, parity certificate, or continuing disclosure responsibilities.

- Bond Rate: 4.10%
- Assessment Rate: 4.60% (.50% higher than Bond Rate pursuant to Ordinance No. 1469)
- D.A. Davidson (City's Financial Advisor) has reviewed the proposed bond ordinance, as well as ULID No. 23 credit and other features. We are assuming a 20 year final bond maturity, with 1-20 year mortgage style assessment repayments, junior lien utility security status, and anytime redemption capability. We recommend a 4.10% Bond Rate. Our municipal underwriter has reviewed other comparable issues in the tax-exempt municipal market to make this recommendation.





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