

**CITY OF RICHLAND, WASHINGTON**

**ORDINANCE NO. 2025-12**

**AN ORDINANCE of the City of Richland, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of one or more series of limited tax general obligation bonds (1) in an amount not to exceed \$8,500,000 to provide funds to pay or reimburse all or a portion of the costs of design and construction of upgrades to the City's solid waste facilities and related improvements (the "New Money Portion"), (2) depending on market conditions, in an additional amount necessary to carry out the current refunding of to carry out a refunding of all or a portion of certain outstanding limited tax general obligation bonds of the City (the "Refunding Portion"), and (3) to pay the costs of issuance and sale of the bonds and the administrative costs of carrying out the refunding; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the Bond Sale Terms of the sale of the bonds; and providing for other related matters.**

Passed May 6, 2025

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## ORDINANCE NO. 2025-12

**AN ORDINANCE OF THE CITY OF RICHLAND, WASHINGTON, RELATING TO CONTRACTING INDEBTEDNESS; PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS (1) IN AN AMOUNT NOT TO EXCEED \$8,500,000 TO PROVIDE FUNDS TO PAY OR REIMBURSE ALL OR A PORTION OF THE COSTS OF DESIGN AND CONSTRUCTION OF UPGRADES TO THE CITY'S SOLID WASTE FACILITIES AND RELATED IMPROVEMENTS (THE "NEW MONEY PORTION"), (2) DEPENDING ON MARKET CONDITIONS, IN AN ADDITIONAL AMOUNT NECESSARY TO CARRY OUT THE CURRENT REFUNDING OF TO CARRY OUT A REFUNDING OF ALL OR A PORTION OF CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY (THE "REFUNDING PORTION"), AND (3) TO PAY THE COSTS OF ISSUANCE AND SALE OF THE BONDS AND THE ADMINISTRATIVE COSTS OF CARRYING OUT THE REFUNDING; FIXING OR SETTING PARAMETERS WITH RESPECT TO CERTAIN TERMS AND COVENANTS OF THE BONDS; APPOINTING THE CITY'S DESIGNATED REPRESENTATIVE TO APPROVE THE BOND SALE TERMS OF THE SALE OF THE BONDS; AND PROVIDING FOR OTHER RELATED MATTERS.**

**BE IT ORDAINED BY THE CITY OF RICHLAND** as follows:

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

(a) *"2010 Bond Ordinance"* means Ordinance No. 13-10, passed on July 20, 2010, authorizing the issuance of the 2010 Bonds.

(b) *"2010 Bonds"* means the City's Limited Tax General Obligation Improvement and Refunding Bonds, 2010, issued pursuant to the 2010 Bond Ordinance (i) to pay the cost of constructing a new building for use by the City; (ii) to refund certain then-outstanding bonds of the City; and (iii) to pay the administrative costs of such refunding and the costs of issuance and sale of such bonds.

(c) *"2010 Redemption Date"* means such date or dates selected for the call, payment, and redemption of the 2010 Refunded Bonds, as set forth in the Refunding Plan.

(d) *"2010 Refunded Bonds"* means those 2010 Refunding Candidates that are selected by the Designated Representative to be refunded by proceeds of the Bonds, as set forth in the Bond Sale Terms.

(e) “*2010 Refunding Candidates*” means the currently outstanding 2010 Bonds, described as follows:

Maturity Date	Principal Amount	Interest Rate
12/1/2025	\$ 1,000,000	4.50%
12/1/2030 <sup>(1)</sup>	1,250,000	4.50
12/1/2039 <sup>(1)</sup>	2,415,000	4.30

(1) Term Bonds

(f) “*2013 Bond Ordinance*” means Ordinance No. 04-13, passed on February 19, 2013, authorizing the issuance of the 2013 Bonds.

(g) “*2013 Bonds*” means the City’s Limited Tax General Obligation Bonds, 2013A and Limited Tax General Obligation Bonds, 2013B (Taxable) issued pursuant to the 2013 Bond Ordinance to provide funds to pay: (i) certain costs related to the City’s fiber optics communications network and other capital improvements; (ii) certain costs relating to public improvements in the City’s Revitalization Area for Industry, Science and Education; and (iii) the costs of issuance and sale of such bonds.

(h) “*2013A Redemption Date*” means such date or dates selected for the call, payment, and redemption of the 2013A Refunded Bonds, as set forth in the Refunding Plan.

(i) “*2013A Refunded Bonds*” means those 2013A Refunding Candidates that are selected by the Designated Representative to be refunded by proceeds of the Bonds, as set forth in the Bond Sale Terms.

(j) “*2013A Refunding Candidates*” means the currently outstanding Limited Tax General Obligation Bonds, 2013A, described as follows:

Maturity Date	Principal Amount	Interest Rate
12/1/2028 <sup>(1)</sup>	\$ 2,330,000	3.25%
12/1/2033 <sup>(1)(2)</sup>	2,050,000	3.40
12/1/2033 <sup>(1)(2)</sup>	1,100,000	3.50
12/1/2037 <sup>(1)</sup>	2,935,000	3.50

(1) Term Bonds

(2) Bifurcated Maturities

(k) “*2013B Redemption Date*” means such date or dates selected for the call, payment, and redemption of the 2013B Refunded Bonds, as set forth in the Refunding Plan.

(l) “*2013B Refunded Bonds*” means those 2013B Refunding Candidates that are selected by the Designated Representative to be refunded by proceeds of the Bonds, as set forth in the Bond Sale Terms.

(m) “*2013B Refunding Candidates*” means the currently outstanding Limited Tax General Obligation Bonds, 2013B (Taxable), described as follows:

Maturity Date	Principal Amount	Interest Rate
12/1/2027 <sup>(1)</sup>	\$ 420,000	3.50%

(1) Term Bonds

(n) “*2014 Bond Ordinance*” means Ordinance No. 09-14, passed on April 1, 2014, authorizing the issuance of the 2014 Bonds.

(o) “*2014 Bonds*” means the City’s Limited Tax General Obligation Bonds, 2014, issued pursuant to the 2014 Bond Ordinance (i) to construct and equip a new fire station; and (ii) to pay the costs of issuance and sale of such bonds.

(p) “*2014 Redemption Date*” means such date or dates selected for the call, payment, and redemption of the 2014 Refunded Bonds, as set forth in the Refunding Plan.

(q) “*2014 Refunded Bonds*” means those 2014 Refunding Candidates that are selected by the Designated Representative to be refunded by proceeds of the Bonds, as set forth in the Bond Sale Terms.

(r) “*2014 Refunding Candidates*” means the currently outstanding 2014 Bonds as follows:

Maturity Date	Principal Amount	Interest Rate
12/1/2025	\$ 170,000	4.000%
12/1/2026	175,000	4.000
12/1/2029 <sup>(1)</sup>	560,000	3.250
12/1/2034 <sup>(1)</sup>	1,065,000	3.625

(1) Term Bonds

(s) “*Acquired Obligations*” means those United States Treasury Certificates of Indebtedness, Notes and Bonds – State and Local Government Series or other Government Obligations, as identified in the Refunding Trust Agreement, which are purchased to accomplish the refunding of the Refunded Bonds as authorized by this ordinance.

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

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

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

(w) “*Bond Counsel*” means the firm of Stradling Yocca Carlson & Rauth LLP, 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.

(x) “*Bond Fund*” means the general obligation bond fund of the City previously created and maintained for the payment of the principal of and interest on the Bond and other outstanding limited tax general obligation bonds of the City.

(y) “*Bond Purchase Agreement*” means an offer to purchase a Series of the Bonds, setting forth certain terms and conditions of the issuance, sale and delivery of those Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the City, consistent with this ordinance. In the case of a competitive sale, the official notice of sale, the Purchaser’s bid and the award by the City shall constitute the Bond Purchase Agreement for purposes of this ordinance.

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

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

(bb) “*Bond Sale Terms*” means the terms and conditions for the sale of the Bonds including the amount, date, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms, conditions or covenants.

(cc) “*Book-Entry Form*” means a fully registered form in which physical bond certificates are registered only in the name of the Securities Depository (or its nominee), as Registered Owner, with the physical bond certificates held by and immobilized in the custody of the Securities Depository (or its designee), where the system for recording and identifying the transfer of the ownership interests of the Beneficial Owners in those Bonds is neither maintained by nor the responsibility of the City or the Bond Registrar.

(dd) “*City*” means the City of Richland, Washington, a municipal corporation duly organized and legally existing as charter city of the first class under the laws of the State.

(ee) “*City Contribution*” means money of the City from sources other than proceeds of the Bonds that are legally available.

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

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

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

(ii) “*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).

(jj) “*Finance Director*” means the person who holds the office or has the official responsibilities of Finance Director of the City or successor office.

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

(ll) “*Government Obligations*” unless otherwise limited in the Bond Purchase Agreement for a particular Series of the Bonds, has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended, and which are otherwise lawful investment for the City at the time of such investment.

(mm) “*Issue Date*” means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of that Bond.

(nn) “*Letter of Representations*” means the Blanket Issuer Letter of Representations between the City and DTC, dated February 2, 1998, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

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

(pp) “*New Money Portion*” means such portion of the Bonds (or a series thereof) allocated to carrying out the Project and paying a ratable share of the costs of issuance of the Bonds.

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

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

(ss) “*Pricing Certificate*” means a certificate executed by the City’s Designated Representative as of the pricing date of a Series of the Bonds, confirming the Bond Sale Terms for the sale of that Series of the Bonds to the Purchaser thereof, in accordance with the parameters set forth in Exhibit A.

(tt) “*Project*” means the design and construction of upgrades to the City’s solid waste facilities and related improvements, and other capital purposes, as deemed necessary and advisable by the City. Incidental costs incurred in connection with carrying out and accomplishing the Project, consistent with RCW 39.46.070, may be included as costs of the Project. The Project includes acquisition, construction and installation of all necessary furniture, equipment, apparatus, accessories, fixtures and appurtenances. The term “land,” when used in connection with the Project, includes all real property and all appurtenant improvements, structures and interests therein.

(uu) “*Project Fund*” means the City’s Solid Waste Fund, which has been designated for the purpose of carrying out the Project.

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

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

(xx) “*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 10.

(yy) “*Redemption Date*” means such date or dates as may be selected for the call, payment, and redemption of Refunded Bonds, as set forth in the Refunding Plan approved by the Designated Representative.

(zz) “*Refunded Bond Ordinances*” means collectively the 2010 Bond Ordinance, the 2013A Bond Ordinance, the 2013B Bond Ordinance and the 2014 Bond Ordinance.

(aaa) “*Refunded Bonds*” means those Refunding Candidates selected by the City’s Designated Representative to be refunded by proceeds of the Bonds.

(bbb) “*Refunding Candidates*” means, collectively, the 2010 Refunding Candidates, 2013A Refunding Candidates, 2013B Refunding Candidates, and 2014 Refunding Candidates.

(ccc) “*Refunding Plan*” means a plan for the refunding of the Refunded Bonds, substantially as follows with such further details to be set forth in one or more Refunding Trust Agreements approved by the Designated Representative:

(1) On the Issue Date, the deposit with the Refunding Trustee of a City Contribution, if any, together with the proceeds of sale of the Bonds in an amount sufficient to acquire the Acquired Obligations and establish a beginning cash balance;

(2) The application by the Refunding Trustee of the amounts so deposited to the purchase of the Acquired Obligations and the establishment of a beginning cash balance;

(3) On each respective Redemption Date, the application of the maturing principal of and interest on such Acquired Obligations, together with any other cash balance held by it on such Redemption Date, to the call, payment, and redemption of the applicable Refunded Bonds at a price equal to 100% of the principal amount to be redeemed plus accrued interest to that date; and

(4) At the direction of the City’s Designated Representative, the application of remaining funds deposited with the Refunding Trustee to the payment of all or a portion of the costs of issuance and the costs of carrying out the foregoing elements of the Refunding Plan.



(ddd) “*Refunding Portion*” means that portion of the Bonds (or a Series of the Bonds) allocated to carrying out the refunding of the Refunded Bonds and paying the administrative costs of carrying out the refunding and a ratable share of the costs of issuance of the Bonds.

(eee) “*Refunding Trust Agreement*” means a refunding trust agreement between the City and the Refunding Trustee providing for the carrying out of the Refunding Plan. The Refunding Candidates may be refunded pursuant to one or more Refunding Trust Agreements executed pursuant to this ordinance.

(fff) “*Refunding Trustee*” means a financial institution selected by the Designated Representative to serve as refunding trustee pursuant to a Refunding Trust Agreement, or any duly appointed successor to such institution.

(ggg) “*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 only system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

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

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

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

(kkk) “*Series of the Bonds*” or “*Series*” means a series of the Bonds issued pursuant to this ordinance.

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

(mmm) “*System of Registration*” means the system of registration for the City’s bonds and other obligations set forth in Ordinance No. 1-87 of the City.

(nnn) “*Taxable Bond*” means any Bond the interest on which is not intended, as of the Issue Date, to be excludable from gross income for federal income tax purposes.

(ooo) “*Tax-Exempt Bond*” means any Bond the interest on which is intended on the Issue Date to be excludable from gross income for federal income tax purposes.

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

(qqq) “*Undertaking*” means the undertaking to provide continuing disclosure entered into pursuant to Section 16 of this ordinance.

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

(a) *Findings with Respect to Authority and Description of the Project.* The City is in need of upgrades and improvements to its solid waste facilities (the “Project”). The total expected cost of the Project is estimated to be approximately \$9,000,000, which is expected to be paid from proceeds of the Bonds and other available money of the City. Because the City does not have sufficient funds currently available and budgeted for this Project, the City Council finds that it is in the best interests of the City to issue the Bonds to carry out the Project.

(b) *Plan of Financing the Project.* Pursuant to applicable law, including without limitation chapters 35.37, 35.40, 39.36, 39.44, 39.46, and 39.52 RCW, the City is authorized to issue general obligation bonds for the purpose of financing the Project.

(c) *Debt Capacity.* The maximum amount of indebtedness represented by the New Money Portion authorized by this ordinance is not to exceed \$8,500,000. Based on the following facts, this amount is to be issued within the amount permitted to be issued by the City for general municipal purposes without a vote:

(1) The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes (i.e., for collection in the calendar year 2025) is \$12,224,902,089.

(2) As of March 1, 2025, the City has limited tax general obligation indebtedness (including the Refunding Candidates), consisting of bonds, notes, public works trust fund loans and City guarantees outstanding in the principal amount of \$31,035,000, which is incurred within the limit of up to 1½% of the value of the taxable property within the City permitted for general municipal purposes without a vote.

(3) As of March 1, 2025, the City has unlimited tax general obligation indebtedness for capital purposes only outstanding in the principal amount of \$3,250,000 for general municipal purposes, and no other unlimited tax general obligation debt outstanding. The indebtedness described in this paragraph has been incurred with the approval of the requisite proportion of the City’s qualified voters at an election meeting the minimum turnout requirements, within the limit of up to 2½% of the value of the taxable property within the City for general municipal purposes (when combined with the outstanding limited tax general obligation indebtedness), 2½% for utility purposes and 2½% for open space, parks and economic development purposes.

(d) *Refunding Plan Authorized.* Pursuant to chapter 39.53 RCW and other applicable State law, the City is authorized to carry out the Refunding Plan, and after due consideration, it appears to the City Council that, in order to achieve an overall debt service savings, it is in the best interest of the City and its taxpayers to issue and sell general obligation bonds, as authorized in this ordinance, in order to refund the Refunded Bonds by carrying out the Refunding Plan, as defined above and as further detailed by the City’s Designated Representative. Further, to effect that refunding in the manner most advantageous to the City, the City Council finds it necessary and advisable to purchase certain Acquired Obligations, bearing interest and maturing at such time or

times as may be necessary to accomplish the refunding out of a portion of the proceeds of the Bonds and other money of the City.

(e) *Finding with Respect to the Issuance of the Bonds.* For the purpose of providing the funds (i) to pay or reimburse all or a portion of the costs of the Project; (ii) to carry out the Refunding Plan; and (iii) to pay the costs of issuance and sale of the Bonds and the administrative costs of the refunding, the City Council finds that it is in the best interests of the City and its taxpayers to issue and sell the Bonds, pursuant to Bond Sale Terms approved by the City's Designated Representative consistent with this ordinance.

Section 3. Authorization of Bonds. The City is authorized to borrow money on the credit of the City and issue negotiable limited tax general obligation bonds evidencing indebtedness in an amount not to exceed the maximum amount set forth in Exhibit A (i) to provide funds to pay or reimburse all or a portion of the costs of the Project; (ii) to carry out the Refunding Plan; and (iii) to pay the costs of issuance and sale of the Bonds and the administrative costs of the refunding. The proceeds of the Bonds allocated to paying the cost of the Project shall be deposited as set forth in Section 9 of this ordinance and shall be used to carry out the Project, or a portion of the Project, in such order of time as the City determines is advisable and practicable.

Section 4. Appointment of Designated Representative; Description of the Bond. The Finance Director is appointed as the Designated Representative of the City 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 Bond Sale Terms of each Series of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this ordinance and incorporated by this reference.

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

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

(b) *Bond Registrar; Duties.* The Fiscal Agent is appointed as initial Bond Registrar. 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 and the System of Registration. 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 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 Owners.

(c) *Bond Register; Transfer and Exchange.* The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond

held by each Registered Owner. A Bond surrendered to the 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. A Bond 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 Only Form.* If a Bond is to be issued in book-entry form, DTC shall be appointed as initial Securities Depository and each such Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the City, the City may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the City does not appoint a substitute Securities Depository, or (ii) the City terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this 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 that 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. Form and Execution of Bonds.

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

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall it be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "Certificate of Authentication. This Bond is

one of the fully registered City of Richland, Washington, Limited Tax General Obligation Bonds, 2025.” The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 7. Payment of Bond. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository is payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable 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 on 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 on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is 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 8. Bond Debt Service Fund. The Bond Fund has been previously created as a special fund of the City for the sole purpose of paying principal of and interest on the Bonds and other limited tax general obligation bonds of the City. Bond proceeds (if any) in excess of the amounts needed to pay the costs of the Project and to pay the costs of issuance shall be deposited into the Bond Fund. All amounts allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bonds. The principal of and interest on the Bonds shall be paid out of the Bond Fund. Until needed for that purpose, the City may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that Fund.

Section 9. Use of Bond Proceeds.

(a) *New Money Portion.* The Solid Waste Fund of the City has been designated by the City as the Project Fund to be used for the purpose of paying the costs of the Project. Proceeds received from the sale and delivery of the New Money Portion of the Bonds and allocated to the Project shall be deposited into the Project Fund and used to pay the costs of the Project and costs of issuance of the Bonds. Until needed to pay such costs, the City may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the Project Fund and used for the purposes of that Fund, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn from the Project Fund and used for those tax or rebate purposes.

(b) *Refunding Portion.* On the Issue Date the proceeds of the Refunding Portion Bonds shall be deposited with the Refunding Trustee to carry out the Refunding Plan as directed by the City’s Designated Representative in accordance with a Refunding Trust Agreement.

(c) *Costs of Issuance.* The portion of the Bond proceeds allocable to payment of costs related to the sale, issuance, and delivery of the Bonds may be deposited, as directed by the Designated Representative, either with the Refunding Trustee for payment in accordance with the Refunding Trust Agreement, or in any other fund of the City (as determined by the Designated Representative) pending their expenditure by the City to pay such costs of issuance.

(d) *Remaining Proceeds (if any).* Any proceeds of the Bonds remaining after the City makes all deposits described in this section shall be deposited into the Bond Fund to pay interest on the next interest payment date.

#### Section 10. Redemption Provisions and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds shall be subject to redemption at the option of the City on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Exhibit A.

(b) *Mandatory Redemption.* Each Bond that is designated as a Term Bond in the Bond Purchase Agreement, except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Contract. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the City and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. 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 Term Bond for which notice of redemption has not already been given.

(c) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds are to be redeemed at the option of the City, the City shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are to be redeemed, the Securities Depository shall select Bonds registered in the name of the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Bond Registrar shall select all other Bonds to be redeemed randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the 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 to remain outstanding.

(d) *Notice of Redemption.* Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the 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 at the address appearing on the Bond

Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the Finance Director shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

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

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

(g) *Purchase of Bonds.* The City reserves the right to purchase any or all of the Bonds offered to the City at any time at any price acceptable to the City plus accrued interest to the date of purchase.

#### Section 11. Security for the Bonds.

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

(b) *Pledge of Solid Waste Utility Revenues to the New Money Portion.* In addition, for as long as any of the New Money Portion of the Bonds remains outstanding, the City pledges the Net Revenue of the Solid Waste System to pay the principal of and interest on the Bonds. In accordance with RCW 35.92.080, such pledge of revenue constitutes a binding obligation to continue the collection of such revenue so long as any of the New Money Portion of the Bonds remains outstanding, and to the extent that revenues are insufficient, to provide for the levy of taxes sufficient to meet such sufficiency in accordance with subsection (a) of this section. The charge and lien upon the Net Revenue shall be subordinate to the charge and lien upon the Net Revenue that may be pledged in the future to pay and secure any Future Parity Lien Obligations. For purposes of this pledge, the following definitions shall apply:

(1) “*Future Parity Lien Obligations*” means any revenue bonds of the City that may be issued in the future, which have a lien upon the Net Revenue of the Solid Waste System to pay and secure the payment of the principal thereof and interest thereon that is prior and superior to all other liens and charges and on a parity with other such Parity Lien Obligations. Future Parity Lien Obligations may refer to parity obligations of the City’s combined water and sewer Utility System if the Solid Waste System is, by future ordinance, combined with the water and sewer Utility System pursuant to chapter 35.92 RCW or other applicable State law.

(2) “*Net Revenue of the Solid Waste System*” or “*Net Revenue*” means (i) all the earnings and revenue received by the Solid Waste System from any source whatsoever, except general ad valorem taxes, ULID Assessments, proceeds from the sale of City property, bond proceeds, and earnings on funds held for payment to the United States of America under Section 148 of the Code (the “Gross Revenue”), less (ii) all reasonable expenses incurred by the City in causing the Solid Waste System to be operated and maintained in good repair, working order and condition, but shall not include any depreciation or taxes or charges in lieu of taxes levied or imposed by the City (the “Operating and Maintenance Expense”).

(3) “*Solid Waste System*” means the solid waste collection and disposal system of the City as currently exists and as the same may be added to, improved and extended in the future.

Section 12. Failure To Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the 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, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 13. 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 any or all of the Bonds (the “defeased Bonds”); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the 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. Unless otherwise specified by the City in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this ordinance for the redemption of Bonds.



#### Section 14. Refunding of the Refunded Bonds.

(a) *Appointment of Refunding Trustee.* The Designated Representative is authorized and directed to appoint a financial institution to serve as Refunding Trustee and to perform the duties of Refunding Trustee under this ordinance.

(b) *Refunding Trust Agreement; Administration of Refunding Plan.* The Designated Representative is authorized and directed to execute a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with carrying out of the Refunding Plan. The Refunding Trust Agreement shall, among other things authorize and direct the Refunding Trustee to purchase the Acquired Obligations and to make the payments required to be made by the Refunding Plan. All Acquired Obligations and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of the Refunded Bond Ordinance, this ordinance, chapter 39.53 RCW, and other applicable State law. All administrative costs (including without limitation all necessary and proper fees, compensation and expenses of the Refunding Trustee for the Bonds and all other costs incidental to the setting up of the escrow to accomplish the Refunding Plan) and costs of issuance of the Bond may be paid out of the amounts deposited with the Refunding Trustee or other available money of the City, in accordance with the Refunding Trust Agreement.

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

(d) *Call for Redemption of the Refunded Bonds.* The Designated Representative is authorized to call the Refunded Bonds for redemption on such Redemption Dates at their redemption prices, plus accrued interest. Such calls for redemption shall identify the Refunding Candidates to be refunded, the maturity dates, the Redemption Dates and the redemption prices (expressed as a percentage of par, plus accrued interest), and shall be irrevocable after the Bonds are delivered to the Purchaser thereof. The Designated Representative is authorized and directed to give or cause to be given such notices as required, at the times and in the manner required pursuant to the Refunded Bond Ordinances and to take all other actions necessary to effect the redemption of the Refunded Bonds on their respective Redemption Dates.

(e) *Additional Findings with Respect to the Refunding.* Prior to approving the sale of the Bonds, the Designated Representative must determine to his or her satisfaction that the following conditions necessary to approving the sale of the Bonds have been met:

(1) The Redemption Dates must be the earliest practical dates on which the Refunded Bonds may be called for redemption.

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

(3) The Refunding Plan to be effected by the issuance of the Refunding Portion of the Bonds will provide sufficient funds to discharge and satisfy the obligations of the City under the Refunded Bond Ordinances. In making such determination, the Designated Representative may rely upon a verification by a nationally recognized independent certified public accounting firm or, in the case of a current refunding only, a certification of the City's municipal advisor.

#### Section 15. Federal Tax Matters.

(a) *Tax-Exempt Bonds.* The Bond Sale Terms and other documents executed in conjunction with the sale of the Bonds (or a Series of the Bonds) may include such additional terms and covenants relating to federal tax matters as the Finance Director deems necessary or appropriate, including the following:

(1) *Preservation of Tax Exemption for Interest on Tax-Exempt Bonds.* The City covenants that if the Finance Director determines to sell the Bonds (or any series of the Bonds) as Tax-Exempt Bonds, the City will take all actions necessary to prevent interest on the Tax-Exempt 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 Tax-Exempt Bonds or other funds of the City treated as proceeds of the Tax-Exempt Bonds that 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 Tax-Exempt Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements.

(2) *Post-Issuance Compliance with Federal Tax-Exempt Bond Requirements.* 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 ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal tax purposes.

(b) *Taxable Bonds.* Notwithstanding the foregoing, nothing herein prevents the Finance Director from determining that the Bonds (or a Series of the Bonds) are to be issued as Taxable Bonds.

## Section 16. Sale and Delivery of the Bonds.

(a) *Manner of Sale of Bonds; Delivery of Bonds.* The Designated Representative is authorized to sell each Series of the Bonds by negotiated sale, private placement, or by competitive sale in accordance with a notice of sale consistent with this ordinance, based on the assessment of the Designated Representative of market conditions, in consultation with appropriate City officials and staff, Bond Counsel and other advisors. In determining the method of sale of a Series and accepting the Bond Sale Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City.

(b) *Procedure for Negotiated Sale or Private Placement.* If the designated Representative determines that the Bonds are to be sold by negotiated sale or private placement, the Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Agreement for each Series of the Bonds shall set forth the Bond Sale Terms. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

(c) *Procedure for Competitive Sale.* If the Designated Representative determines that the Bonds are to be sold by competitive sale, the Designated Representative shall cause the preparation of an official notice of bond sale setting forth parameters for the Bond Sale Terms and any other bid parameters that the Designated Representative deems appropriate consistent with this ordinance. Bids for the purchase of the Bonds shall be received at such time or place and by such means as the Designated Representative directs. On the date and time established for the receipt of bids, the Designated Representative (or the designee of the Designated Representative) shall open bids and shall cause the bids to be mathematically verified. The Designated Representative is authorized to award, on behalf of the City, the winning bid and accept the winning bidder's offer to purchase the Bonds, with such adjustments to the aggregate principal amount and principal amount per maturity as the Designated Representative deems appropriate, consistent with the terms of this ordinance. The Designated Representative may reject any or all bids submitted and may waive any formality or irregularity in any bid or in the bidding process if the Designated Representative deems it to be in the City's best interest to do so. If all bids are rejected, the Bonds may be sold pursuant to negotiated sale or in any manner provided by law as the Designated Representative determines is in the best interest of the City, within the parameters set forth in this ordinance.

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

## Section 17. Official Statement; Continuing Disclosure.

(a) *Preliminary Official Statement Deemed Final.* The Designated Representative shall review and, if acceptable to him or her, approve the preliminary Official Statement prepared in connection with each sale of a Series of the Bonds to the public or through a Purchaser acting as a placement agent. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12,

the Designated Representative is authorized to deem that preliminary Official Statement final 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 approved by the Designated Representative and been deemed final, if applicable, in accordance with this subsection.

(b) *Approval of Final Official Statement.* The City approves the preparation of a final Official Statement for each Series of the Bonds to be sold to the public in the form of the preliminary Official Statement that has been approved and deemed final in accordance with subsection (a), 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 Purchaser if required under Rule 15c2-12. The City authorizes and approves the distribution by the Purchaser of the final Official Statement so executed and delivered to purchasers and potential purchasers of a Series of the Bonds.

(c) *Undertaking to Provide Continuing Disclosure.* If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser acting as a participating underwriter for a Series of the Bonds, the Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of a Series of the Bonds in substantially the form attached as Exhibit B.

Section 18. Supplemental and Amendatory Ordinances. The City may supplement or amend this ordinance for any one or more of the following purposes without the consent of any Owners of the Bonds:

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

(b) To cure any ambiguities, or to cure, correct or supplement any defective provision contained in this ordinance in a manner that does not materially adversely affect the interest of the Beneficial Owners of the Bonds.

Section 19. General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of each Series of the Bonds to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 20. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all

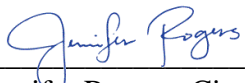
other provisions of this ordinance in all other respects, and the offending provision concerning all other persons and all other circumstances, shall remain valid and enforceable.

Section 21. Effective Date of Ordinance. This ordinance shall take effect and be in force on the day following the date of its publication in the official newspaper of the City.

**PASSED** by the City Council of the City of Richland, Washington, at a regular meeting on the 6<sup>th</sup> day of May, 2025.

  
Theresa Richardson, Mayor

Attest:

  
Jennifer Rogers, City Clerk

Approved as to Form:

  
Heather Kintzley, City Attorney

First Reading: April 15, 2025

Second Reading: May 6, 2025

Date Published: May 11, 2025

## **EXHIBIT A**

### **DESCRIPTION OF THE BOND**

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- |     |                           |  |
|-----|---------------------------|--|
| (a) | Principal Amount.         | The Bonds may be issued in one or more Series and shall not exceed (i) with respect to the New Money Portion, the maximum principal amount of \$8,500,000, and (ii) with respect to the Refunding Portion, an amount not to exceed the amount necessary and sufficient to carry out the Refunding Plan.  |
| (b) | Date or Dates.            | Each Bond shall be dated its Issue Date, which date may not be later than one year after the effective date of this ordinance.   |
| (c) | Denominations, Name, etc. | The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.   |
| (d) | Interest Rate(s).         | Each Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds. No rate of interest for any Bond may exceed 7.00%, and the true interest cost to the City for each Series of the Bonds may not exceed 7.00%.   |
| (e) | Payment Dates.            | Interest shall be payable semiannually on dates acceptable to the Designated Representative. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity (or in mandatory redemption installments) on dates acceptable to the Designated Representative.  |
| (f) | Final Maturity.           | The Bonds allocated to the New Money Portion shall mature no later than December 1, 2045. The Bonds allocated to the Refunding Portion shall mature no later than one year after the final maturity of the Refunded Bonds.   |
| (g) | Redemption Rights.        | <p>The Designated Representative may approve in the Bond Sale Terms provisions for the optional and mandatory redemption of Bonds, subject to the following:</p> <p>(1) <u>Optional Redemption.</u> Any Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Agreement; or (B) not subject to redemption prior to its maturity date. If a Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.</p> |

- (2) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Agreement.
- (h) Price. The purchase price for each Series of the Bonds may not be less than 98% or more than 135% of the stated principal amount of that Series.
- (i) Other Terms and Conditions.
  - (1) New Money Portion. The New Money Portion of the Bonds may not be issued if it would cause the indebtedness of the City to exceed the City's legal debt capacity on the Issue Date.
  - (2) Refunding Portion. The Designated Representative must find, with respect to the Refunding Plan, that:
    - (a) The Refunding Portion of the Bonds must produce a minimum Net Present Value (NPV) Savings to the City and its taxpayers of at least 2% (as a percentage of debt service on the Refunded Bonds). NPV Savings means the aggregate difference between (i) annual debt service on the Refunded Bonds, less (ii) annual debt service on the Refunding Portion of the Bonds (including expenses related to costs of issuance of the Refunding Portion of the Bonds) discounted to the Issue Date using the yield on the Bonds as the discount rate, plus (iii) excess cash, if any, distributed to the City on the Issue Date, and less (iv) the amount of additional money of the City contributed to the refunding, if any, on such Issue Date.
    - (b) The Refunding Plan must provide sufficient funds to discharge and satisfy the obligations of the City under the Refunded Bond Ordinances. In making such sufficiency determination, the Designated Representative must obtain either a verification by a nationally recognized independent certified public accounting firm or a certification provided by the City's municipal advisor.
  - (3) Credit Enhancement. 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 or she may determine are in the best interests of the City, consistent with this ordinance.

## **EXHIBIT B**

### **[Form of]**

## **UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

### **City of Richland, Washington Limited Tax General Obligation Bonds, 2025**

The City of Richland, Washington (the “City”), makes the following written Undertaking for the benefit of holders of the above-referenced bonds (the “Bonds”), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Ordinance No. 2025-xx of the City (the “Bond Ordinance”).

(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 paragraph (b) (“annual financial information”);

(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the 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; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect holders of the Bonds, if material; and (16) any default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a financial obligation of the City, any of which reflect financial difficulties.



For purposes of this Undertaking, the term “financial obligation” shall mean a debt obligation; derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or a guarantee of either a debt obligation or a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation. The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(iii) Timely notice of a failure by the City to provide required annual financial information described in paragraph (b) on or before the date specified in paragraph (b).

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

(i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State such as the City, as such principles may be changed from time to time, which statements may be unaudited, provided, that if and when audited financial statements are prepared and available they will be provided; (2) principal amount of general obligation bonds outstanding at the end of the applicable fiscal year; (3) assessed valuation for that fiscal year; (4) property tax levy amounts and rates for that fiscal year; and (5) for so long as the New Money Portion of the Bonds is outstanding, certain information regarding the Solid Waste System *[of the type provided in the Official Statement]*;

(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, 2024; 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. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The 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. This Undertaking shall inure to the benefit of the City and the holder of each Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Undertaking. The 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 the provisions of Rule 15c2-12 that 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 this 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 this Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any holder of a Bond shall be to take action to compel the City or other obligated person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

(g) Designation of Official Responsible to Administer Undertaking. The Finance Director or his or her designee is the person designated, in accordance with the Bond Ordinance, to carry out the Undertaking in accordance with Rule 15c2-12, including, without limitation, the following actions:

- (i) Preparing and filing the annual financial information undertaken to be provided;
- (ii) Determining whether any event specified in paragraph (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;
- (iii) Determining whether any person other than the 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 required under Rule 15c2-12;
- (iv) Selecting, engaging and compensating designated agents and consultants, including financial advisors and legal counsel, to assist and advise the City in carrying out this Undertaking; and
- (v) Effecting any necessary amendment of this Undertaking.

## CERTIFICATION


I, the undersigned, City Clerk of the City of Richland, Washington (the "City"), hereby certify as follows:

1. The attached copy of Ordinance No. 2025-12 (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 May 6, 2025, as that ordinance appears on the minute book of the City.

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

Dated: May 9, 2025.

CITY OF RICHLAND, WASHINGTON

  
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Jennifer Rogers, City Clerk