

OFFICIAL STATEMENT DATED AUGUST 8, 2024

NEW ISSUE – BOOK-ENTRY ONLY

LTGO Bonds: S&P INSURED RATING: “AA”

Revenue Bonds: NON-RATED

(See “BOND INSURANCE” and “CERTAIN INVESTMENT CONSIDERATIONS—No Underlying Ratings” herein.)

In the opinion of K&L Gates LLP, Seattle, Washington (“Bond Counsel”), assuming compliance with certain covenants of the Port, interest on the Bonds is excludable from gross income for federal income tax purposes under existing law. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. However, interest on the Bonds is taken into account in determining “adjusted financial statement income” of certain corporations for purposes of computing the alternative minimum tax imposed on “applicable corporations.” (See “TAX MATTERS,” herein for a discussion of the opinion of Bond Counsel.)



PORT OF WOODLAND, WASHINGTON

\$2,600,000

\$4,585,000

Limited Tax General Obligation Bonds, 2024

Revenue Bonds, 2024

Dated: Date of Delivery (defined below)

Due: December 1, as shown on the inside cover page

The Port of Woodland, Cowlitz County, Washington (the “Port”) is issuing its Limited Tax General Obligation Bonds, 2024 (the “LTGO Bonds”) and its Revenue Bonds, 2024 (the “Revenue Bonds,” and together with the LTGO Bonds, the “Bonds”) to finance the acquisition of certain property, to fund a contribution to the Common Reserve Fund for the Revenue Bonds, and to pay costs of issuing the Bonds not paid from other legally available funds of the Port.

Interest on the Bonds from their date of delivery is payable on each June 1 and December 1, commencing on December 1, 2024. The fiscal agent of the State of Washington, currently U.S. Bank Trust Company, National Association, is the registrar for the Bonds. When issued, the Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book entry form, in denominations of \$5,000 and integral multiples thereof within a series and maturity. Purchasers will not receive certificates representing their interests in the Bonds, except as described herein. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or to such nominee. Disbursements of such payments to DTC’s Direct Participants are the responsibility of DTC, and disbursements of such payments to the Beneficial Owners are the responsibility of the Direct Participants and the Indirect Participants as more fully described herein. See Appendix C—“DTC AND ITS BOOK-ENTRY SYSTEM.”

Maturity Schedules on Inside Cover Pages

The Bonds are subject to redemption prior to their stated maturities as further described herein. See “DESCRIPTION OF THE BONDS—Optional Redemption.”

The LTGO Bonds are limited tax general obligations of the Port. The Port has covenanted irrevocably for so long as any of the LTGO Bonds are outstanding that, unless the principal of and interest on the LTGO Bonds are paid from other legally available funds of the Port, it will make annual levies of taxes upon all of the property in the Port subject to taxation within and as a part of the tax levy permitted to the Port without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the Port are irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest. The LTGO Bonds are not secured by a pledge of or lien on Gross Revenue (as defined herein) of the Port. See “SECURITY AND SOURCES OF PAYMENT FOR THE LTGO BONDS.”

The Revenue Bonds are special obligations of the Port payable from and secured by the Gross Revenue, subject only to the payment of costs of administration and maintenance and operation. The Revenue Bonds (but not the LTGO Bonds) also are secured by amounts on deposit in the Common Reserve Fund. The Port has pledged that it will not issue any additional bonds which are secured by a lien on the Gross Revenue that is superior to the lien on the Revenue Bonds; however the Port has reserved the right, upon compliance with conditions, to issue Future Parity Bonds (as defined herein) on a parity of lien on Gross Revenue with the Revenue Bonds. Neither the full faith and credit nor the taxing power of the Port is pledged to the payment of the Revenue Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE REVENUE BONDS.”

The Bonds do not constitute a debt or indebtedness of Cowlitz County, the State of Washington, or any political subdivision thereof other than the Port.

The scheduled payment of principal of and interest on the LTGO Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the LTGO Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY.



The Port has designated the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

The Bonds are offered when, as and if issued, subject to receipt of the approving legal opinions of K&L Gates LLP, Bond and Disclosure Counsel to the Port. Certain matters will be passed upon for the Underwriter by its counsel, Pacifica Law Group LLP, Seattle, Washington. It is expected that delivery of the Bonds will be made by *Fast Automated Securities Transfer* through DTC in New York, New York, on or about August 15, 2024 (the “Date of Delivery”).

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Port of Woodland

**\$2,600,000
Limited Tax General Obligation Bonds, 2024**

\$2,600,000 4.625% Term Bond, due December 1, 2053 (priced to yield 4.740%/price 98.182),
CUSIP⁽¹⁾ No. 73564TCH2

**\$4,585,000
Revenue Bonds, 2024**

\$1,345,000 5.250% Term Bond, due December 1, 2034 (priced to yield 5.375%/price 99.013),
CUSIP⁽¹⁾ No. 73565LAB3

\$3,240,000 6.000% Term Bond, due December 1, 2047 (priced to yield 6.125%/price 98.448),
CUSIP⁽¹⁾ No. 73565LAD9

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PORT OF WOODLAND

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Woodland, WA 98674
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PORT COMMISSION

Name	Office	Term Expires
Paul Cline	President	2029
Robert D. Rich	Secretary	2027
Robert Wile	Commissioner	2025

CERTAIN EXECUTIVE STAFF

Jennifer Wray-Keene, Executive Director
Carol Moore, Port Auditor**

BOND AND DISCLOSURE COUNSEL

K&L Gates LLP
Seattle, Washington

MUNICIPAL ADVISOR

PFM Financial Advisors LLC
Seattle, Washington

UNDERWRITER

Piper Sandler & Co.
Seattle, Washington

* This inactive textual reference to the Port’s website is not a hyperlink, and the Port’s website, by this reference, is not incorporated herein.

** Carol Moore is retiring on November 30, 2024. The Port is in the process of hiring a Finance Manager.

No dealer, broker, sales representative or other person has been authorized by the Port to give any information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Port. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information set forth herein has been obtained by the Port from Port records and from other sources that are believed by the Port to be reliable. While not guaranteed as to accuracy, the Port believes such information is correct as of its date; however, the Port makes no representation regarding the accuracy or completeness of Appendix B—“FORMS OF BOND COUNSEL OPINIONS” and Appendix C—“DTC AND ITS BOOK ENTRY SYSTEM,” which third parties have furnished. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of the Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Port since the date hereof.

This Official Statement is not to be construed as a contract or agreement between the Port and purchasers or owners of any of the Bonds.

Neither the Port’s auditor nor any other independent accountants have compiled, examined, or performed any additional procedures with respect to the financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the financial information.

The initial public offering prices or yields set forth on the inside cover page hereof may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers, unit investment trusts or money market funds at prices lower than or at yields higher than the public offering prices or yields stated on the inside cover page hereof.

Certain statements contained in this Official Statement, including the appendices, reflect not historical facts but forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “forecast” and “believe” and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. All forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. Such risks and uncertainties include, among others, changes in regional, domestic and international political, social and economic conditions, federal, state and local statutory and regulatory initiatives, litigation, seismic events, infectious disease including the coronavirus pandemic, climate change, population changes, financial conditions of tenants and/or other users of Port facilities, technological change and various other events, conditions and circumstances, many of which are beyond the control of the Port.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE” and “Appendix G - Specimen Municipal Bond Insurance Policy”.

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**OFFICIAL STATEMENT
PORT OF WOODLAND, WASHINGTON**

**\$2,600,000
Limited Tax General Obligation
Bonds, 2024**

**\$4,585,000
Revenue Bonds, 2024**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover pages, table of contents and appendices, is to provide information concerning the issuance by the Port of Woodland, Cowlitz County, Washington (the “Port”) of \$2,600,000 Limited Tax General Obligation Bonds, 2024 (the “LTGO Bonds”) and of \$4,585,000 Revenue Bonds, 2024 (the “Revenue Bonds,” and together with the LTGO Bonds, the “Bonds”). The fiscal agent of the State of Washington (the “State”), currently U.S. Bank Trust Company, National Association, is the registrar, authenticating agent and paying agent (the “Registrar”) for the Bonds.

The Port is issuing the Bonds pursuant to Title 53 and Chapter 39.46 of the Revised Code of Washington (“RCW”) and pursuant to Resolution No. 528 for the LTGO Bonds (the “LTGO Resolution”), and Resolution No. 529 for the Revenue Bonds (the “Revenue Resolution”), each adopted by the Port Commission (the “Commission”) on June 6, 2024 (together, the “Resolutions”). Capitalized terms used but not defined in this Official Statement have the meanings set forth in the Resolutions, copies of which are included in this Official Statement as Appendix D.

The Port is a municipal corporation of the State and was organized in 1960. The Port owns and operates various maritime, industrial and commercial properties. See “THE PORT OF WOODLAND.”

Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

Overview of Security and Sources of Payment for the Bonds

LTGO Bonds. The LTGO Bonds are limited tax general obligations of the Port. The Port has covenanted irrevocably for so long as any of the LTGO Bonds are outstanding that, unless the principal of and interest on the LTGO Bonds are paid from other legally available funds of the Port, it will make annual levies of taxes upon all of the property in the Port district subject to taxation within and as a part of the tax levy permitted to port districts without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the Port are irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest. The LTGO Bonds do not constitute a debt or indebtedness of Cowlitz County (the “County”), the State of Washington (the “State”), or any political subdivision thereof other than the Port. The LTGO Bonds are not secured by a pledge of or lien on Gross Revenue of the Port, and no debt service reserves or property secure the payment of debt service on the LTGO Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE LTGO BONDS.”

In 2024, the Port’s tax levy is \$470,987, which has been and will be used to pay debt service on the Port’s outstanding limited tax general obligation bonds and to fund capital projects. Upon issuance of the LTGO Bonds, the Port will have an estimated \$6,590,000 aggregate principal amount of limited tax general obligation debt outstanding. See “DEBT INFORMATION.” The Port may also use the proceeds of the tax levy for operating expenses and capital projects but not for debt service on any revenue bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE LTGO BONDS — Statutory Taxing Authority.”

Revenue Bonds. The Revenue Bonds are payable from and secured by the Gross Revenue, subject only to the payment of costs of administration and maintenance and operation. The Revenue Bonds (but not the LTGO Bonds) also are secured by amounts on deposit in the Common Reserve Fund. See “SECURITY AND SOURCES OF PAYMENTS FOR THE REVENUE BONDS.” Additional bonds may be issued on a parity of lien on Gross Revenue with the Revenue Bonds, subject to certain conditions described herein (the “Future Parity Bonds”). The Revenue Bonds and any Future Parity Bonds are referred to herein as “Parity Bonds.”

Miscellaneous

Brief descriptions of the Bonds, the Resolutions and certain statutes and agreements are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to such instruments, documents and statutes and to any other documents, statutes, agreements or other instruments described herein are qualified in their entirety by reference to each such document, statute or other instrument. Appendix D includes copies of the Resolutions.

PLAN OF FINANCE; USE OF PROCEEDS

The Bonds are being issued by the Port to provide funds to finance the acquisition of certain property (as described in “—Use of Proceeds”), to fund a contribution to the Common Reserve Fund for the Revenue Bonds, and to pay all or a portion of the costs incidental to the foregoing and to the issuance of the Bonds.

Sources and Uses of Bond Proceeds

	<u>LTGO Bonds</u>	<u>Revenue Bonds</u>
Sources		
Principal Amount	\$ 2,600,000	\$ 4,585,000
Original Issue Discount	(47,268)	(63,560)
Total Sources	<u>\$ 2,552,732</u>	<u>\$ 4,521,440</u>
Uses		
Project Costs	\$ 2,456,217	\$ 4,043,783
Deposit to Common Reserve Fund	0	373,325
Costs of Issuance ⁽¹⁾	96,515	104,332
Total Uses	<u>\$ 2,552,732</u>	<u>\$ 4,521,440</u>

⁽¹⁾ Represents costs of issuing the Bonds, including, but not limited to, Underwriter’s discount, legal fees, fees of the Municipal Advisor, bond insurance premium, printing costs and contingency.

Use of Proceeds

The Bonds are being issued by the Port to provide funds for the acquisition of certain property. The property is an existing nine-acre commercial recreational vehicle park and camp site along the Columbia River known as the Columbia Riverfront RV Park (the “Park”). The Park includes 78 rental spots, administrative office, clubhouse, and a separate water system. The Park has been in operation for approximately 30 years. The Port expects to purchase the Park and continue to operate it in its current capacity. The Port may undertake additional improvements to the clubhouse and energy efficiency and implement a new reservation system.

The Bonds will also be used to fund a contribution to the Common Reserve Fund for the Revenue Bonds, and to pay costs of issuance of the Bonds.

DESCRIPTION OF THE BONDS

General

LTGO Bonds. The LTGO Bonds are to be dated as of and are to bear interest from their Date of Delivery. Interest on the LTGO Bonds is to be payable on December 1, 2024 and semiannually thereafter on each June 1 and December 1 thereafter, at the rates set forth on the inside cover pages of this Official Statement. The LTGO Bonds are to mature, subject to prior redemption, in the amounts and on the dates set forth on the inside cover pages of this Official Statement. Interest is to be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Revenue Bonds. The Revenue Bonds are to be dated as of and are to bear interest from their Date of Delivery. Interest on the Revenue Bonds is to be payable on December 1, 2024 and semiannually thereafter on each June 1 and December 1 thereafter, at the rates set forth on the inside cover pages of this Official Statement. The Revenue Bonds

are to mature, subject to prior redemption, in the amounts and on the dates set forth on the inside cover pages of this Official Statement. Interest is to be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Book-Entry Only Form. The Bonds are being issued in fully registered form in denominations of \$5,000 and integral multiples thereof within a maturity and series and when issued will be registered in the name of Cede & Co. (or such other name as may be requested by an authorized representative of DTC), as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases may be made only in book-entry form. Purchasers will not receive certificates representing their interest in the Bonds purchased. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to “Owners,” “Bondholders” or “Registered Owners” mean Cede & Co. (or such other nominee) and not the Beneficial Owners of the Bonds. In this Official Statement, the term “Beneficial Owner” means the person for whom its DTC Participant acquires an interest in the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds are payable to the parties entitled to receive payment as of each Record Date by wire transfer to Cede & Co., as nominee for DTC which, in turn, is to remit such amounts to the Direct Participants for subsequent disbursement to the Beneficial Owners. See “DTC AND ITS BOOK-ENTRY SYSTEM” in Appendix C.

Optional Redemption

LTGO Bonds. The LTGO Bonds are subject to redemption at the option of the Port on or after December 1, 2032, as a whole or in part on any date, with the maturities to be selected by the Port (and within a maturity in accordance with the operational procedures of DTC then in effect or, if the LTGO Bonds are no longer held in book-entry-only form, as provided in the LTGO Resolution), at a redemption price equal to 100 percent of the principal amount thereof, plus interest accrued to the date fixed for redemption.

Revenue Bonds. The Revenue Bonds are subject to redemption at the option of the Port on or after December 1, 2032, as a whole or in part on any date, with the maturities to be selected by the Port (and within a maturity in accordance with the operational procedures of DTC then in effect or, if the Revenue Bonds are no longer held in book-entry-only form, as provided in the Revenue Resolution), at a redemption price equal to 100 percent of the principal amount thereof, plus interest accrued to the date fixed for redemption.

Mandatory Sinking Fund Redemption

The LTGO Bonds maturing on December 1, 2053 (the “LTGO Term Bonds”), are subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date fixed for redemption on December 1 in the years and amounts as follows:

LTGO Term Bonds Maturing December 1, 2053

Year December 1	Principal Amount
2047	\$ 85,000
2048	375,000
2049	390,000
2050	410,000
2051	425,000
2052	445,000
2053*	470,000

* Maturity.

The Revenue Bonds maturing on December 1, 2034 (the “2034 Revenue Term Bonds”), are subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date fixed for redemption on December 1 in the years and amounts as follows:

2034 Revenue Term Bonds Maturing December 1, 2034

Year December 1	Principal Amount
2025	\$ 105,000
2026	110,000
2027	115,000
2028	125,000
2029	130,000
2030	135,000
2031	145,000
2032	150,000
2033	160,000
2034*	170,000

* Maturity.

The Revenue Bonds maturing on December 1, 2047 (the “2047 Revenue Term Bonds,” and together with the LTGO Term Bonds and the 2034 Revenue Term Bonds, the “Term Bonds”), are subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date fixed for redemption on December 1 in the years and amounts as follows:

2047 Revenue Term Bonds Maturing December 1, 2047

Year December 1	Principal Amount
2035	\$ 175,000
2036	185,000
2037	200,000
2038	210,000
2039	225,000
2040	235,000
2041	250,000
2042	265,000
2043	280,000
2044	295,000
2045	315,000
2046	335,000
2047*	270,000

* Maturity.

If the Port redeems the Term Bonds under the optional redemption provisions described above or purchases or defeases Term Bonds, the Term Bonds so redeemed, purchased for cancellation, or defeased (irrespective of their actual redemption or purchase prices) will be credited at the principal amount thereof against one or more scheduled mandatory redemption amounts for the Term Bonds as directed by the Designated Port Representative.

Partial Redemption; Notice of Redemption; Cessation of Interest

The Resolutions provide that for so long as the Bonds are held in book-entry form, the selection for redemption of Bonds within a series and maturity shall be made in accordance with the operational arrangements of DTC then in effect. See “DTC AND ITS BOOK-ENTRY ONLY SYSTEM” in Appendix C. Otherwise, Bonds within a series and maturity to be redeemed are to be selected randomly (in such reasonable manner determined by the Registrar) in increments of \$5,000.

The Resolutions also provide that official notice of redemption (which redemption, in the case of an optional redemption that is not irrevocable, shall be conditioned by the Registrar on the receipt of sufficient funds for redemption), shall be given by the Registrar on behalf of the Port by mailing a copy of an official redemption notice by first-class mail at least 20 days and not more than 60 days prior to the date fixed for redemption, to the Registered Owner of the Bonds or portions of Bonds to be redeemed at the last address shown on the Bond Register. With respect to Bonds registered in the name of Cede & Co., notice is to be sent to DTC exclusively, as provided in the operational procedures of DTC referred to in the Letter of Representations from the Port to DTC.

Unless the Port has revoked a notice of optional redemption (or unless the Port provided a conditional notice and the conditions for redemption set forth therein are not satisfied), the Port shall transfer to the Registrar amounts that, in addition to other money, if any, held by the Registrar for such purpose, will be sufficient to redeem, on the date fixed for redemption, all the Bonds to be redeemed. If and to the extent that funds have been provided to the Registrar for the redemption of Bonds then from and after the date fixed for redemption for such Bond or portion thereof, interest on each such Bond shall cease to accrue and such Bond or portion thereof shall cease to be outstanding. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Purchase of Bonds

The Port has reserved the right to purchase any of the Bonds offered to the Port at any price deemed reasonable by the Port. The purchase of the Revenue Bonds will be made only from Net Revenues available after providing for the payment required by paragraphs First through Fifth under “SECURITY AND SOURCES OF PAYMENT FOR THE REVENUE BONDS—Revenue Fund and Flow of Funds”, or other available funds, to purchase any of the Revenue Bonds that are offered to the Port at any price deemed appropriate by the Port.

Defeasance

In the event that money and/or noncallable Government Obligations that are direct obligations of or obligations guaranteed by the United States maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of any Bonds in accordance with their terms, are irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the LTGO Bond Fund or the Revenue Bond Fund, respectively, or any account therein for the payment of the principal of, premium, if any, and interest on the Bonds so provided for. Such Bonds shall then cease to be entitled to any lien, benefit or security of the applicable Resolution, except the right to receive the funds so set aside and pledged and notices of early redemption, if any, and such Bonds shall no longer be deemed to be outstanding under the applicable Resolution, or under any resolution authorizing the issuance of bonds or other indebtedness of the Port.

As currently defined in chapter 39.53 RCW, “Government Obligations” means (i) direct obligations of, or obligations the principal and interest on which are unconditionally guaranteed by, the United States of America and bank certificates of deposit secured by such obligations; (ii) bonds, debentures, notes, participation certificates or other obligations issued by the Banks for Cooperatives, the Federal Intermediate Credit Bank, the Federal Home Loan Bank System, the Export-Import Bank of the United States, federal land banks or the Federal National Mortgage Association; (iii) public housing bonds and project notes fully secured by contracts with the United States; and (iv) obligations of financial institutions insured by the Federal Deposit Insurance Corporation or the federal savings and loan insurance corporation, to the extent insured or guaranteed as permitted under any other provision of State law.

The definition of “Government Obligations” in the Resolutions incorporate any future statutory revision.

SECURITY AND SOURCES OF PAYMENT FOR THE LTGO BONDS

Property Tax Pledge

The LTGO Bonds are limited tax general obligations of the Port. In the LTGO Resolution, the Port has covenanted irrevocably for so long as any of the LTGO Bonds are outstanding that, unless the principal of and interest on the LTGO Bonds are paid from other sources, it will make annual levies of taxes upon all of the property in the Port subject to taxation within and as a part of the tax levy permitted to port districts without a vote of the electors in

amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the Port are irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

The LTGO Resolution continues to maintain the Port's General Obligation Bond Redemption Fund (the "LTGO Bond Fund") to be used for the purpose of paying the principal of and interest on the LTGO Bonds when due.

If moneys on deposit in the LTGO Bond Fund from other sources are sufficient, the Port is not required to deposit tax moneys to make payments on the LTGO Bonds. **The LTGO Bonds do not constitute a debt or an indebtedness of the County, the State or any political subdivision thereof other than the Port.**

The LTGO Bonds are not secured by a pledge of or lien on Gross Revenue of the Port, and no debt service reserves or property secure the payment of debt service on the LTGO Bonds. Owners of the LTGO Bonds do not have a perfected security interest in, or an express statutory lien on, particular Port revenues or assets.

State law provides that the payment of general obligation bonds is enforceable in mandamus against the issuer. The rights and remedies of anyone seeking enforcement of the LTGO Bonds are subject to laws of bankruptcy and insolvency, to other laws affecting the rights and remedies of creditors, and to the exercise of judicial discretion. There is no provision for the priority of payment of debt service on the LTGO Bonds.

Statutory Taxing Authority

The Port has statutory authority to levy property taxes for general purposes of the Port, including the establishment of a capital improvement fund for future capital improvements and the repayment of voted and non-voted general obligation bonds of the Port (the "Tax Levy") to finance certain industrial development activities (the "Industrial Development Levy"), and to fund special projects (the "Dredging Levy").

Tax Levy

Pursuant to its statutory authority, the Port may impose the Tax Levy to fund general purposes of the Port and to pay debt service on its general obligation bonds, and may be used to fund maintenance and operation expenses. The Tax Levy is subject to the 101 percent levy limitation discussed below, except when general obligation bonds have been approved by the voters. The LTGO Bonds are not voter approved, and the Port does not have any voter-approved general obligation bonds outstanding.

The Commission determines the actual amount of the Port's Tax Levy each year as part of the Port's budgeting process, which includes a funding plan for the Port's capital improvement program. The Port's Tax Levy for collection in 2024 is \$0.176808 per \$1,000 of assessed value and is expected to produce tax revenues of approximately \$470,987.

The Tax Levy Allocable for General Purposes. For general purposes, such as operating expenses and capital improvements, the Tax Levy may equal an amount not to exceed \$0.45 per \$1,000 of assessed valuation of taxable property within the Port and constitutes an important source of funding for the Port's capital projects.

The Tax Levy Allocable for General Obligation Bond Debt Service. For debt service payments on general obligation bonds (including the LTGO Bonds), the Tax Levy is not limited to \$0.45 per \$1,000 of assessed valuation and may be increased to produce funds equal to the principal and interest payments on such general obligation bonds. If other funds legally available for the payment of such debt service are sufficient, the Port is not required to impose the Tax Levy for payment of such debt service.

The Industrial Development Levy. Historically for improvements within industrial development districts created by a port district, an additional Industrial Development Levy of \$0.45 per \$1,000 assessed value of taxable property within the Port district may be levied for up to 12 years (two levy periods of six years each). The Port has not yet imposed an Industrial Development Levy; however, it may impose an Industrial Development Levy in the future.

The Washington State Legislature (the "Legislature"), in the 2015 legislative session, provided an additional multi-year levy option for port districts' Industrial Development Levies (RCW 53.36.160) which the Port could utilize for its available levy year periods. Each multi-year levy period may not exceed 20 years from the date of the first levy in

that period. First and second year levy periods do not have to be consecutive, and first and second year levy periods may not overlap. The aggregate revenue that may be collected during each of the first and second year levy period may not exceed the sum of: (i) \$2.70/\$1000 of assessed value multiplied by the assessed valuation for taxes collected in the base year; plus (ii) the difference between (A) the maximum allowable amount that could have been collected under RCW 84.55.010 for the first six years of the collection period and (B) the amount calculated in (i). If a port district elects to use multi-year levy periods, the second multi-year levy period is subject to the potential election requirement described above.

The Dredging Levy. For dredging, canal construction, leveling or filling, upon approval of the majority of voters within a port district, an additional \$0.45 per \$1,000 assessed value of taxable property may be levied. The Dredging Levy is not subject to the 101 percent levy limitation. The Port has not imposed a Dredging Levy and does not anticipate imposing such a levy.

Statutory Tax Limitations. Although port districts are exempt from constitutional levy limitations, their levies are limited by statute to \$0.45 per \$1,000 of assessed value for general port purposes, including the establishment of a capital improvement fund for future capital improvements. For debt service payments on general obligation bonds (such as the LTGO Bonds), the Tax Levy is not limited to \$0.45 per \$1,000 of assessed valuation and may be increased to produce funds equal to the principal and interest payments on such general obligation bonds.

Property taxes also are subject to a limitation on the aggregate dollar amount to be collected. This aggregate dollar amount limitation applies to the general levy (up to \$0.45 per \$1,000) as well as the levy for the payment of debt service on general obligation bonds. The dollar amount of annual property tax levies to be collected may not exceed the following described “101 percent levy limitation.”

Pursuant to chapter 84.55 RCW, the Port’s tax levy must be set so the regular property taxes payable in the following year do not exceed the “limit factor” multiplied by the amount of regular property taxes lawfully levied for the Port in the highest of the three most recent years in which taxes were levied plus an additional dollar amount calculated by multiplying the increase in assessed value in the Port resulting from new construction and any increase in the assessed value of state assessed property by the regular property tax levy rate of the Port for the preceding year. The “limit factor” is the lesser of 101 percent and inflation, or if inflation is less than one percent, the Port may nonetheless levy the full 101 percent based on a finding of substantial need by the Commission and approval by a majority of the Commission. The new limit factor is effective only for taxes collected the following year.

RCW 84.55.092 provides for setting the property tax levy amount at the amount that would be allowed if the property tax levy for taxes due in prior years beginning in 1986 had been set at the full amount allowed under chapter 84.55 RCW. Banked levy capacity is the difference between the highest amount the taxing district could lawfully levy in a given year and the actual amount the taxing district levies. A taxing district with banked levy capacity may apply such capacity at a future date to exceed maximum levy amount limitations otherwise applicable. If a taxing district levies its highest lawful levy, it will not have any banked levy capacity. The Port does not believe that it has available banked levy capacity.

A taxing district may also exceed the levy lid limitation applicable to regular property tax levies with the approval of a simple majority of voters, known as a “levy lid lift.” Levy lid lifts permit the taxing district to exceed the limit factor for one year or for each year for up to six consecutive years. A multiple-year levy lid lift requires that the ballot proposition submitted to voters specify the limited purposes for which the taxing district will use the proposed annual increases, whereas a single-year levy lid lift does not. Levy lid lifts may be permanent—in which case the maximum levy in the final year of the levy lid lift becomes the base to calculate all future levy lids—or temporary, in which case the levy lid reverts to what it would have been if the lid lift never existed. A levy lid lift will not increase the levy if doing so would cause the taxing district’s levy to exceed the applicable maximum rate limitations or the aggregate rate limitations described above. The Port currently has no levy lid lifts in effect.

Exception to 101% Limitation for Tax Increment Financing Districts. In 2021, the Legislature adopted ESHB 1189 (the “TIF Act”) authorizing the use of tax increment financing. The TIF Act took effect on July 25, 2021. The TIF Act allows counties, cities and port districts (or any combination of the three) to form increment areas to finance public improvement costs. Once the increment area has been formed, the county treasurer is directed to distribute receipts from regular, non-voted property taxes imposed on real property located in the increment area. Each taxing district will receive that portion of its regular property taxes produced by the rate of tax levied by or for the taxing district on

the “tax allocation base value” (the assessed value of real property located within an increment area for taxes imposed in the year in which the increment area is first designated) for that increment area and the sponsoring jurisdiction will receive an additional amount equal to the amount derived from the regular property taxes levied by *or for* each taxing district upon the “increment value” (the increase in property values in the increment area after formation of the increment area).

A sponsoring jurisdiction can create only two, non-overlapping increment areas that are active at any time. An increment area may not have an assessed valuation of more than \$200 million or more than 20 percent (whichever is less) of the sponsoring jurisdiction’s total assessed valuation. The combined assessed valuation of increment areas at the time of formation may not exceed \$200,000,000. The increment areas are subject to a 25-year sunset date. Accordingly, if a sponsoring jurisdiction forms an increment area it will receive regular property taxes representing any increased assessed value within the increment area from its levy as well as the levy of overlapping taxing districts (other than (a) state taxes, and (b) property taxes levied by port districts or public utility districts to the extent necessary for the payments of principal and interest on general obligation debt). The Port could form up to two increment areas and as a sponsoring jurisdiction would receive the property taxes that are levied for the other taxing districts. Additionally the county or any city within the port district could form up to two increment areas and the county or city will receive the property tax revenues allocated to a sponsoring jurisdiction (including taxes that are levied for the port and other taxing districts). As of July 1, 2024, no increment areas have been formed within the Port boundaries. The Port is currently in the preliminary stages of determining whether to form an increment area, which the Port could establish as soon as 2025. The Port anticipates reaching a final determination in spring 2025 regarding whether to form an increment area.

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Overlapping Taxing Districts

The overlapping taxing districts within the Port boundaries have the statutory power to levy regular property taxes at the representative rates shown in the below, subject to the limitations provided by chapter 84.55 RCW, and to levy excess voter approved property taxes. For purposes of demonstration, representative levy rates for “levy code 940” of the County for tax collection year 2024, as well as the statutory levy authority of each type of potential overlapping district, are listed below. Levy code 940 is wholly within the Port boundaries, however, it does not include all of the property within the Port; as a result, additional taxing districts not listed below levy taxes within the Port.

**Table 1
Representative Levy Rates**

	Representative Levy Rates Per \$1,000 of Assessed Value	Statutory Regular Levy Authority Per \$1,000 of Assessed Value
Cowlitz County	\$1.0717	\$1.8000 ⁽¹⁾
Cowlitz County (Road Levy)	1.2901 ⁽¹⁾	2.2500
Library District	0.3131	0.5000
The Port	0.1768	0.4500
School District	1.1492 ⁽²⁾	--
Fire District	0.7581	1.5000
Hospital District ⁽³⁾	n/a	0.7500
City of Woodland ⁽³⁾	n/a	3.3750
Cities and Towns	n/a	0.2250 ⁽⁴⁾
Emergency Medical Services	0.3869	--
State Schools	2.2591	3.6000 ⁽⁵⁾
Cemetery District	0.0543	0.1125

Total rate for Cowlitz County levy code 940: \$7.4593

- (1) Pursuant to RCW 84.52.043(1), a county may increase its levy from \$1.80 per \$1,000 to a rate not to exceed \$2.475 per \$1,000 for general county purposes if (i) the total levies for both the county and any road district within the county do not exceed \$4.05 per \$1,000 and (ii) no other taxing district has its levy reduced as a result of the increased county levy.
- (2) School districts are not authorized to impose non-voted regular property tax levies. School district levies are voted excess levies and, as such, are not subject to the rate and amount limitations applicable to regular property tax levies.
- (3) Cowlitz County levy code 940 is included within the unincorporated portion of the County and therefore does not have a city levy. Likewise, it does not contain a hospital district.
- (4) RCW 41.16.060. To be used for pension funding purposes, if required; otherwise this tax may be levied and used for any other municipal purpose.
- (5) RCW 84.52.043(1). The levy by the State shall not exceed \$3.60 per \$1,000 assessed value adjusted to the State equalized value in accordance with the indicated ratio fixed by the State Department of Revenue to be used exclusively for the support of the common schools.

Source: Cowlitz County Assessor for Levy Code 940.

BOND INSURANCE FOR THE LTGO BONDS

Bond Insurance Policy

Concurrently with the issuance of the LTGO Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the LTGO Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the LTGO Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.standardandpoors.com>. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the LTGO Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the LTGO Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the LTGO Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the LTGO Bonds, nor does it guarantee that the rating on the LTGO Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2024 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$486.0 million, \$232.7 million and \$253.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the LTGO Bonds or the advisability of investing in the LTGO Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at

www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the LTGO Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the LTGO Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the LTGO Bonds, whether at the initial offering or otherwise.

TAX LEVY RATES AND PROCEDURES

Assessed Valuation Determinations

The County Assessor (the "Assessor") determines the value of all real and personal property throughout the County that is subject to *ad valorem* taxation, with the exception of certain public service properties, such as utility and transportation properties, for which values are determined by the State Department of Revenue. The Assessor is an elected official whose duties and methods of determining value are prescribed and controlled by statute and by detailed regulations promulgated by the State Department of Revenue.

State law and State Department of Revenue regulations prescribe and control the Assessor's duties and methods of determining value. The Assessor must assess all taxable real property within the County annually, and physically inspect such property at least once every six years. During the intervals between each physical inspection of real property, the Assessor adjusts the valuation of such property to its current true and fair values based upon market data and statistical analysis. The infrequency of on-site appraisals may lead to assessed valuations that lag market and other adjustments.

For tax purposes, the assessed value of property is 100 percent of the property's actual value. Personal property (generally only personal property used in the operation of a business) is listed by the Assessor on a roll at its currently assessed value (based in part upon reports provided by the property owners), and the roll is filed in the Assessor's office. Not all property is subject to taxation. Washington statutes provide annual exemptions for property owned by numerous types of nonprofit entities and for farm and historical properties and provide exemptions or deferrals for certain retired or disabled persons whose incomes are below specified limits. In addition, certain improvements to real property are not taxed during the first three years after completion of the improvements. By October 15 of each year, the Assessor is required to file its annual revaluation report with the State Department of Revenue and by November is required to provide its assessed valuation report to each taxing district, including the Port. The Assessor's determinations are subject to revision by the County Board of Appeals and Equalization and, if appealed, are subject to further revision by the State Board of Tax Appeals.

Table 2 shows the assessed valuation for taxable property within the Port district for purposes of the Tax Levy and the maximum and actual Tax Levies in years 2020 through 2024.

Table 2
Recent Tax Levy Activity ⁽¹⁾

Tax Year	Port District Assessed Valuation	Total Tax Levy ⁽²⁾	Actual Total Tax Levy Rate ⁽³⁾
2024	\$2,729,134,152	\$470,987.19	\$0.17681
2023	2,601,856,804	457,820.53	0.18019
2022	2,171,120,178	443,304.21	0.20596
2021	2,054,952,586	428,846.77	0.21340
2020	1,875,859,966	417,066.67	0.22825

⁽¹⁾ The amounts shown under “Port District Assessed Valuation” are based upon 100 percent of its estimated actual valuation; amount shown includes taxable property and timber assessed value.

⁽²⁾ Tax Levy allocable for general purposes plus the Tax Levy allocable for limited tax general obligation bonds. The Tax Levy amount includes the budgeted tax levy and adjustments made for refunds, new construction and improvements and contributions from state utilities.

⁽³⁾ Per \$1,000 of assessed valuation (as budgeted, without adjustments).

Sources: Cowlitz County Assessor’s Office and the Port.

Tax Collection Procedures

The Commission levies property taxes in specific amounts, and the rates for all taxes levied for all taxing districts in the County are determined, calculated and fixed by the Assessor, based upon the assessed valuation of the taxable property within the various taxing districts in the County. The Assessor extends the tax levied within each taxing district upon a tax roll, which contains the total amounts of taxes levied and to be collected, and assigns a tax account number to each tax lot. The tax roll is delivered to the County Treasurer, as *ex officio* treasurer of the Port (the “Treasurer”), who is responsible for the billing and collection of taxes due for each account. Tax bills are required to be sent in February. All taxes are due and payable on April 30 of each tax year, but if the amount due from a taxpayer exceeds \$50, one-half may be paid by April 30 and the balance no later than October 31 of that year.

Delinquent tax payments are subject to interest accruing at a rate of nine percent annually (0.75 percent monthly) for residential properties with four or fewer units, and 12 percent annually (one percent monthly) for all other properties. Delinquent taxpayers are also assessed penalties of up to 11 percent annually. These penalties do not apply to residential properties with four or fewer units. During a state of emergency declared by the Governor, the County Treasurer may grant extensions of the due date of any taxes.

The method of giving notice of payment of taxes due, accounting for the money collected, dividing the taxes collected among the various taxing districts and giving notice of delinquency and collection procedures are all determined by detailed statutes. The County’s lien for personal property taxes that have been levied by the Commission prior to filing of federal tax liens is prior to such federal tax liens. In all other respects, and subject to the possible “Homestead Exemption,” the lien for property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law, the County may commence foreclosure of a tax lien on real property after three years have passed since the first delinquency, but may not sell property eligible for deferral of taxes.

The State’s Homestead Law (chapter 6.13 RCW) provides that a judgment against the owner of a “homestead,” meaning, property the owner uses as a residence, is a lien on the value of such property in excess of the greater of (a) \$125,000 or (b) the county median sale price of a single-family home in the preceding calendar year (the “homestead exemption”). Homesteads are exempt from attachment and execution or forced sale for the debts of the owner up to the exemption amount. The State’s courts have not determined whether the homestead exemption applies to liens that secure property taxes. See *Algona v. Sharp*, 638 P.2d 627, 628, n. 3 (Wash. Ct. App. 1982) (holding that the homestead exemption prevents the forced sale of real property to satisfy a local improvement district assessment lien, but “express[ing] no opinion . . . as to the effect of a declaration of homestead against a lien for general taxes”). The United States Bankruptcy Court for the Western District of Washington has held that the exemption applies under these circumstances. See *In re Cunningham*, 163 B.R. 593, 596 (Bankr. W.D. Wash. 1994) (“In Washington, the homestead exemption is available against a surplus fund arising from a tax foreclosure sale.”). The State Attorney

General has taken the position that it does not. See Wash. Att’y Gen. Op. 1996 No. 6, at 5 (1996) (“the homestead exemption does not apply to debts for unpaid real property taxes”).

Tax Collection Records

Table 3 shows the Port’s Tax Levy for 2020 through May 31, 2024, and the percentages of the tax collected.

**Table 3
Tax Levy Collection Record
2020-2024**

Collection Year	Amount of Levy ⁽¹⁾	Amount Collected in Year Due	% Collected in Year Due ⁽²⁾	Amount Collected as of 05/31/2024	% of Levy Collected as of 05/31/2024 ⁽²⁾
2024 ⁽³⁾	\$470,987.19	N/A	N/A	\$262,617.71	56%
2023	457,820.53	\$450,704.52	99%	454,369.62	100
2022	443,304.21	436,773.80	99	441,559.48	100
2021	428,846.77	423,357.76	99	428,679.33	100
2020	417,066.67	410,380.38	99	417,012.48	100

⁽¹⁾ The amount of the actual Tax Levy varies from the budgeted amount because of adjustments in assessed values and levy rates made by the County.

⁽²⁾ Percentages rounded to nearest whole number.

⁽³⁾ Partial tax year, information as of May 31, 2024.

Sources: Cowlitz County Assessor’s and Treasurer’s Offices.

Principal Taxpayers

Table 4 lists the principal taxpayers in the Port District and the assessed valuation of their real property in the 2024 tax year.

**Table 4
Major Taxpayers**

Taxpayer	Type of Business	2024 Collection Year Assessed Valuation	% of Port’s Total Assessed Valuation
Pacificorp	Electrical Generation	\$ 87,367,048	3.27%
Columbia River Carbonates	Chemicals	60,323,720	2.26
Lineage WA Columbia RE LLC	Cold Storage	30,325,400	1.14
BNSF Railway Company – Tax Dept	Railroad	22,141,557	0.83
WalMart Stores Inc – Prop Tax Dept	Retail Store	16,739,330	0.63
FIP Ogden LLC	Food & Kindred Products	12,769,000	0.48
PORTCO Corp	Packaging	11,023,660	0.41
AH4R Properties LLC	Property Management	10,825,260	0.41
Columbia Fruit LLC	Fruit Production	10,736,930	0.40
E/B Work LLC	Paper Manufacturing	10,454,130	0.39
		\$272,706,035	10.22%

Source: Cowlitz County Assessor’s Office.

SECURITY AND SOURCES OF PAYMENT FOR THE REVENUE BONDS

The Revenue Bonds will be the only outstanding revenue obligations of the Port although the Port has, in the Revenue Bond Resolution reserved the right to issue additional revenue bonds in the future having a parity lien on Net Revenues

(“Future Parity Bonds” and collectively with the Revenue Bonds referred to as “Parity Bonds”). The principal of and interest on Parity Bonds is payable from Net Revenue of the Port.

Net Revenue, as defined in the Revenue Resolution, means the Gross Revenue less any part thereof used or applied to pay normal costs of maintenance and operation of the Facilities of the Port (other than Special Facilities) and normal costs of administration of the business of the Port not paid from general tax levies, but before depreciation and any other non-cash expenses. For purposes of the Revenue Resolution, general tax levies are deemed to be applied to such costs of administration of the business of the Port.

Gross Revenue, as defined in the Revenue Resolution, means all income and revenue derived by the Port from time to time from any source whatsoever except: (1) the proceeds of any borrowing by the Port, (2) income and revenue which may not be legally pledged for revenue bond debt service, (3) income and revenue of the Port separately pledged and used by it to pay and secure the payment of the principal of and interest on any issue or series of Special Revenue Bonds of the Port issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, provided that prior to the issuance of such Special Revenue Bonds, a licensed professional engineer experienced in the design and operation of such facilities shall have certified that the amount of such pledged income and revenue will be sufficient to pay and secure the payment of such principal and interest as provided in the resolution of the Port authorizing the issuance of such Special Revenue Bonds, and provided further, that nothing in this subparagraph (3) shall permit the withdrawal from Gross Revenue of any income or revenue derived or to be derived by the Port from any income producing facility which shall have been contributing to Gross Revenue prior to the issuance of such Special Revenue Bonds, and (4) income from investments irrevocably pledged to the payment of bonds issued or to be refunded under any refunding bond plan of the Port.

The Revenue Bonds are revenue obligations of the Port and are not an obligation of the State or any political subdivision thereof other than the Port, and neither the full faith and credit nor the taxing power of the Port or the State is pledged to the payment of the Revenue Bonds. By statute, no tax revenues may be used to pay debt service on revenue bonds such as the Revenue Bonds. No property secures the payment of debt service on the Revenue Bonds.

All Parity Bonds that may be issued under the Revenue Resolution would be equally secured without priority, except as otherwise expressly provided or permitted in the Revenue Resolution.

The Revenue Bond Resolution is a contract for the benefit of the owners of the Revenue Bonds, and any Revenue Bond owner may bring a mandamus action to compel performance under the Revenue Bond Resolution.

Revenue Fund and Flow of Funds

There has been established in the office of the Treasurer a special fund of the Port known as the “Port of Woodland Revenue Fund” (the “Revenue Fund”). The Gross Revenue shall be deposited in the Revenue Fund as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts of the Port, and the Gross Revenue deposited therein shall be used only for the following purposes and in the following order of priority:

First, to pay necessary costs of administration of the business of the Port and of maintenance and operation of the Facilities not paid from other sources;

Second, to make all payments required to be made into the Revenue Bond Fund to pay the interest on any Parity Bonds, including reimbursement of credit providers securing the payment of Parity Bonds;

Third, to make all payments, including sinking fund payments, required to be made into the Revenue Bond Fund to pay the principal of any Parity Bonds, including reimbursement of credit providers securing the payment of Parity Bonds;

Fourth, to make all payments required to be made into any reserve account to secure the payment of any Parity Bonds, including reimbursement to the issuer (if any) of Qualified Insurance or Qualified Letters of Credit with respect to a reserve account;

Fifth, to make all payments required to be made into any other revenue bond redemption fund and debt service account or reserve account created therein to pay and secure the payment of the principal of and interest on

any revenue bonds or other revenue obligations of the Port having a lien upon the Gross Revenue and the money in the Revenue Fund junior and inferior to the lien thereon for the payment of the principal of and interest on any Parity Bonds; and

Sixth, to retire by redemption or purchase any outstanding revenue bonds or other revenue obligations of the Port as authorized in the various resolutions of the Port Commission authorizing their issuance or to make necessary additions, betterments, improvements and repairs to or extension and replacements of the Facilities, or any other lawful Port purposes.

Revenue Bond Fund and Reserve Account

Revenue Bond Fund. Principal of, premium, if any, and interest on Parity Bonds is paid from the Revenue Bond Fund, which is held by the Treasurer. The Port has pledged to set aside and pay from the Revenue Fund into the Revenue Bond Fund amounts sufficient to pay the principal of and interest on the Parity Bonds on the respective dates on which such principal or interest becomes due.

Reserve Account. The Revenue Bonds will be secured by the following described Common Reserve Fund (“Covered Bonds”). The Revenue Bond Resolution established a common reserve fund (the “Common Reserve Fund”) for the purpose of securing the payment of the principal of, premium, if any, and interest on all Covered Bonds. Covered Bonds include the Revenue Bonds and any Future Parity Bonds secured by the Common Reserve Fund. Covered Bonds do not include the LTGO Bonds. The LTGO Bonds are not secured by any reserve fund.

The Common Reserve Requirement is defined in the Revenue Bond Resolution as the lowest of (i) the maximum Annual Debt Service with respect to the Outstanding Covered Bonds; (ii) 125% of the average Annual Debt Service with respect to Outstanding Covered Bonds; and (iii) 10% of the initial principal amount of each series of then Outstanding Covered Bonds. The Common Reserve Requirement shall be determined and calculated as of the date of issuance of each series of Covered Bonds (and recalculated upon the issuance of a subsequent series of Covered Bonds and also, at the Port’s option, upon the payment of principal of Covered Bonds) and provided that if, as a result of the issuance of Future Parity Bonds, the increase in the Common Reserve Requirement of Future Parity Bonds would require that an amount be contributed to the Common Reserve Fund that is more than the Tax Maximum, the Common Reserve Requirement shall be adjusted to require a contribution equal to the Tax Maximum.

The Port has covenanted that in the event it issues any Future Parity Bonds that are Covered Bonds the Port will make additional payments into the Common Reserve Fund out of Net Revenue (or out of any other funds on hand legally available for such purpose) of not less than approximately equal annual amounts so that by three years from the date of such Future Parity Bonds there will have been paid into the Common Reserve Fund an amount which, together with the money otherwise required to be deposited therein, will be equal to the Common Reserve Requirement.

The Port has reserved the right to satisfy the Common Reserve Requirement, in whole or in part with a Qualified Letter of Credit or Qualified Insurance. The issuer of a Qualified Letter of Credit must be rated in one of the two highest long term rating categories by one or more of Fitch, Inc (“Fitch”), Moody’s Ratings (“Moody’s”) or S&P Global Ratings (“S&P”) (collectively the “Rating Agencies”). The issuer of the Qualified Insurance must be rated in one of the two highest long term rating categories by one or more of the Rating Agencies. A “Credit Event” occurs when, among other things, a Qualified Letter of Credit terminates, or the issuer of Qualified Insurance or a Qualified Letter of Credit becomes insolvent or is no longer in existence.

In the event a deficiency in the Revenue Bond Fund with respect to the Covered Bonds occurs, such deficiency will be made up from the Common Reserve Fund by the withdrawal of moneys therefrom. Any deficiency created in the Common Reserve Fund by reason of any such withdrawal will then be made up within one year after the withdrawal from Qualified Insurance or a Qualified Letter of Credit or out of Net Revenue in not less than 12 equal monthly installments (or out of any other moneys on hand legally available for such purpose) after making necessary provision for the payments required to be made into the Revenue Bond Fund within such year.

If a Credit Event occurs, the Common Reserve Requirement will be satisfied, at the option of the Port, either within one year after the occurrence of such Credit Event with other Qualified Insurance or other Qualified Letter of Credit, or out of Net Revenue (or out of other money on hand and legally available for such purpose) after first making necessary provisions for all payments required to be made into the Revenue Bond Fund.

The Port will have on deposit in the Common Reserve Fund sufficient funds at the time of issuance of the Revenue Bonds to meet the Common Reserve Requirement for the Revenue Bonds. The Port expects to use a portion of the proceeds of the Revenue Bonds to make a deposit to the Common Reserve Fund.

The Port may issue Future Parity Bonds that are not Covered Bonds and/or will be secured by a separate reserve account.

Rate Covenant

The Port has covenanted that it will at all times establish, maintain and collect rentals, tariffs, rates, fees, and charges in the operation of all of its businesses as long as any Parity Bonds are Outstanding that will produce in each fiscal year Net Revenue at least equal to 125% of that year's Annual Debt Service Requirement (the "Rate Covenant").

If the Net Revenue in any fiscal year is less than required to fulfill the Rate Covenant, then the Port will retain a Professional Consultant to make recommendations as to operations and the revision of schedules of rentals, tariffs, rates, fees and charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Commission, on the basis of such recommendations and other available information, will establish rentals, tariffs, rates, fees and charges for services and operations which will be necessary to meet the Rate Covenant in the fiscal year during which such adjustments are made. If the Commission has taken the steps set forth in this paragraph and the Adjusted Net Revenue in the fiscal year in which adjustments are made nevertheless are not sufficient to meet the Rate Covenant, there shall be no default under the Revenue Bond Resolution during such fiscal year, unless the Port fails to meet the Rate Covenant for two consecutive fiscal years.

Certain Other Covenants

The Port has covenanted and agreed for as long as any Parity Bonds remain outstanding:

Maintenance of Facilities. The Port will at all times keep and maintain all of the Facilities in good repair, working order and condition, and will at all times operate the same and the business or businesses in connection therewith in an efficient manner and at a reasonable cost.

Sale of Certain Facilities. In the event any Facility or part thereof which contributes in some measure to the Gross Revenue is sold by the Port or is condemned pursuant to the power of eminent domain, the Port will apply the net proceeds of such sale or condemnation to capital expenditures upon or for Facilities which will contribute in some measure to the Gross Revenue or to the retirement of Revenue Bonds then Outstanding.

Insurance of Facilities. The Port will keep or arrange to keep all Facilities insured, if such insurance is obtainable at reasonable rates and upon reasonable conditions, against such risks, in such amounts, and with such self insurance retention or deductibles as the Commission or the Designated Port Representative shall deem necessary.

Insurance Against Port Liability. The Port will at all times keep or arrange to keep in full force and effect policies of public liability and property damage insurance which will protect the Port against anyone claiming damages of any kind or nature, if such insurance is obtainable at reasonable rates and upon reasonable conditions, in such amounts and with such self insurance retention and deductibles as the Commission or the Designated Port Representative shall deem necessary.

Maintenance of Books and Records. The Port will keep and maintain proper books of account and accurate records of all of its revenue, including tax receipts, received from any source whatsoever, and of all costs of administration and maintenance and operation of all of its business that are in accordance with generally accepted accounting principles as in effect from time to time.

Disposal of Income Properties. In the event of voluntary or involuntary sale, lease, or other conveyance, transfer or disposal of all or substantially all of its Facilities, the Port will require that contemporaneously with such disposition, there will be paid into a special fund a sum which will be sufficient to defease all Parity Bonds then Outstanding; provided, however, that such defeasance will not be required so long as the Port maintains primary responsibility for the management and operation of the affected Facilities and provided further that all Net Revenue from such Facilities continues to be pledged to all Parity Bonds then Outstanding

Future Parity Bonds

The Port has covenanted that it will not issue any Parity Bonds that constitute a charge and lien upon the Gross Revenue equal to the lien thereon of Parity Bonds then Outstanding, unless at the time of the issuance of such Parity Bonds the Port is not in default under the Revenue Resolution, and the Port meets the conditions set forth below. The Port is not required to meet these conditions in connection with the issuance of the Revenue Bonds.

Certificate Required. There shall have been delivered prior to or on the date of the issuance of the Parity Bonds, either:

(A) a certificate prepared as provided below and executed by the Designated Port Representative stating that Adjusted Net Revenue during the Base Period were at least equal to 125 percent of Annual Debt Service in each year of the Base Period with respect to all Parity Bonds then Outstanding and then proposed to be issued; or

(B) a Professional Consultant's certificate, prepared as provided below, stating that projected Adjusted Net Revenue will be at least equal to 125 percent of the Maximum Annual Debt Service in each year with respect to Parity Bonds then Outstanding and the Future Parity Bonds then proposed to be issued.

The Designated Port Representative's certificate, described in (A) above shall be based upon the financial statements of the Port for the Base Period, corroborated by the certified statements of the State Auditor's office, or any successor to the duties thereof, or by an independent certified public accounting firm for the Base Period. If the audited financial statements for the most recently completed fiscal year are not yet available, the Designated Port Representative's certificate may be based on unaudited financial statements certified by the Port's Executive Director.

In making the computations of projected Net Revenue for the purpose of certifying compliance with the conditions specified in (B) above, the Professional Consultant shall use as a basis the Net Revenue for the Base Period corroborated by the certified statements of the State Auditor's office, or any successor to the duties thereof, or by an independent certified public accounting firm for the Base Period. The Professional Consultant shall make such adjustments or modifications to Net Revenue (including those described in establishing Adjusted Net Revenue) in order to compute projected Adjusted Net Revenue as he/she/it deems reasonable as set forth in writing to the Port.

No Certificate Required. A certificate shall not be required as a condition to the issuance of Parity Bonds:

(A) if the Parity Bonds are being issued for refunding purposes upon compliance with the conditions set forth in the Revenue Resolution and summarized below; or

(B) if the Parity Bonds are being issued to pay costs of construction of Facilities for which indebtedness has been issued previously and the principal amount of such indebtedness being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of indebtedness issued for such Facilities and reasonably allocable to the Facilities to be completed as shown in a written certificate of the Designated Port Representative, stating that the scope, nature and purpose of such Facilities has not materially changed and that the net proceeds of such indebtedness being issued for completion purposes will be sufficient, together with other available funds of the Port, to complete such Facilities.

Parity Bonds for Refunding Purposes. The Port may issue Parity Bonds for refunding purposes, as follows:

(1) Future Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) Parity Bonds including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption (or purchase), any deposits to a reserve account or to purchase a Qualified Letter of Credit or Qualified Insurance, and the expenses of issuing the Parity Bonds and of effecting such refunding upon delivery of a certificate as provided above. Such refunding Future Parity Bonds also may be issued without a certificate if:

(A) the latest maturity of the Future Parity Bonds to be issued is not later than the latest maturity of the Parity Bonds to be refunded (were such refunding not to occur), and the increase in Annual Debt Service as a result of such refunding in any year is less than the greater of (i) \$25,000 or (ii) 5% of such Annual Debt Service on the Parity Bonds to be refunded; or

(B) the latest maturity of the Future Parity Bonds to be issued is later than the latest maturity of the Parity Bonds to be refunded (were such refunding not to occur), and the Maximum Annual Debt Service on all Parity Bonds to be Outstanding after the issuance of the refunding Future Parity Bonds shall not be greater than Maximum Annual Debt Service were such refunding not to occur.

(2) Parity Bonds may be issued without the requirement of a certificate pursuant to this section for the purpose of refunding (including by purchase) any Parity Bonds at any time within one year prior to their maturity or mandatory redemption date if sufficient Net Revenue or other moneys are not expected to be available for payment at maturity or mandatory redemption.

Liens Subordinate to Parity Bonds. Nothing in the Revenue Bond Resolution prevents the Port from issuing revenue bonds or other obligations which are a charge upon the Gross Revenue junior or inferior to the payments required by the Revenue Bond Resolution to be made out of such Gross Revenue to pay and secure the payment of any Parity Bonds. Such junior or inferior obligations shall not be subject to acceleration. This prohibition against acceleration shall not be deemed to prohibit mandatory tender or other tender provisions with respect to variable rate obligations.

Supplements and Amendments to Revenue Resolution

The Port has reserved the right to adopt supplements and amendments to the Revenue Resolution in certain cases without the consent of the owners of any of the Parity Bonds. See Appendix D for a copy of the Revenue Bond Resolution.

GENERAL OBLIGATION DEBT INFORMATION

Port District General Obligation Debt Limitation

Under Washington law, the Port may incur general obligation indebtedness payable from *ad valorem* property taxes, such as the LTGO Bonds, in an amount not exceeding one-fourth of one percent of the value of the taxable property in the Port district without a vote of the electors. With the assent of three-fifths of the electors voting thereon, subject to a validation requirement, the Port may incur additional general obligation indebtedness, provided the total indebtedness of the Port at any time does not exceed three-fourths of one percent of the value of the taxable property in the Port district. The limit on incurring indebtedness does not apply to obligations payable from revenues (special funds) or assessments, such as the Revenue Bonds.

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Table 5 reflects the current estimated debt limit for the Port, taking into account the planned issuance of the LTGO Bonds.

**Table 5
Estimated Debt Limit**

Total Assessed Valuation (2024 Collection Year) ⁽¹⁾	\$ 2,668,364,811
Debt Limit, nonvoted debt, including limited tax general obligation bonds (0.25% of Value of Taxable Property)	\$ 6,670,912
Less: The LTGO Bonds	(2,600,000)
Less: Outstanding Limited Tax General Obligation Bonds and Notes	(3,990,000) ⁽²⁾
Less: Other Outstanding General Obligation Loans	<u>(0)</u>
Remaining Capacity: Limited Tax General Obligation Debt	<u>\$ 80,912</u>
Debt Limit, Total, voted and nonvoted debt, General Obligation Debt (0.75% of Value of Taxable Property)	\$ 20,012,736
Less: The LTGO Bonds	(2,600,000)
Less: Total, nonvoted debt, Limited Tax General Obligation Bonds	(3,990,000) ⁽²⁾
Less: Total, voted debt, Unlimited Tax General Obligation Bonds	<u>(0)</u>
Remaining Capacity: Total General Obligation Debt	<u>\$ 13,422,736</u>

⁽¹⁾ 100 percent of the Port’s estimated actual valuation for general levy collection based on values received from the Cowlitz County Assessor for taxes to be collected in 2024.

⁽²⁾ Includes the Port’s Limited Tax General Obligation Refunding Bonds, 2020, as described in detail in Table 6 below. Excludes the LTGO Bonds, as separately identified above, and the loans identified in Table 7 below.

Source: The Port.

Outstanding Limited Tax General Obligations

Upon issuance of the LTGO Bonds, the Port expects to have outstanding the following limited tax general obligation notes and bonds:

**Table 6
Outstanding Limited Tax General Obligations**

<u>Bonds and Notes</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding</u>
LTGO Ref. Bonds, 2020	11/12/2020	12/01/2050	\$4,135,000	\$3,990,000
The LTGO Bonds	08/15/2024	12/01/2053	2,600,000	<u>2,600,000</u>
Limited Tax General Obligation Total				<u>\$6,590,000</u>

Source: The Port.

The Port has no outstanding unlimited tax (voter-approved) general obligation bonds.

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Other Obligations of the Port

The Port also has outstanding several loans with the State Community Economic Revitalization Board (“CERB”) as shown in Table 7. CERB loans are general obligations of the Port, but are legally permitted to be excluded from statutory debt limit calculations. Funds from CERB loans are used for public infrastructure projects that support private business growth and expansion, and for rural broadband infrastructure projects.

**Table 7
Outstanding CERB Loans**

CERB Loans	Date of First Payment	Date of Final Payment	Principal Amount Loaned	Principal Amount Outstanding
C2007-190	07/01/2011	07/01/2029	\$ 600,000	\$ 177,583
S19-790A0-166	01/31/2024	01/31/2041	578,812	552,956
S19-790A0-187	07/31/2024	07/31/2041	2,064,022	1,963,286
S20-96401-014	07/31/2024	07/31/2041	344,791	327,963
S21-790A0-288	07/31/2025	07/31/2043	501,578	501,578
Total				\$ 3,523,367

Source: The Port.

Direct and Estimated Overlapping Debt

Table 8 shows direct and estimated overlapping debt within the Port district, adjusted to reflect the issuance of the LTGO Bonds.

**Table 8
Overlapping General Obligation Debt (As of May 31, 2024⁽¹⁾)**

Jurisdiction	Net Debt Outstanding⁽²⁾	Percentage Applicable to the Port⁽³⁾	Amount of Debt within Port Boundaries⁽⁴⁾
Direct Debt:			
Port of Woodland ⁽⁵⁾	\$ 6,590,000	100.00%	\$ 6,590,000
Overlapping Debt:			
Cowlitz County	\$ 21,485,000	13.97	\$ 3,001,912
City of Woodland	3,648,000	99.62	3,634,114
Woodland School District No. 404	39,935,000	99.71	39,818,583
Kalama School District No. 402	54,510,000	0.06	35,288
Clark-Cowlitz Fire & Rescue	3,753,953	99.62	3,739,694
Total Overlapping Debt	\$ 123,331,953		\$ 50,229,591
Total Direct and Overlapping Debt	\$ 129,921,953		\$ 56,819,591

(1) This table reflects the total general obligation debt of all the taxing entities within the Port. Totals may not foot due to rounding.

(2) Information was obtained from those agencies and the Cowlitz County Treasurer.

(3) The percentage applicable to the Port is shown as rounded to the nearest hundredth of a percent.

(4) The amount of debt within the Port boundaries has been calculated using the actual percentage applicable to the Port.

(5) Includes the Port’s outstanding LTGO debt as described in Table 6 above. Excludes the loans identified in Table 7 above.

Sources: The Port, Cowlitz County Treasurer and various taxing entities.

Bonded Debt Ratios

Table 9 shows various ratios of indebtedness to population and assessed valuation for property in the Port district.

Table 9
Bonded Debt Ratios

Total Assessed Valuation (for 2024 taxes) ⁽¹⁾	\$	2,668,364,811
Estimated Population (2020)		15,300
Port Limited Tax General Obligation Debt		6,590,000
Estimated Overlapping Debt	\$	50,229,591
Total Port Limited Tax General Obligation Debt and Estimated Overlapping Debt	\$	56,819,591
Port Debt to Assessed Valuation		0.25%
Per Capita Port Debt	\$	431
Per Capita Assessed Valuation	\$	174,403
Port and Estimated Overlapping Debt to Assessed Valuation		2.13%
Per Capita Port Debt and Estimated Overlapping Debt	\$	3,714

⁽¹⁾ *Source:* Cowlitz County Assessor's Office. Based upon 100 percent of the Port's estimated actual valuation; amount shown includes taxable property.

Source: The Port.

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Limited Tax General Obligation Debt Service Requirements

Table 10 shows the limited tax general obligation debt service requirements.

Table 10
Limited Tax General Obligation Bond Debt Service

Years	Outstanding LTGO Bonds ⁽¹⁾			The LTGO Bonds			Total Debt Service
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	
2024	\$ 50,000	\$ 56,873	\$ 106,873	-	\$ 35,407	\$ 35,407	\$ 142,280
2025	55,000	113,145	168,145	-	120,250	120,250	288,395
2026	55,000	112,430	167,430	-	120,250	120,250	287,680
2027	55,000	111,550	166,550	-	120,250	120,250	286,800
2028	55,000	110,588	165,588	-	120,250	120,250	285,838
2029	60,000	109,488	169,488	-	120,250	120,250	289,738
2030	55,000	108,228	163,228	-	120,250	120,250	283,478
2031	135,000	107,045	242,045	-	120,250	120,250	362,295
2032	140,000	104,008	244,008	-	120,250	120,250	364,258
2033	145,000	100,718	245,718	-	120,250	120,250	365,968
2034	150,000	97,165	247,165	-	120,250	120,250	367,415
2035	150,000	93,340	243,340	-	120,250	120,250	363,590
2036	155,000	89,365	244,365	-	120,250	120,250	364,615
2037	160,000	85,103	245,103	-	120,250	120,250	365,353
2038	165,000	80,703	245,703	-	120,250	120,250	365,953
2039	170,000	76,165	246,165	-	120,250	120,250	366,415
2040	175,000	71,490	246,490	-	120,250	120,250	366,740
2041	180,000	66,240	246,240	-	120,250	120,250	366,490
2042	185,000	60,840	245,840	-	120,250	120,250	366,090
2043	190,000	55,290	245,290	-	120,250	120,250	365,540
2044	195,000	49,590	244,590	-	120,250	120,250	364,840
2045	200,000	43,740	243,740	-	120,250	120,250	363,990
2046	210,000	37,740	247,740	-	120,250	120,250	367,990
2047	215,000	30,600	245,600	\$ 85,000	120,250	205,250	450,850
2048	220,000	23,290	243,290	375,000	116,319	491,319	734,609
2049	230,000	15,810	245,810	390,000	98,975	488,975	734,785
2050	235,000	7,990	242,990	410,000	80,938	490,938	733,928
2051	-	-	-	425,000	61,975	486,975	486,975
2052	-	-	-	445,000	42,319	487,319	487,319
2053	-	-	-	470,000	21,738	491,738	491,738
Total ⁽²⁾	<u>\$ 3,990,000</u>	<u>\$2,018,534</u>	<u>\$6,008,534</u>	<u>\$ 2,600,000</u>	<u>\$ 3,223,419</u>	<u>\$ 5,823,419</u>	<u>\$11,831,953</u>

⁽¹⁾ Includes payments made to July 1, 2024.

⁽²⁾ Totals may not foot due to rounding.

Source: The Port.

Debt Payment Record

The Port has never defaulted on the payment of principal or interest on any of its general obligation bonds or other general obligation indebtedness. Additionally, no refunding bonds have been issued for the purpose of preventing an impending default.

Future Financings

The Port has no voter authorized but un-issued debt. The Port has no plans to issue additional debt within the next 12 months.

REVENUE DEBT INFORMATION

The Port has no outstanding obligations secured by the Port's Gross Revenues.

Debt Service Requirements

Table 11 shows the Revenue Bond debt service requirements.

Table 11
Revenue Bond Debt Service

Years	The Revenue Bonds		
	Principal	Interest	Total Debt Service
2024	-	\$ 78,031	\$ 78,031
2025	\$ 105,000	265,013	370,013
2026	110,000	259,500	369,500
2027	115,000	253,725	368,725
2028	125,000	247,688	372,688
2029	130,000	241,125	371,125
2030	135,000	234,300	369,300
2031	145,000	227,213	372,213
2032	150,000	219,600	369,600
2033	160,000	211,725	371,725
2034	170,000	203,325	373,325
2035	175,000	194,400	369,400
2036	185,000	183,900	368,900
2037	200,000	172,800	372,800
2038	210,000	160,800	370,800
2039	225,000	148,200	373,200
2040	235,000	134,700	369,700
2041	250,000	120,600	370,600
2042	265,000	105,600	370,600
2043	280,000	89,700	369,700
2044	295,000	72,900	367,900
2045	315,000	55,200	370,200
2046	335,000	36,300	371,300
2047	270,000	16,200	286,200
Total ⁽¹⁾	<u>\$ 4,585,000</u>	<u>\$ 3,932,544</u>	<u>\$ 8,517,544</u>

⁽¹⁾ Totals may not foot due to rounding.

Source: The Port.

Debt Payment Record

The Port has never defaulted on the payment of principal or interest on any of its revenue bonds or other revenue obligations. Additionally, no refunding bonds have been issued for the purpose of preventing an impending default.

Future Financings

The Port has no plans to issue obligations secured by Gross Revenue within the next 12 months.

PORT FINANCIAL MATTERS

General

The following summary and table provides select historical net income results of the Port for year-end fiscal years 2019 through 2023, plus budgeted information for 2024. The information below is extracted from the Port's year-end financial statements for the periods 2019 through 2023 and the Port's budget for 2024. The Port has completed accountability (compliance) audits for the years 2019 through 2022 and has completed financial audits of year-end 2020, 2021, 2022 and 2023 financial results. A copy of the audited financial statements for the period January 1, 2022 through December 31, 2023 is attached in Appendix F.

Summary of Operating Results

Operating revenues and expenditures for fiscal years 2022 and 2023 included intergovernmental loans and grants from the State and U.S. Department of Commerce/Economic Development Administration. These resources inflated the Port's revenues through reimbursements made on capital outlay. In 2022, the Port received \$1,980,841 and \$2,673,296 from loans and grants, respectively, to construct the first of two phases for Rose Way Industrial Park and the backbone of the Port's fiber optic system.

In 2023, the loans and grant reimbursements were reduced due to the reduction in capital outlay for projects compared to 2022. In 2023, the Port received \$584,518 and \$1,066,010 in loan and grant reimbursements, respectively, to continue the Rose Way project. Progress on this project, however, was delayed until late 2023.

The expenditures for capital projects were included in the Port's operating expenses in the audited 2023 results. Expenses for operational purposes are budgeted separately from capital expenses. General Port operational expenses remained relatively unchanged in 2023 as the Port anticipated additional investments to be completed in 2024.

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Table 12
Statement of Revenues and Expenses
(Fiscal Years Ended December 31⁽¹⁾)

	<u>Budget 2024</u>	<u>Audited 2023</u>	<u>Audited 2022</u>	<u>Audited 2021</u>	<u>Audited 2020</u>	<u>Audited 2019</u>
REVENUES						
Revenues ⁽²⁾	\$ 875,250	\$ 1,094,567	\$ 722,624	\$ 895,766	\$ 969,089	\$ 885,725
Taxes levied	503,983	456,941	441,268	428,943	419,234	390,381
Intergovernmental Revenues	4,366,989	1,085,138	2,693,600	32,526	19,540	201,445
Total Revenues	<u>\$ 5,746,222</u>	<u>\$ 2,636,646</u>	<u>\$ 3,857,492</u>	<u>\$ 1,357,235</u>	<u>\$ 1,407,863</u>	<u>\$ 1,477,551</u>
EXPENSES						
Expenditures	<u>\$ 806,961</u>	<u>\$ 923,942</u>	<u>\$ 848,471</u>	<u>\$ 810,329</u>	<u>\$ 749,986</u>	<u>\$ 859,136</u>
Total Expenses	<u>\$ 806,961</u>	<u>\$ 923,942</u>	<u>\$ 848,471</u>	<u>\$ 810,329</u>	<u>\$ 749,986</u>	<u>\$ 859,136</u>
OTHER DECREASES						
Debt Service	\$ 412,987	\$ 394,991	\$ 390,373	\$ 2,133,108	\$ 4,224,356	\$ 200,068
Capital Expenditures and other Uses	5,391,164	5,596,459	3,729,360	7,904,250	948,192	2,055,120
Total Other Decreases	<u>\$ 5,804,151</u>	<u>\$ 5,991,450</u>	<u>\$ 4,119,733</u>	<u>\$ 10,037,628</u>	<u>\$ 5,172,548</u>	<u>\$ 2,255,188</u>
OTHER INCREASES						
Debt Proceeds	\$ 777,422	\$ 584,518	\$ 1,980,840	\$ 1,187,631	\$ 7,240,000	\$ 1,745,000
Other Resources	--	100,733	78,608	8,310,874	1,474,676	--
Total Other Increases	<u>\$ 777,422</u>	<u>\$ 685,251</u>	<u>\$ 2,059,448</u>	<u>\$ 9,498,505</u>	<u>\$ 8,714,676</u>	<u>\$ 1,745,000</u>
Total Increase/Decrease/ Revenues/Expenses	<u>\$ 87,468</u>	<u>\$ (3,593,495)</u>	<u>\$ 948,736</u>	<u>\$ 7,483</u>	<u>\$ 4,200,005</u>	<u>\$ 108,227</u>
Net Revenue						
Beg. General Fund Surplus, Jan. 1						
Adjustments ⁽³⁾	N/A	\$ 7,257,168	\$ 6,308,432	\$ 6,300,649	\$ 2,100,644	\$ 1,992,417
End Gen. Fund Surplus, Dec. 31	<u>N/A</u>	<u>\$ 3,663,672</u>	<u>\$ 7,257,168</u>	<u>\$ 6,308,432</u>	<u>\$ 6,300,649</u>	<u>\$ 2,100,644</u>

⁽¹⁾ The table above reflects the published Audit Report as audited by the Washington State Auditor's office for fiscal years 2019 through 2023. The 2022 financial report reflects the changes in reporting as promulgated by the adoption of pronouncement #87 of the Government Accounting Standards Board ("GASB").

⁽²⁾ Revenues consist of Ground Leases, Building Leases, and other miscellaneous revenues. In 2018, the Port collected \$180,559 of Ground Lease Revenue and \$446,323 of Building Lease Revenue. In 2019, the Port collected \$183,289 of Ground Lease Revenue and \$504,222 of Building Lease Revenue. In 2020, the Port collected \$203,296 of Ground Lease Revenue and \$518,774 of Building Lease Revenue. In 2021 the Port collected \$178,922 of Ground Lease Revenue and \$598,517 of Building Lease Revenue. In 2022, the Port collected \$59,359 in Ground Lease Revenue and \$559,168 in Building Lease Revenue. In 2023, the Port collected \$133,019 in Ground Lease Revenue and \$562,275 in Building Lease Revenue.

⁽³⁾ Beginning in 2019, the published reports reflect the changes in accounting and financial reporting for other post-employment benefits promulgated by pronouncement #75 of GASB.

Source: The Port.

Columbia Riverfront RV Park

The seller of the Columbia Riverfront RV Park, who originally purchased the property in 2020, has provided the Port with unaudited annual profit and loss reports for years 2021, 2022, and 2023. The Port has reviewed these reports and calculated "adjusted net revenues" for each year, which reflects the deletion of several items that will not be expected to be applicable to the Port as a governmental entity. These items include certain property taxes, fees, and payments previously remitted to the prior owners. These items have also been excluded for the purpose of calculating projected revenue as shown in Table 13.

For 2021, gross revenues for the Columbia Riverfront RV Park totaled \$946,696, which resulted in adjusted net revenues of \$624,781. For 2022, gross revenue was \$942,880 which resulted in an adjusted net revenue of \$713,330. For 2023, the gross revenue was \$971,665 which resulted in an adjusted net revenue of \$755,106.

The Park operates on nightly, weekly and monthly rates for the parking of recreational vehicles. In 2023, the previous owners implemented a rate increase from a \$65 nightly rate to a \$95 nightly rate, and a monthly rate from \$750 to \$1,150. The rate comparisons provided for other recreational vehicle parks in the region range from off season at \$65-75 nightly and \$850 average monthly, and peak season at \$75-99 nightly and \$875 monthly. However, none of the comparable nearby recreational vehicle parks is located adjacent to the Columbia River.

Projected Coverage for the Revenue Bonds

The following table shows actual financial operations of the Port resulting in Net Revenues for years 2022 and 2023, excluding tax revenues, and projected Net Revenues available for debt service on the Revenue Bonds for years 2024 through 2028, excluding tax revenues. Totals may not foot due to rounding.

Table 13
Projected Coverage for the Revenue Bonds

	Actual 2022	Actual 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
REVENUES							
Ground Lease ⁽¹⁾	\$ 59,359	\$ 133,019	\$ 158,774	\$ 240,216	\$ 240,216	\$ 417,178	\$ 417,178
Building Lease ⁽²⁾	559,168	562,275	628,958	764,277	828,416	858,320	890,715
Other Revenue	355,330	418,401	782,672	69,940	71,000	72,000	73,000
Columbia Riverfront RV Park ⁽³⁾	0	0	321,845	1,119,349	1,121,379	1,143,000	1,193,000
Fiber Optic ⁽⁴⁾	0	0	32,000	124,800	129,600	132,000	156,000
TOTAL REVENUES	\$ 973,857	\$1,113,695	\$ 1,570,404	\$ 2,318,582	\$2,390,611	\$ 2,622,498	\$ 2,729,893
EXPENDITURES							
Salaries & Benefits	\$ 456,766	\$ 525,693	\$ 610,357	\$ 791,149	\$ 820,699	\$ 834,799	\$ 857,999
Operations ⁽⁵⁾	391,705	398,250	319,408	323,603	369,700	370,700	379,700
Columbia Riverfront RV Park ⁽⁶⁾	0	0	72,048	359,180	373,528	390,528	392,528
Fiber Optic	0	0	0	32,020	23,500	13,500	13,500
Public Access/Recreation ⁽⁷⁾	0	0	2,235	7,840	13,500	6,500	5,500
TOTAL EXPENDITURES	\$ 848,471	\$ 923,943	\$ 1,004,048	\$ 1,513,792	\$1,600,927	\$ 1,616,027	\$1,649,227
Net Revenue Available for Debt Service	\$ 125,386	\$ 189,752	\$ 566,356	\$ 804,791	\$ 789,685	\$ 1,006,471	\$1,080,667
Total Parity Bonds Projected Debt Service ⁽⁸⁾	-	-	\$ 90,000	\$ 380,000	\$ 380,000	\$ 380,000	\$ 380,000
Projected Debt Service Coverage	-	-	6.29	2.12	2.08	2.65	2.84

(1) Two new leases for marine terminal properties started in mid-2024. The terminals are in due diligence (25% of base rate) until they are under construction (50% rate). After completion they reach 100%.

(2) Rates have increased from 2024 to 2025 due to two new constructed buildings completing in 2024 and being leased in 2025.

(3) For projecting Columbia Riverfront RV Park Revenue, the Port assumed a 65% occupancy rate. Occupancy, as provided by the seller, was 92.36% in 2021, 88.09% in 2022, and 83.17% in 2023. Gross Revenue for the Columbia Riverfront RV Park in 2022 and 2023 were \$942,880 and \$971,665, respectively.

(4) Fiber optic revenues will begin fall of 2024. In 2026, the Port will take on operations and maintenance from the contractor with a reduction in expense to the Port.

(5) Operations expenses anticipates a larger increase in 2026, due to how Port insurance is issued and anticipated rates with the RV park which would be covered under the Port's general property insurance.

(6) Expenditures for the Columbia Riverfront RV Park in 2022 and 2023 were \$270,554 and \$297,177, respectively.

(7) Public recreation/access fluctuates between 2025-2026 due to additional landscaping at one site.

(8) The Revenue Bonds will be the only Outstanding Parity Bonds of the Port as of the date of issuance.

Source: The Port.

THE PORT OF WOODLAND

Introduction

The Port was incorporated on September 13, 1960 and operates under the laws of the State applicable to port districts, special purpose governments organized under Title 53 RCW. The Port provides economic development and job creation through ownership of industrial properties and facilities to the general public and is supported primarily through property tax receipts, user charges and industrial leases.

The Port is located on the Columbia River near the I-5 corridor between Seattle, Washington and Portland, Oregon in the Lewis River valley. The Port currently has 17 tenants that lease land or building space. The Port has four existing industrial parks, two marine terminals under development for aggregate, concrete or/and asphalt plant operations, one marine terminal under planning, and 25 miles of fiber optic with the capability to serve more than 750 households and businesses.

Under State statutes, port districts are authorized to construct and own marine terminals that facilitate the transportation of cargo shipments. These terminals can include docks, wharfs, piers, upland storage facilities, rail tracks and other terminal investments necessary to facilitate the movement of maritime cargoes. Authority is also given to ports in the State to develop, own and operate small boat marinas and to facilitate economic development and job creation through development and ownership of industrial and mixed-use facilities. Creation of industrial development districts, and ownership and operation of airport terminal facilities are within the scope and power of port districts. Port districts also have the powers of eminent domain and ad valorem taxation upon the real and personal property within the port district.

Local Economy

The Port is located 30 miles north of the Portland International Airport and 143 miles south of the Seattle-Tacoma Airport.

The Southwest Washington Regional Airport, which is located 20 miles north of the City of Woodland (the “City”), accommodates smaller jet aircraft traffic. Located midway between the Southwest Washington Regional Airport and Portland International, the Woodland State Airport is a community airport.

The Port is located on the deep draft Columbia River channel at river mile 85. The federally maintained channel is approximately 43 feet deep and 600 feet wide with ocean-going vessels of 300 gross tons or greater traversing its waters daily.

Much of the region’s economy depends upon maritime trade and the Columbia River is the United States’ largest wheat export system. Approximately 40 percent of all U.S. wheat exports are shipped through lower Columbia River ports. In addition, ocean going vessels transport an average \$14 billion worth of cargo each year.

More than 40,000 local jobs with an average annual wage of \$46,000 are dependent on Columbia River maritime commerce and 59,000 more Northwest jobs are influenced by such activity. Approximately \$1.8 billion per year in personal income is generated by maritime activity and over \$208 million in state and local taxes are generated each year by Columbia River maritime shipping.

All of the Port’s general cargo terminals are near I-5. Accessible in either direction, I-5 connects with major interstates north, south, east and west, and numerous trucking companies, capable of transporting many types of cargo, connect the Port with locations in the U.S., Canada and Mexico. The Port’s tenants have direct interstate access for their freight logistics requirements.

Commission

The Port is governed by a three-member Commission with each member elected to a six-year term. The Commission approves the yearly budget for the Port, all leases, sales and purchases of land, all construction contracts and

disbursements of the Port, long-range development plans, and Port financing. The Port’s current Commissioners, their positions and term expiration dates are as follows:

Table 14
2024 Port Commission

<u>Commissioners</u>	<u>Term Commencement</u>	<u>Term Expires</u>
Paul Cline, President	2008	2029
Robert Rich, Secretary	2022	2027
Robert Wile	2018	2025

The Commission appoints an executive director, who, along with the administrative staff, are accountable to the Commission for the Port’s day-to-day operations. Currently, the Port employs four administrative and maintenance employees.

The following are brief resumes of each Port Commissioner and key staff members.

Paul Cline. Commissioner Cline was a school teacher for Woodland School District for more than 30 years prior to his retirement and served as a volunteer for the Cowlitz Skamania Fire District. Commissioner Cline serves as the Trustee for the Washington Public Port’s Association and represents the Commission as a committee head for the Port’s dark fiber projects.

Robert Rich. Commissioner Rich works for Shaver Transportation which has served the Columbia and Snake River system for over four decades. Commissioner Rich is the representative of the Port to Pacific Northwest Waterways Association and represents the Port in any marine related committees.

Robert Wile. Commissioner Wile owns TLC Wheelchair Services Inc. and retired from Stellar J in the construction trades after nearly 30 years in the industry. Commissioner Wile represents the Port in construction and economic and recreation committees and also is a voting member of the Woodland Chamber of Commerce.

Key Administrative Staff

Jennifer Wray-Keene, Executive Director. Jennifer has served as the Executive Director for 10 years and in that time, has worked with the Commission to carry out the vision and mission of the Port through the new industrial parks, preparing the development of terminal operations along the Columbia River and creating the new business operation with dark fiber optic installation in a third of the county. During this tenure, the Port buildings have remained 100% occupied since 2016, and have been awarded nearly \$20 million in grants from local, state and federal resources to implement the activities of the Port. Prior to working at the Port, Jennifer was the economic development planner for a three-county federally designated district through the Cowlitz-Wahkiakum Council of Governments for over six years. Jennifer has four bachelor’s degrees and a master’s degree in public administration.

Carol Moore, Port Auditor. Carol has been with the Port nearly 18 years. Carol’s expertise in grant management, oversight of cash management and budgets have assisted in the Port maintaining the Port’s portfolio of investments. Carol maintains trainings with the Washington State Finance Officers Association, Washington Public Ports Association and Washington State Auditor’s Office. Carol is retiring on November 30, 2024. The Port is in the process of hiring a Finance Manager and expects an October 1, 2024 start date for the person hired.

Operations

The Port’s operating revenues are primarily furnished from leasing of land and buildings at the Port’s industrial parks, as well as sand sales. In addition, the Port collects property taxes which are used to pay outstanding bond principal and interest payments on its general obligation debts as well as fund certain capital projects. A breakdown of the Port’s overall facilities are as follows:

Austin Point: The Port owns 200 acres of prime heavy industrial property located on the banks of the Columbia River. There is also another 200 acres inside the dike of the Port's industrial accessible property at this location. Austin Point, the southernmost parcel and seven miles from Interstate 5, has deep water draft capacity and is zoned for industrial use in Cowlitz County. The site currently accepts dredged spoils on 28 acres of upland riverside property and leases a portion of the property to West Coast Training – a heavy construction equipment training and licensing facility. The site is near other shipping land distribution points including Kalama (eight miles north), Longview (25 miles north) and Vancouver (25 miles south). The site is accessible through a developable rail loop on the opposite side of Dike Road and could dually serve Burlington Northern/Santa Fe (“BNSF”) and the Union Pacific (“UP”) rail lines.

Martin's Bar South: The south portion of the property is a heavy industrial zoned property with deep draft access to the Columbia River Navigation System and under lease with Granite Construction (“Granite”). Granite is in the beginning stages of its due diligence of a terminal operation at the Port for an aggregate, concrete and asphalt plant.

Martin Bar North: The north portion of the property is a heavy industrial zoned property with deep draft access to the Columbia River Navigation System and under lease with Wilsonville Concrete Products, LLC (“Wilsonville”). Wilsonville is in the beginning stages of its due diligence for a terminal operation for its aggregate plant as well as serving their tugboat operation.

Schurman Way Industrial Park: This property is located adjacent to Interstate-5 and Dike Road off Schurman Way and is outfitted with rail access to the BNSF and UP railways. In 2022, the Port developed the Schurman Way Industrial Park Owner's Association while selling three lots at the Industrial Park to Brown Strauss, Taylor Trucking and Peri Formworks. Together, the Port and the owners maintain the shared property of two stormwater retention systems that service all of the properties. The Port has the ability to purchase lots if other owners do sell in the future. Owners share costs for the operation of the Association and maintenance of the property through Covenants, Conditions and Restrictions executed by all parties.

Down River Industrial Park: These properties are located at 1363, 1375, 1383, 1387, 1391 and 1395 Down River Drive in the heart of the Port's light industrial area. Buildings include 3-phase power, 27-foot ceiling clearance, overhead doors, gas heat, city water/sewer and is ideally suited for light manufacturing and warehouse uses.

Rose Way Industrial Park: The newest industrial park for the Port opened its first two buildings in June 2024. The Rose Way Industrial Park property will include six Port constructed industrial buildings available for lease when the industrial park is fully built out. The Port received nearly \$4.5 million in federal funding and \$4 million in State funding for this project to the Port's match of \$3 million. The next set of buildings will be under design in 2025-2026.

Centennial Industrial Park: Centennial Park is a nine-lot Owner's Association with two lots owned and maintained by the Port. The remaining lots were sold and two of the lots have been developed, with four of the remaining lots under planning. The revenues from these lots were used in turn to assist in the financing of Rose Way and the funding of the Centennial projects. The Association has shared ownership of a road, easement and landscaping area, and one stormwater pond facility that is shared by the lots. Costs for the maintenance is shared between owners and under contract.

Commercial Property Leases

The Port owns more than 300 acres of mostly waterfront property, of which 120 acres are developed or expected to be developed in the next several years.

The Port's major tenants include the following:

**Table 15
Major Tenants**

Company	Business	Years Tenancy at Port	Lease Revenues	Percent of Port Operating Rev.
Stellar J.	Heavy Construction	34	\$134,640	13.1%
West Coast Training	Heavy Equip./Crane School	32	32,769	3.2
Denali Water Solutions ⁽¹⁾	Transportation	26	47,364	3.3
FlashCo.	Roofing Mat. mfg.	16	69,418	6.9
Hamilton Drywall	Drywall pdt. & mfg.	6	96,000	9.4
Composite Ventures	Composite mfg.	7	130,680	12.7
BNSF	Rail/Maint. Div.	10	33,660	3.2
Hewn Elements	Manufacturing	1	67,320	6.6
Granite Construction ⁽²⁾	Manufacturing	1	72,900	7.1
Wilsonville Concrete Products ⁽³⁾	Manufacturing	1	81,540	8.0

⁽¹⁾ Prior Tribeca Transport/Berhmans Trucking.

⁽²⁾ Under due diligence and, as a result, currently rent is set at 25% of the market value rent established by the Commission; , with rent to increases to 50% of the market value rent established by the Commission when construction of the tenant facility starts.

⁽³⁾ Under construction, with rent currently at 50% of the market value rent established by the Commission; with rent increasing to 100% full market value rate as soon as operations commence.

Source: The Port.

CAPITAL IMPROVEMENT PLAN PROJECTS AND FUNDING

Capital Improvement Plan Projects

The Port adopts a six-year strategic Comprehensive Scheme of Harbor Improvements that lists short, medium and long-range projects and plans of the Port. The projects are arranged by properties owned by the Port. Under Marine Terminal Development, the Port has completed numerous plans and projects for Martin Bar that have resulted in two marine leases for future terminal operations with Granite Construction (80 year lease) and Wilsonville Concrete Products (80 year lease). Both developments are undertaking improvements without Port financial investments. The Port is working with neighboring property owners to acquire other property in this area under a land donation opportunity. Austin Point has two elements to its planning - recreational and terminal. Both elements are in the Port's medium range plan. The Port has submitted numerous grants for the next phase of planning for the terminal and the construction phase of the recreational areas. A pending MARAD Port Infrastructure Development Program grant was submitted for \$1.4 million in request for the 30% design, engineering and permit development phase. This allows the Port to begin marketing for tenants at the future deep water marine terminal sites. Two state grants have been submitted and will be determined in early 2025 for \$2.1 million in grant funding to develop 90 acres of public recreation area for property the Port currently owns. Matching funds come from revenues from operations generated by Martin Bar leases.

Industrial Parks include Schurman, Rose Way, Centennial and Down River Drive. Rose Way completed the first two of six buildings in its 10-year development plan. The remaining buildings will begin their planning phase for design, engineering and construction in 2026 with construction phased each year or combined, depending on funding.

Schurman Way Industrial Park was developed in 1998 along with a rail spur. In 2021, the Port created the Schurman Way Industrial Park Owners Association. The Port then sold two lots that had not developed. One lot revenue of \$4.15 million was utilized to pay existing debts and for capital investments to the future marine terminal properties. In 2022, another lot of long-term tenants was sold to the tenant. The Port owns three remaining lots with two long-term tenants since 1998.

Centennial Industrial Park is under a similar structure to Schurman Way, with an Owners Association. The Port created eight lots, two remain in the ownership of the Port. The remaining six lots were sold to private industrial manufacturers. Two of the six lots have been fully developed and the four remaining lots are under design and engineering.

Down River Drive has six buildings that have been fully leased for over a decade with many long-term tenants. Capital maintenance projects are underway over the next several years that have been built into lease revenues for the outlay starting in 2026.

The Port is completing the second phase of a dark fiber optic cable construction project. Two internet service providers have signed agreements with the Port providing a solid revenue base for the Port beyond the debt service requirements of the associated CERB loan. The Port will begin planning two new phases of the fiber optic expansion starting in 2025 with a new 13 mile stretch to provide further fiber for Pacific Power as Skamania County. Another project will head south toward Clark County for a further connection and future long-term plans of connection within Clark County of nearly 26 miles of fiber serving nearly 25,000 households. Funding for fiber projects comes from State and Federal resources with minimal match to zero match from the Port.

Environmental, Social and Governance

The Port implements several key activities to reduce and/or eliminate the potential for environmental releases and to manage environmental compliance with current environmental regulations. In general, the Port routinely implements professionally recognized best management practices for its own operations, has updated various of its buildings for energy efficacy, and has incorporated elements of climate change and potential environmental impacts in its strategic Comprehensive Scheme of Harbor Improvements.

OTHER MATTERS

Accounting Procedures

Basis of Accounting. The accounting records of the Port are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The Port uses the Budgeting, Accounting and Reporting System (“BARS”) for Cash Basis Port Districts.

The accounts of the Port are maintained on the basis of funds. For reporting purposes, the activities of all Port funds are combined. The Port uses the cash basis of accounting where revenues are recognized only when received and expenses are recognized when paid.

By State law, the Treasurer acts as the *ex-officio treasurer* of the Port and holds all Port funds.

Budgeting. The Port’s revenue and expenditure budgets are prepared and made available for public review and comment during the period August – November each calendar year. The Commission holds a public budget hearing prior to the adoption of any budget resolution. Final budget approval and adoption of resolutions directing the collection of tax levies are approved prior to the first Monday in December of each calendar year and submitted to the Clerk of the County legislative authority. Amended budgets may be adopted by the Commission in order to reflect changes in anticipated revenues and/or expenditures. Amended budget resolutions are reviewed in public session and resolutions are required to be read at two regular board meetings prior to adoption.

Auditing of Port Finances. The State Auditor is required to examine the financial affairs of the Port every three years. The examination must include, among other things, the financial conditions and resources of the Port, whether the laws and constitution of the State are being complied with, and the methods and accuracy of the accounts and reports of the Port. Reports of the auditor’s examinations are required to be filed in the office of the State Auditor and in the auditing department of the Port. The Port has completed Accountability Audits for the years 2019 through 2022, and financial audits for years 2020 through 2023. The Port will receive a financial audit of its 2024 year-end financial results in 2025 by the Washington State Auditor’s office.

Investment Policy

The Commission has adopted an investment policy which provides guidance and policy direction for all investments of Port funds. This document, combined with State statutes, which dictate authorized investments, serves as the template for the investment of all Port funds. All investments of the Port's funds are obligations of the US government, agencies of the US government, general obligations of state and municipal governments, deposits in the Washington State Treasurer's local government investment pool (the "LGIP") or are collateralized deposits with Washington state banks and savings and loan institutions. The Port is a voluntary participant in the Cowlitz County Investment Pool, an external investment pool operated by the County Treasurer.

Cowlitz County Investment Pool. The County Treasurer invests the Port's funds in the Cowlitz County Investment Pool. The investments of the County, as well as the special taxing districts in the County, are pooled together and invested in accordance with the Cowlitz County Investment Policy adopted by the Cowlitz County Finance Committee (consisting of the County Treasurer, the chair of the Board of County Commissioners of the County, and the County Auditor). The Cowlitz County Investment Policy, most recently revised in 2023, specifies that the policy of the County is to invest all public funds in a manner which will provide maximum security with the highest investment return while meeting daily cash flow requirements of the county and taxing districts. The Policy will conform to all State and local statutes governing the investment of public funds including those enumerated in Chapter 36.29, Chapter 39.58, Chapter 39.59, and Chapter 39.60 of the Revised Code of the State of Washington.

As of June 30, 2024, the cash and investments in the Cowlitz County Investment Pool had a market value of \$405 million, consisting of United States Agency securities (38.16%), United States Treasury securities (25.43%), Corporate securities (2.94%) and the Local Government Investment Pool (33.47%). The County Treasurer utilizes a fiduciary investment advisor on a non-discretionary basis to assist in management the portfolio.

Local Government Investment Pool. The LGIP is an external investment pool operated by the State Treasurer. The LGIP is not rated or registered with the U.S. Securities and Exchange Commission (the "SEC"). Rather, the State Finance Committee oversees the LGIP, in accordance with chapter 43.250 RCW. The State Treasurer manages the LGIP portfolio in a manner generally consistent with SEC-regulated Rule 2a-7 money market funds. The maximum final maturity of any security will not exceed 397 days (with exceptions for variable rate and floating securities and securities used in repurchase agreements); the weighted average maturity of the portfolio will not exceed 60 days; and the weighted average life of the portfolio will not exceed 120 days. Eligible investments include: (1) certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies; (2) state, county, municipal, or school district bonds of the State; (3) bankers' acceptances purchased on the secondary market; and (4) commercial paper or corporate notes purchased on the secondary market, provided such investments adhere to State Investment Board policies and procedures.

For the fiscal year ended June 30, 2023, the average balance in the LGIP portfolio was \$21.9 billion, invested on behalf of 631 participants. Participants may contribute and withdraw LGIP funds on a daily basis.

As of March 31, 2024, the Port's investments at market value totaled \$3,861,161.95 invested in:

Cash and Cash Equivalents	
Petty Cash and Cash in bank	\$ 577,553.02
Investments	
Cowlitz County Investment Pool	\$3,283,608.93

Effective in June 2016, chapter 39.59 RCW limits the investment of public funds by local governments to the following authorized instruments: (i) bonds of the State or any local government in the State, (ii) general obligation bonds of any other state or local government thereof which have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency, (iii) registered warrants of a local government in the same county as the local government making the investment, (iv) obligations of the U.S. government, its agencies and wholly owned corporations, or obligations issued or guaranteed by supranational institutions, provided, that at the time of investment, the United States government must be the largest shareholder of such institution, (v) obligations of the Federal Home Loan Bank, Federal National Mortgage Association ("FNMA" or "Fannie Mae") and other government-sponsored enterprises, (vi) bankers' acceptances, (vii) commercial paper, subject to state investment board policies, and (viii) corporate notes, subject to state investment board policies.

Labor Relations

The Port currently employs two full-time employees, two part-time and two on-call who perform management, maintenance, security, custodial and other services related to Port operations.

Pension Plans

Public Employees' Retirement System ("PERS"). Substantially all of the Port's full-time and qualifying part-time employees participate in PERS. PERS is a statewide local government retirement system administered by the Washington State Department of Retirement Systems ("DRS"), under cost-sharing, multiple-employer defined benefit and defined contribution retirement plans. The PERS system includes three plans.

Participants who joined the system by September 30, 1977, are PERS Plan 1 members. The Port has no PERS Plan 1 participants. Those joining thereafter are enrolled in PERS Plan 2. A third plan, entitled PERS Plan 3, provides members with a defined benefit plan similar to PERS Plan 2 and the opportunity to invest their retirement contributions in a defined contribution plan. PERS Plan 1 members are eligible for retirement at any age after 30 years of service, at age 60 with five years of service, or at age 55 with 25 years of service. The annual pension is two percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation earned during any 24 eligible consecutive compensation months.

PERS Plan 2 members may retire at age 65 with five years of service or at 55 with 20 years of service. Retirement benefits are determined as two percent of the average of the member's 60 highest-paid consecutive service months times the member's years of service. PERS Plan 2 retirements prior to 65 are actuarially reduced. On July 1 of each year following the first full year of retirement service, the benefit will be adjusted by the percentage change in the Consumer Price Index of Seattle, capped at three percent annually.

PERS Plan 3 is structured as a dual benefit program that will provide members with the following benefits:

- A defined benefit allowance similar to PERS Plan 2 calculated as one percent of the average of the member's 60 highest-paid consecutive service months times the member's years of service (versus a two percent formula) and funded entirely by employer contributions.
- A defined contribution account consisting of member contributions plus the full investment return on those contributions.

Each biennium, the State Pension Funding Council adopts PERS Plan 1 employer contribution rates and PERS Plan 2 employer and employee contribution rates and Plan 3 employer contribution rates. Employee contribution rates for PERS Plan 1 are established by statute at six percent and do not vary from year to year. The employer and employee contribution rates for PERS Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund PERS Plan 2 and the defined benefit portion of Plan 3. Unlike PERS Plan 2, which has a single contribution rate, with PERS Plan 3, the employee chooses how much to contribute from multiple contribution rate options. Once an option has been selected, the contribution rate choice is irrevocable unless the employee changes employers.

All employers are required to contribute at the level established by State law. The methods used to determine the contribution requirements are established under State statute in accordance with chapters 41.40 and 41.45 RCW.

The following table outlines the contribution rates of employees and employers under PERS. The Port contributed \$30,531.89 to PERS in 2023, representing 100 percent of covered payroll. The Port's contribution represents its full liability under the system. However, while the Port's contributions represent its full current liability under PERS, any unfunded pension benefit obligations within the systems could be reflected in future years as higher contribution rates.

Table 16
PERS Contribution Rates
(For 2023-25 Biennium, effective 7/1/2024)

	PERS Plan 1	PERS Plan 2/3
Employer ⁽¹⁾	9.03%	9.03%
Employee ⁽²⁾	6.00%	6.36%

⁽¹⁾ Includes a 0.20% DRS administration expense rate.

⁽²⁾ Employee contribution rates for Plans 1 and 2 only. Plan 3 employee contribution rates vary from 5.0 percent minimum to 15.0 percent maximum based on the rate selected by the plan member. Plan 3 members do not contribute to the defined benefit portion of Plan 3. Employee contribution rates for PERS Plan 1 are set by statute.

Source: Department of Retirement Systems.

Contribution rates for the plans for the upcoming biennium are adopted by the State during even-numbered years according to a statutory rate-setting process. The process begins with the Office of the State Actuary (the “OSA”) performing an actuarial evaluation of each plan and determining recommended contribution rates. The OSA provides preliminary results and recommended contribution rates to the Select Committee on Pension Policy, a committee of the Legislature (the “SCPP”), and the Pension Funding Council (the “Pension Council”). The rates adopted by the Pension Council are subject to revision by the Legislature, and the Legislature may adopt, and has adopted, contribution rates lower than those suggested by the OSA and adopted by the Pension Council.

Using the Entry Age Normal methodology, and as of June 30, 2022, OSA calculated the funded status of the State-administered plans in which the Port participates is as follows: PERS Plan 1 is 75% funded, and PERS Plans 2 and 3 are 97% funded. This funded status calculation relies on the following key assumptions: a valuation interest rate of 7.00%, a general salary growth rate of 3.25%, an inflation rate of 2.75%, and growth in plan membership of 1.00%. From time to time, OSA has revised its key assumptions and may continue to do so. All employers in PERS and certain other pension plans are required to contribute at a rate (percentage of payroll) determined by the OSA every two years for the sole purpose of amortizing the PERS Plan 1 unfunded actuarial accrued liability within a rolling 10-year period (the “UAAL Rate”). The UAAL Rate became effective in 2015, cannot be less than 3.5%, and will remain in effect until the actuarial value of assets in PERS Plan 1 equals 100% of the actuarial accrued liability of PERS Plan 1. The current UAAL Rate of 2.47% for PERS Plans is included in the employer contribution rates, which are subject to change by future legislation.

Information regarding these state-sponsored plans is presented in Washington State’s Department of Retirement Systems’ annual financial report. A copy of the report may be obtained at:

Department of Retirement Systems
P.O. Box 48380
Olympia, WA 98504-8380
Internet Address: www.drs.wa.gov (which is not incorporated herein by reference)

The information above in this section has been obtained from information on the OSA’s and DRS’s websites. The OSA website includes information regarding the values, funding levels and investments of these retirement plans. These websites are not incorporated by reference.

The DRS website also includes audited Schedules of Collective Pension Amounts and Schedules of Employer Allocations for all of the plans DRS administers, for use by those employers required to implement GASB 68, including the Port.

Pilot Pension - The Port is responsible for making the pension payments of two bar pilots who served the Port prior to October 1, 2001 and who participated in the Amended Retirement Program of Puget Sound Pilots. The benefit is determined by multiplying 1.5% of a participants Retirement Base by the years of service. Upon the death of a retired pilot, a surviving spouse receives ½ the benefit the retired pilot was receiving. The Legislature passed a bill that

provides specific authority for the Port to establish and collect a specific tariff charge to pass through and make Pilot pension payments until such expenses are no longer owed.

Other Post-Employment Benefits

In addition to pensions, many State and local governmental employers provide other post-employment benefits (“OPEB”) as a part of total compensation to attract and retain the services of qualified employees. OPEB includes post-employment health care as well as other forms of post-employment benefits when provided separately from a pension plan.

GASB standard concerning Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions (GASB 45) provides for the measurement, recognition and display of OPEB expenses/expenditures, related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports. The Port does not currently offer post-employment benefits to its employees.

GASB 87

For fiscal year 2022, the Port implemented GASB Statement No. 87 Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Port is a lessor for noncancelable leases. Leases are contracts that convey the right to use the port’s land, buildings, or portions of buildings over a period that exceeds one year.

INSURANCE

The Port is a member of Enduris. The Enduris organization was formed July 10, 1987 by four founding members who found liability insurance in the open market either unaffordable or unavailable. A pool of governmental entities (the “Members” and the “Pool”) was aggregated to provide risk financing to its Members for liability and property coverage. The Pool’s general objectives are to formulate, develop and administer, on behalf of Members, a program of insurance to obtain consistent lower costs for broader coverage and to assist in developing comprehensive loss control programs. The Pool transfers their risk by buying reinsurance or excess insurance over the Pool’s self-insured retention. Chapter 48.62 RCW authorizes a governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint firing or contracting for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. As of August 31, 2019, there are over 547 Pool members representing a broad range of special purpose districts.

The Pool allows Members to jointly purchase excess insurance coverage, share in the self-insured retention, establish a plan for total self-insurance, and provide excellent risk management services while sharing in the risks of joint liability among participating Members. The Pool provides “per occurrence” policies to cover all losses over the self-insured retentions listed on policy maximum limits. Liability coverage is for all lines of liability coverage including Public Official’s Liability. The Property coverage is written on an “all risk”, blanket basis using current Statement of Values and includes, but is not limited to, mobile equipment, boiler and machinery, electronic data processing equipment, business interruption, course of construction and additions, property in transit, fine arts, cyber and automobile physical damage to insured vehicles. Liability coverage limit is \$20 million per occurrence and property coverage limit is \$1 billion per occurrence. Enduris offers crime coverage up to a limit of \$1 million per occurrence.

Managed by a seven (7) member board, Enduris is fully funded by its Members. Claims are filed by individual Pool participants with Enduris.

Members make an annual contribution to fund the Pool and share in the self-insured retention of the jointly purchased excess and/or reinsurance coverage. The self-insured retention is:

- \$1,000,000 self-insured retention on liability loss – the member is responsible for the first \$1,000 of the amount of each claim, while Enduris is responsible for the remaining \$999,000 on a liability loss.

- \$250,000 self-insured retention on property loss – the member is responsible for the first \$1,000 of the amount of each claim, while Enduris is responsible for the remaining \$249,000 on a property loss. For property losses related to boiler and machinery, Enduris is responsible for the first \$4,000 of a claim.

CERTAIN INVESTMENT CONSIDERATIONS

Prospective purchasers of the Bonds should consider the matters set forth below as well as other information contained in this Official Statement in evaluating an investment in the Bonds. This section does not purport to be a comprehensive list or description of all potential risks which, if realized, could adversely affect the payment or the value of the Bonds. The order of presentation of these factors below is not intended to create any implication as to the relative importance of any one risk factor over another.

Factors subject to the Port’s control, to some degree, include the contractual terms the Port establishes with its tenants, as well as the contractual terms should the Port choose to establish with other entities and whether and when to amend such terms.

There are many factors outside of the Port’s control that can affect activity levels in the Port’s operating divisions and the Port’s property tax levy. Some known factors include the level of economic activity both within and outside of the area served by the Port, the financial condition of the Port’s tenants and users, regulation of the Port, its operations, global health, security and other geopolitical concerns, and natural disasters.

No Underlying Ratings

The Port has not applied for and has not obtained an underlying rating from any rating agency on either series of the Bonds. The lack of any underlying rating on the Bonds may affect their marketability.

As noted on the cover page of this Official Statement, the Port has received a bond insurance commitment for the LTGO Bonds from BAM. BAM’s financial strength is rated “AA/Stable” by S&P.

Seismic, Volcanic, Flooding and other Risks

The State is in an area of seismic activity, with frequent small earthquakes and occasionally moderate to larger earthquakes. In addition to the various faults beneath the State, the State is within the Cascadia subduction zone, a fault beneath the Pacific Ocean, which produced a large earthquake several hundred years ago and is thought to be capable of causing extensive damage if another earthquake occurs. There have been four major earthquakes in the last 50 years, the most recent in 2001, which measured 6.8 on the Richter Scale.

The Western United States, including the State, has recently experienced an increase in major wildland fires causing extensive damage in certain areas and diminishing air quality. Other natural disasters, such as volcanic eruptions, landslides, winter storms, windstorms, flooding, and extreme heat are also possible in the region, and could impact the Port. Climate change may intensify and increase the frequency of certain natural disasters and extreme weather events, such as drought, wildfires, floods and heatwaves

The loss of life and property damage that could result from a natural disaster or extreme weather event could have a material and adverse impact on the Port and its property, economy and financial condition.

The Port can give no assurance regarding the effect of any such natural disaster or emergency or that proceeds of insurance carried by the Port would be sufficient, if available, to rebuild and reopen facilities of the Port or that surrounding facilities and infrastructure could or would be rebuilt and reopened in a timely manner.

Cybersecurity

The Port relies on a complex technology environment to conduct its operations and support the community it serves. A cybersecurity breach could damage Port systems and cause material disruption to operations and services. The cost to remedy such damage or protect against future attacks could be substantial. Security breaches could expose the Port to litigation and other legal risks, which could cause the Port to incur costs related to legal or regulatory claims. Since

2023, the Port has maintained cyber liability insurance with Enduris and has implemented policy measures to help offset these financial risks.

Initiative and Referendum

Under the State Constitution, the voters of the State have the power of initiative (the ability to initiate legislation) and the power of referendum (referring to the voters' legislation that has been adopted by the Legislature). Initiatives and referenda are submitted to the voters upon receipt of petitions signed by at least eight percent (initiatives) and four percent (referenda) of the number of voters registered and voting for the office of Governor at the preceding regular gubernatorial election. Qualifying initiatives to the voters are submitted at the next state general election and must be approved by a majority of voters to be enacted into law. Initiatives to the Legislature are submitted to the Legislature at its regular session each January. Once submitted, the Legislature must either adopt the initiative as proposed, reject the proposed initiative (in which case the initiative must be placed on the ballot at the next state general election) or approve an amended version of the proposed initiative (in which case both the amended version and the original proposal must be placed on the next state general election ballot). Any initiative approved by a majority of voters may not be amended or repealed by the Legislature within a period of two years following enactment, except by a vote of two-thirds of all the members elected to each house of the Legislature; after two years, the law is subject to amendment or repeal by the Legislature in the same manner as other laws.

Initiative petitions may be filed from time to time. The Port cannot predict whether any initiatives affecting the Port will qualify to be submitted to the people for vote or, if submitted, will be approved.

Limitations on Remedies

Any remedies available to the owners of the Bonds upon the occurrence of an event of default under the Resolutions are in many respects dependent upon judicial actions, which are in turn often subject to discretion and delay and could be both expensive and time-consuming to obtain. If the Port fails to comply with its covenants under the Resolutions or to pay principal of or interest on the Bonds, there can be no assurance that available remedies will be adequate to fully protect the interests of the owners of the Bonds.

In addition to the limitations on remedies contained in the Resolutions, the rights and obligations under the Bonds and the Resolutions may be limited by and are subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, and other laws relating to or affecting creditors' rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases. Bond Counsel's opinions as to enforceability to be delivered simultaneously with delivery of the Bonds will be qualified by certain limitations, including limitations imposed by bankruptcy, reorganization, insolvency, and equity principles.

Bankruptcy; Dissolution

The enforceability of the rights and remedies of the Bondholders, the obligations of tenants or customers of the Port and of the Port, the lien created by the Revenue Bond Resolution and the pledges created by the Resolutions are subject to the U.S. Bankruptcy Code (the "Bankruptcy Code") and/or to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, to equitable principles that may limit the enforcement under State law of certain remedies and to exercise by the United States of America of powers delegated to it by the U.S. Constitution. It is not entirely clear what procedures the holders of the Revenue Bonds would have to follow to pursue bankruptcy and state law claims to attempt to obtain possession of Net Revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

Some of the risks associated with a bankruptcy, insolvency or dissolution are described below and include the risks of delay in payment and of nonpayment. Potential purchasers of the Bonds should consult their own attorneys and advisors in assessing the risk and the likelihood of recovery in the event the Port, its tenants or customers, or any other party becomes a debtor in a bankruptcy, insolvency or dissolution case prior to the time the Bonds are paid in full.

In addition, payments made by a bankrupt entity within 90 days (up to 366 days if the entity is found to be an insider) of a filing of a bankruptcy case could be deemed to be "avoidable preferences" under the Bankruptcy Code and thus could be subject to recapture in bankruptcy, including from the Bondholders. If an entity is in bankruptcy, parties

(including the Bondholders) may be prohibited from taking action to collect from or to enforce obligations of such entity without permission of the bankruptcy court, and the Port may be prevented from making payments to the Bondholders from funds in its possession. These restrictions may result in delays or reductions in payments on the Bonds.

There may be other possible effects of a bankruptcy of the Port or tenants or customers of the Port that could result in delays or reductions in payments on the Bonds, or result in losses to the Bondholders. Regardless of any specific adverse determinations in any such bankruptcy proceeding, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and value of the Bonds.

The Port. Under current State law, political subdivisions or public agencies, such as the Port, may be able to file for bankruptcy under chapter 9 of the Bankruptcy Code. In 1935, the Legislature authorized taxing districts in the State to file a petition under Section 80 of chapter IX of the then-applicable Bankruptcy Act of 1898. The 1935 authorizing statute has not been amended notwithstanding the fact that the Bankruptcy Act of 1898 has been superseded. The 1935 authorizing statute likely allows municipalities in the State to seek relief under chapter 9 of the now-applicable Bankruptcy Code. In the event of a chapter 9 bankruptcy filing by the Port, owners of the Bonds may not be able to exercise any of their remedies under the Resolutions, as applicable, during the course of the proceeding. Legal proceedings to resolve issues could be time consuming, and substantial delays or reductions in payments to Bondholders may result. Should the Port become a debtor in a federal bankruptcy proceeding, the owners of the Revenue Bonds would continue to have a statutory lien on Gross Revenues after the commencement of the bankruptcy case so long as the Gross Revenues constitutes “special revenues” within the meaning of the Bankruptcy Code. “Special revenues” are defined under the Bankruptcy Code to include, among other things, receipts by local governments from the ownership, operation or disposition of projects or systems that are primarily used to provide utility services. The Bankruptcy Code provides that “special revenues” can be applied to necessary operating expenses of the project or system before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents, such as the Revenue Bond Resolution. It is not clear precisely which expenses would constitute necessary operating expenses and any definition in the Revenue Bond Resolution may not be applicable.

Tenants or Customers. The bankruptcy of one or more tenant or customer of the Port could result in delays, additional expenses and/or reductions in payments or nonpayment to the Port and, as a result, could reduce Net Revenue. Bankruptcy law in the United States is governed by the Bankruptcy Code, and federal bankruptcy courts retain jurisdiction over parties that are subject to bankruptcy petitions, voluntarily or involuntarily. Bankruptcy courts have the jurisdiction, within the limits of the Bankruptcy Code, to review debtors’ agreements and the debtors’ decisions to assume or reject their agreements and to approve, reject or delay payments of debtors’ financial and other obligations. Risks associated with bankruptcy include the risk of substantial delay in payment or of non-payment, the risk that the Port might not be able to enforce its other contractual remedies, the risk that the Port may have to return certain payments received during the “preference” period and the risk of additional litigation costs if the Port decides to or is required to participate in bankruptcy proceedings. Bankruptcy of a major tenant or customer could result in long delays and significant costs and possibly in losses to the Port. Additional requirements, delays, costs or losses could apply in the event that tenants or customers are subject to bankruptcy law of another nation in addition to or in lieu of U.S. bankruptcy laws.

Laws and Regulations; Taxes

The Port is subject to federal, State, and local laws and regulations. Failure by the Port (or by its contractors or tenants) to comply with, or violations of, statutory and regulatory requirements could result in the loss of grant funds, recoupment of funds and in other consequences. These statutory and regulatory requirements are subject to change and could become more stringent and costly for the Port and its customers and tenants. For example, statutory or regulatory requirements limiting emissions or otherwise addressing climate change could be implemented or increased. Climate change concerns have led to new or proposed laws and regulations at the federal, State and local level, which could have a material adverse effect on the Port’s operation or the Port’s tenants. The Port cannot predict whether future restrictions or limitations on the Port will be imposed, whether future legislation or regulations will affect funding for capital projects or whether such restrictions or legislation or regulations will adversely affect Net Revenues.

Continuing Compliance with Tax Covenants; Changes of Law

The Resolutions and the Port's tax certificates will contain various covenants and agreements on the part of the Port that are intended to establish and maintain the tax-exempt status of interest on the Bonds. A failure by the Port to comply with such covenants and agreements, including any remediation obligations, could, directly or indirectly, adversely affect the tax-exempt status of interest on the Bonds. Any loss of tax-exemption could cause all of the interest received by the Owners of the Bonds to be taxable. All or a portion of interest on the Bonds also could become subject to federal and/or state income tax as a result of changes of law. Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax-exempt status of such interest.

No Acceleration

Under the Resolutions, a Bond owner cannot require acceleration of debt service on the Bonds upon the occurrence of an event of default under the applicable Resolution. The Port is liable for principal and interest payments only as they become due. In the event of multiple defaults in payment of principal or interest on the Bonds, the Bond owners would be required to bring a separate action for each such payment not made. This could give rise to a difference in interests between owners of earlier and later maturing Bonds.

LITIGATION AND ADMINISTRATIVE PROCEEDINGS

No Litigation Concerning the Bonds

As of the date of this Official Statement, there is no litigation, to the knowledge of the Port, pending or threatened, challenging the authority of the Port to issue the Bonds or seeking to enjoin the issuance of the Bonds.

Other Litigation and Administrative Proceedings

The Port is not aware of any legal actions that, in the opinion of Port management, will have a material adverse effect on the financial position, results of operations or cash flows of the Port.

CONTINUING DISCLOSURE

The Port is covenanting for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data (the "Annual Disclosure Report") by not later than the end of nine months following the end of the Port's fiscal year (which currently would be September 30, 2025, for the report for the 2024 fiscal year), and to provide notices of the occurrence of certain enumerated events. The Annual Disclosure Report and notices of listed events are to be filed with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Disclosure Report and in notices of listed events is set forth in Appendix E. These covenants are made by the Port to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Compliance with Prior Continuing Disclosure Undertakings. The Port has previously entered into continuing disclosure undertakings with respect to its Limited Tax General Obligation Bonds, 2016 (Taxable), Limited Tax General Obligation Notes, 2020 (Taxable) and Revenue Notes, 2019 (Taxable), all of which are no longer outstanding, and its Limited Tax General Obligation Refunding Bonds, 2020 (Taxable) (collectively, the "Prior Undertakings"). In the process of preparing this Official Statement, it came to the Port's attention that notices regarding the incurrence of financial obligations had not been filed in connection with four loans entered into with the State Community Economic Revitalization Board, pursuant to the Prior Undertakings. On July 29, 2024, the Port filed notice providing the financial obligation information and required disclosures. The Port believes it has otherwise complied in all material respects with its Prior Undertakings for the previous five years.

TAX MATTERS

In the opinion of Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on certain individuals.

Under the Inflation Reduction Act signed into law by President Biden on August 16, 2022, certain large corporations are subject to a 15 percent alternative minimum tax measured based on book income reported to stockholders. Accordingly, interest on the Bonds is taken into account in determining the “adjusted financial statement income” of certain corporations for purposes of computing the alternative minimum tax imposed on “applicable corporations.”

Federal income tax law contains a number of requirements that apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the use of proceeds of the Bonds and the facilities financed or refinanced with proceeds of the Bonds and certain other matters. The Port has covenanted to comply with all applicable requirements.

Bond Counsel’s opinion is subject to the condition that the Port comply with the above-referenced covenants and, in addition, will rely on representations by the Port and its advisors with respect to matters solely within the knowledge of the Port and its advisors, respectively, which Bond Counsel has not independently verified. If the Port fails to comply with such covenants or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds, regardless of the date on which the event causing taxability occurs.

Except as expressly stated above, Bond Counsel expresses no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include tax issues associated with original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding any collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences.

Payments of interest on tax-exempt obligations, such as the Bonds, are in many cases required to be reported to the Internal Revenue Service (the “IRS”). Additionally, backup withholding may apply to any such payments made to any owner who is not an “exempt recipient” and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation. From time to time, legislation is proposed that, if enacted, could alter the federal income tax consequences described herein or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

Bond Counsel’s opinion is not a guarantee of result and is not binding on the IRS; rather, the opinion represents Bond Counsel’s legal judgment based on its review of existing law and in reliance on the representations made to Bond Counsel and the Port’s compliance with its covenants. The IRS has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includable in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Bonds. Owners of the Bonds are advised that, if the IRS does audit the Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the Port as the taxpayer, and the owners of the Bonds may have limited rights to participate in the audit. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Original Issue Discount

The initial public offering price of certain Bonds (the “Original Issue Discount Bonds”), is less than the stated redemption price at maturity. In such case, the difference between (i) the stated amount payable at the maturity of an Original Issue Discount Bond and (ii) the initial public offering price of that Original Issue Discount Bond constitutes original issue discount with respect to that Original Issue Discount Bond in the hands of the owner who purchased that Original Issue Discount Bond at the initial public offering price in the initial public offering of the Bonds. The initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to an Original Issue Discount Bond equal to that portion of the amount of the original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by the initial owner.

In the event of the redemption, sale or other taxable disposition of an Original Issue Discount Bond prior to its stated maturity, however, the amount realized by the initial owner in excess of the basis of the Original Issue Discount Bond in the hands of its initial owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Bond was held by the initial owner) is includable in gross income. Purchasers of Original Issue Discount Bonds should consult their tax advisors regarding the determination and treatment of original issue discount for federal income tax purposes and the state and local tax consequences of owning Original Issue Discount Bonds.

Qualified Tax-Exempt Obligations

The Port has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code for investment by financial institutions.

LEGAL MATTERS

Issuance of the Bonds is subject to receipt of the legal opinions of K&L Gates LLP, Bond Counsel to the Port, and to certain other conditions. See Appendix B for the forms of the opinions of Bond Counsel. K&L Gates LLP is also serving as Disclosure Counsel to the Port in connection with the issuance of the Bonds.

Certain legal matters will be passed on for the Underwriter by Pacifica Law Group LLP, Seattle, Washington, Counsel to the Underwriter. Any opinion of such firm will be addressed solely to the Underwriter, will be limited in scope, and cannot be relied upon by investors.

CONFLICTS OF INTEREST

All or a portion of the fees of the Underwriter, Bond and Disclosure Counsel, the Registrar and the Municipal Advisor are contingent upon the issuance and sale of the Bonds. In addition, Bond Counsel from time to time serves as counsel to the Underwriter with respect to bonds issued by issuers other than the Port. None of the members of the Commission or other officers of the Port has any conflict of interest in the issuance of the Bonds that is prohibited by applicable law.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC has acted as Municipal Advisor to the Port in connection with the issuance of the Bonds. The Municipal Advisor has not audited, authenticated, or otherwise verified the information set forth in this Official Statement or other information available from the Port with respect to the appropriateness, accuracy, and completeness of the disclosure of such information, and the Municipal Advisor makes no guarantee, warranty, or other representation on any matter related to such information.

UNDERWRITING

The LTGO Bonds are to be purchased by Piper Sandler & Co. (the “Underwriter”) from the Port at an aggregate purchase price of \$2,526,260.13 (the principal amount of the LTGO Bonds, less Underwriter’s discount of \$26,471.87, and less an original issue discount of \$47,268.00).

The Revenue Bonds are to be purchased by the Underwriter from the Port at an aggregate purchase price of \$4,474,769.41 (the principal amount of the Revenue Bonds, less Underwriter's discount of \$46,670.64, and less an original issue discount of \$63,559.95).

The purchase of each series of the Bonds by the Underwriter is subject to the terms of a purchase contract between the Port and the Underwriter (the "Purchase Contract" and together, the "Purchase Contract"). Each Purchase Contract provides that the Underwriter must purchase all of the Bonds if any are purchased and that the obligation to make such purchase is subject to certain terms and conditions set forth in the applicable Purchase Contract, the approval of certain legal matters by counsel and certain other conditions. The initial public offering prices set forth on the inside cover hereof may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds into unit investment trusts or money market funds, certain of which may be sponsored or managed by the Underwriter, at prices lower than the public offering prices stated on the inside cover hereof.

AUDITING OF PORT FINANCES

The State Auditor is required to examine the affairs of the Port at least once every three years, however, the Port is audited on a biennial basis. The examination must include, among other things, the financial condition and resources of the Port, whether the laws and constitution of the State are being complied with, and the methods and accuracy of the accounts and reports of the Port. Reports of the Auditor's examinations are required to be filed in the Office of the State Auditor and are available at www.sao.wa.gov (which website is not incorporated by reference into this Official Statement).

The audited financial statements of the Port for the years ended December 31, 2022 and 2023, attached as Appendix F, are incorporated by reference to this Official Statement.

The Port's audited financial statements are public documents. The Port has not requested that the State Auditor provide consent for inclusion of its audited financial statements in this Official Statement, and the State Auditor has not been engaged to perform and has not performed, since the date of its reports included herein, any procedures on the financial statements addressed in those reports. The State Auditor also has not performed any procedures related to this Official Statement.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to purchasers of the Bonds. The summaries provided in this Official Statement and in the appendices attached hereto of the Bonds and the documents referred to herein do not purport to be comprehensive or definitive, and all references to the documents summarized are qualified in their entirety by reference to each such document. All references to the Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the aforesaid documents. Copies of the documents referred to herein are available for inspection during the period of the offering at the principal office of the Port.

Statements in this Official Statement, including matters of opinion, projections and forecasts, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Port and the purchasers of the Bonds.

PORT OF WOODLAND

By /s/ Jennifer Wray-Keene
Executive Director

APPENDIX A
DEMOGRAPHIC AND ECONOMIC INFORMATION

DEMOGRAPHIC AND ECONOMIC INFORMATION

The Port is located in Cowlitz County (the “County”) on the Columbia River near the I-5 corridor between Seattle, Washington and Portland, Oregon in the Lewis River valley. The Port has 17 tenants that lease land or building space. The Port has four existing industrial parks, two marine terminals under development for aggregate, concrete or/and asphalt plant operations, one marine terminal under planning, and 25 miles of fiber optic cable to serve over 750 households and businesses.

The County includes the incorporated city of Woodland. Historical population of the County and the City of Woodland (Cowlitz County portion only), is shown in the following table:

**Table 17
Population**

<u>Year</u>	<u>Cowlitz County</u>	<u>City of Woodland</u>
2024	113,900	6,490
2023	113,000	6,485
2022	112,350	6,490
2021	111,500	6,460
2020	110,730	6,447
2019	110,389	6,488

Source: Washington State Office of Financial Management estimates.

**Table 18
Personal and Per Capita Income**

<u>Year</u>	<u>Cowlitz County</u>		<u>State of Washington</u>	
	<u>Total Personal Income (in thousands)</u>	<u>Per Capita Income</u>	<u>Total Personal Income (in thousands)</u>	<u>Per Capita Income</u>
2022	\$6,116,134	\$54,630	\$586,520,188	\$75,332
2021	6,043,590	54,131	574,266,835	74,188
2020	5,550,791	49,999	522,713,789	67,674
2019	5,041,323	45,822	484,334,162	63,405
2018	4,689,148	43,277	451,609,165	59,827

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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Table 19
Median Household Income⁽¹⁾

Year	Cowlitz County	State of Washington
2023 ⁽²⁾	\$74,250	\$94,308
2022 ⁽³⁾	71,847	91,255
2021	70,104	84,155
2020	64,357	80,319
2019	57,316	78,674

(1) Estimates of median household money income for the inter- and post-Census years are based on Bureau of Economic Analysis personal income data and the estimates of household characteristics, at the county level.

(2) Projection.

(3) In addition to the State personal income data published by Bureau of Economic Analysis, the payroll data compiled by the State Employment Security Department are used in the preliminary estimates of 2020 median household income. 2021 Preliminary Estimate and 2022 Projection

Source: Washington State Office of Financial Management.

Table 20
Taxable Retail Sales

	Cowlitz County	City of Woodland
2023	\$3,010,104,234	\$302,878,128
2022	2,835,761,915	299,612,100
2021	2,570,366,706	288,012,946
2020	2,252,492,191	226,609,788
2019	1,978,894,312	193,691,494

Source: Washington State Department of Revenue.

Table 21
Cowlitz County
Residential Building Permits

Year	New Single Family Units		New Multi-Family Units		Total Construction Cost
	Number	Construction Cost	Number	Construction Cost	
2024	110	\$37,665,331	18	\$2,389,425	\$40,054,756
2023	288	95,260,494	20	4,478,840	99,739,334
2022	311	88,010,434	274	34,036,255	122,046,689
2021	286	79,387,808	62	5,769,072	85,156,880
2020	331	82,006,442	15	1,972,344	83,978,786

Source: U.S. Bureau of the Census. 2024 and 2023 data are Year-to-Date as no annual data currently available.

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Employment within the County is described in the following tables.

**Table 22
Cowlitz County
2023 Major Employers**

Employer	Type of Business	Number of Employees
PeaceHealth/St. John Medical Center	Healthcare	1,500+
WestRock Paper & Packaging Corp.	Paper and Packaging	1,500+
Foster Farms	Chicken Processing	1,000-1,499
J.H. Kelly	Contractor	1,000-1,499
Nippon Liquid Packaging	Liquid Packaging	500-999
Longview School District	K-12 Education	875
Kelso School District	K-12 Education	657
Cowlitz County	Local Government	550
North Pacific Paper Corp. (NORPAC)	Newsprint and book paper	250-499
Bud Clary Auto Group	Auto Sales	250-499
Kaiser Permanente Longview	Healthcare	250-499
Koelsch Senior Properties	Senior Living Community	250-499
Pacific Seafood Co.	Seafood Distribution	250-499
Weyerhaeuser Lumber Mill	Timber	250-499
Steelscape Inc.	Roofing and Siding	250-499
Wilcox & Flegel Oil Co	Fuel and Lubricant Distributor	250-499
Lower Columbia College	Higher Education	425
Woodland School District	K-12 Education	300
City of Longview	Local Government	100-250
Cowlitz County Public Utilities District	Public Utility	100-249

Source: Cowlitz-Wahkiakum Council of Governments.

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Table 23
Cowlitz County
Nonagricultural Wage & Salary Workers⁽¹⁾
and Labor Force and Employment Data

	<u>Annual Average</u>					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Civilian Labor Force	48,090	48,526	48,422	47,683	48,362	48,683
Total Employment	45,094	46,067	45,803	44,643	43,888	45,766
Total Unemployment	2,996	2,459	2,619	3,040	4,474	2,917
Percent of Labor Force	6.2%	5.1%	5.4%	6.4%	9.3%	6.0%
NAICS Industry ⁽²⁾	<u>2024⁽³⁾</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Nonfarm	41,800	42,092	41,942	40,458	39,283	40,708
Total Private	35,200	35,575	35,508	34,275	33,075	34,175
Goods Producing	10,875	11,017	11,100	10,642	10,075	10,175
Mining, Logging, and Construction	3,550	3,600	4,117	3,783	3,450	3,425
Manufacturing	7,325	7,417	6,983	6,858	6,625	6,750
Service Providing	30,925	31,075	30,842	29,817	29,208	30,533
Trade, Transportation, and Utilities	8,250	8,225	8,367	8,325	7,975	7,983
Information and Financial Activities	N/A	N/A	N/A	N/A	N/A	N/A
Professional and Business Services	N/A	N/A	N/A	N/A	N/A	N/A
Educational and Health Services	6,875	6,725	6,667	6,542	6,625	6,667
Leisure and Hospitality	3,450	3,642	3,567	3,258	3,075	3,700
Other Services	N/A	N/A	N/A	N/A	N/A	N/A
Government	6,600	6,517	6,433	6,183	6,208	6,533
Federal Government	200	200	200	200	217	208
State and Local Government	6,400	6,316	6,233	5,984	5,991	6,325
Workers in Labor/Management Disputes	0	0	0	0	0	0

(1) Excludes proprietors, self-employed, members of the armed services, workers in private households, and agriculture. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

(2) North American Industry Classification System.

(3) Preliminary data through March 2024.

Source: Washington State Employment Security Department.

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APPENDIX B
FORMS OF BOND COUNSEL OPINIONS

August 15, 2024

Port of Woodland, Washington

Piper Sandler & Co.
Seattle, Washington

Re: Port of Woodland, Cowlitz County, Washington
Limited Tax General Obligation Bonds, 2024 — \$2,600,000

Ladies and Gentlemen:

We have acted as bond counsel to the Port of Woodland, Cowlitz County, Washington (the “Port”) and have examined a certified transcript of all of the proceedings taken in the matter of the issuance by the Port of its Limited Tax General Obligation Bonds, 2024, dated August 15, 2024, in the aggregate principal amount of \$2,600,000 (the “LTGO Bonds”). The LTGO Bonds are issued pursuant to Resolution No. 528 of the Port Commission adopted on June 6, 2024 (the “LTGO Bond Resolution”) for the purpose of financing the acquisition of property, and paying issuance costs. Capitalized terms used in this opinion which are not otherwise defined shall have the meanings given to such terms in the LTGO Bond Resolution.

The LTGO Bonds are subject to redemption prior to maturity as provided in the LTGO Bond Resolution and the Bond Purchase Contract dated August 8, 2024.

As to questions of fact material to our opinion, we have relied upon representations of the Port contained in the LTGO Bond Resolution and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The LTGO Bonds have been legally issued and constitute valid and binding obligations of the Port, except to the extent that the enforcement of the rights and remedies of such owners of the LTGO Bonds may be limited by laws relating to bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion.

2. The LTGO Bond Resolution is a legal, valid, and binding obligation of the Port, has been duly authorized, executed, and delivered and is enforceable in accordance with its terms, except to the extent that enforcement may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization, or other similar laws of general application affecting the rights of creditors, by the application of equitable principles, and the exercise of judicial discretion.

3. Both principal of and interest on the LTGO Bonds are payable out of annual levies of ad valorem taxes to be made upon all of the taxable property within the Port permitted to be levied without a vote of the electorate in amounts which, together with other available funds, will be sufficient to pay such principal and interest as the same shall become due.

4. Interest on the LTGO Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The

opinion set forth in the preceding sentence is subject to the condition that the Port comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the LTGO Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Port has covenanted to comply with all applicable requirements. Failure to comply with certain of such covenants may cause interest on the LTGO Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the LTGO Bonds.

5. Interest on the LTGO Bonds is taken into account in determining “adjusted financial statement income” of certain corporations for purposes of computing the alternative minimum tax imposed on “applicable corporations.”

The Port has designated the LTGO Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the LTGO Bonds. Owners of the LTGO Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the LTGO Bonds, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

K&L GATES LLP

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August 15, 2024

Port of Woodland, Washington

Piper Sandler & Co.
Seattle, Washington

Re: Port of Woodland, Cowlitz County, Washington
Revenue Bonds, 2024 — \$4,585,000

Ladies and Gentlemen:

We have acted as bond counsel to the Port of Woodland, Cowlitz County, Washington (the “Port”) and have examined a certified transcript of all of the proceedings taken in the matter of the issuance by the Port of its Revenue Bonds, 2024, dated August 15, 2024, in the aggregate principal amount of \$4,585,000 (the “Revenue Bonds”). The Revenue Bonds are issued pursuant to Resolution No. 529 of the Port Commission adopted on June 6, 2024 (the “Revenue Resolution”) for the purpose of financing the acquisition of property, and paying issuance costs. Capitalized terms used in this opinion which are not otherwise defined shall have the meanings given to such terms in the Revenue Resolution.

The Revenue Bonds are subject to redemption prior to maturity as provided in the Revenue Resolution and the Bond Purchase Contract dated August 8, 2024.

As to questions of fact material to our opinion, we have relied upon representations of the Port contained in the Revenue Resolution and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Revenue Bonds have been legally issued and constitute valid and binding obligations of the Port, except to the extent that the enforcement of the rights and remedies of such owners of the Revenue Bonds may be limited by laws relating to bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion. Both principal of and interest on the Revenue Bonds are payable solely out of a special fund of the Port designated as the “Port of Woodland Revenue Bond Fund” (the “Bond Fund”) and the Common Reserve Fund.

2. The Revenue Bond Resolution is a legal, valid, and binding obligation of the Port, has been duly authorized, executed, and delivered and is enforceable in accordance with its terms, except to the extent that enforcement may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization, or other similar laws of general application affecting the rights of creditors, by the application of equitable principles, and the exercise of judicial discretion.

3. The Port has obligated and bound itself to set aside and pay into the Bond Fund out of Net Revenue and the money in the Revenue Fund amounts sufficient to pay the principal of and interest on the Revenue Bonds as the same become due. The Port has further bound itself to pay into the Revenue Fund, as collected, all Gross Revenue.

4. The Port has further pledged in the Revenue Resolution that payments to be made out of Gross Revenue and moneys in the Revenue Fund into the Bond Fund and into the Common Reserve Account shall be a first and prior lien and charge upon the Gross Revenue, and equal in rank to the lien and charge upon such Gross Revenue

of the amounts required to pay any other revenue bonds hereafter issued on a parity therewith as provided in the Revenue Bond Resolution. The Port has reserved the right to issue bonds in the future with a lien against the Gross Revenue on a parity with the lien thereon of the Revenue Bonds.

5. Interest on the Revenue Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinion set forth in the preceding sentence is subject to the condition that the Port comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Revenue Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Port has covenanted to comply with all applicable requirements. Failure to comply with certain of such covenants may cause interest on the Revenue Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Revenue Bonds.

6. Interest on the Revenue Bonds is taken into account in determining "adjusted financial statement income" of certain corporations for purposes of computing the alternative minimum tax imposed on "applicable corporations."

The Port has designated the Revenue Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning or disposing of the Revenue Bonds. Owners of the Revenue Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Revenue Bonds, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

K&L GATES LLP

APPENDIX C
DTC AND ITS BOOK-ENTRY SYSTEM

DTC AND ITS BOOK-ENTRY ONLY SYSTEM

The following information has been provided by The Depository Trust Company, New York, New York (“DTC”). The Port makes no representation regarding the accuracy or completeness thereof. Each actual purchaser of a Bond (a “Beneficial Owner”) should therefore confirm the following with DTC or the Participants (as hereinafter defined).

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the aggregate principal amount of the Bonds of each series, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the “Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (the “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Port as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Port or the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar, or the Port, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Port or the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Port or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.
10. To the extent permitted by law, the Port may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.
11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Port believes to be reliable, but the Port takes no responsibility for the accuracy thereof.

APPENDIX D
COPIES OF THE RESOLUTIONS

**PORT OF WOODLAND
RESOLUTION NO. 528
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PORT OF WOODLAND

RESOLUTION NO. 528

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF WOODLAND, AUTHORIZING THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,650,000, IN ONE OR MORE SERIES FOR THE PURPOSE OF FINANCING THE ACQUISITION OF CERTAIN PROPERTY; AUTHORIZING PRELIMINARY AND FINAL OFFICIAL STATEMENTS; AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE THE NUMBER OF SERIES, THE SALE DATE OR DATES, FINAL PRINCIPAL AMOUNTS, INTEREST RATES, PAYMENT DATES, REDEMPTION PROVISIONS, MATURITY DATES AND PRINCIPAL MATURITIES FOR THE BONDS; PROVIDING FOR CONTINUING DISCLOSURE; AND PROVIDING FOR A NEGOTIATED SALE OF THE BONDS.

ADOPTED: June 6, 2024

Prepared by:

K&L GATES LLP
Seattle, Washington

RESOLUTION NO. 528

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF WOODLAND, AUTHORIZING THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,650,000, IN ONE OR MORE SERIES FOR THE PURPOSE OF FINANCING THE ACQUISITION OF CERTAIN PROPERTY; AUTHORIZING PRELIMINARY AND FINAL OFFICIAL STATEMENTS; AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE THE NUMBER OF SERIES, THE SALE DATE OR DATES, FINAL PRINCIPAL AMOUNTS, INTEREST RATES, PAYMENT DATES, REDEMPTION PROVISIONS, MATURITY DATES AND PRINCIPAL MATURITIES FOR THE BONDS; PROVIDING FOR CONTINUING DISCLOSURE; AND PROVIDING FOR A NEGOTIATED SALE OF THE BONDS.

WHEREAS, the Port of Woodland, Washington (the "Port"), a municipal corporation of the State of Washington, owns and manages industrial and commercial properties; and

WHEREAS, the Port Commission (the "Commission") of the Port deems it necessary and in the best interest of the citizens of the Port to acquire certain property as described herein (the "Project"); and

WHEREAS, it is in the best interest of the Port to issue limited tax general obligation bonds in the aggregate principal amount of not to exceed \$2,650,000 (the "Bonds") in one or more series in order to obtain long-term financing for the Project; and

WHEREAS, this Commission has determined to delegate authority to the Port's Executive Director (the "Designated Port Representative") to negotiate the final terms of the Bonds, including the number of series, the final principal amounts, date of the bonds, denominations, interest rates, payment dates, redemption provisions, and maturity dates of such bonds under such terms and conditions as are approved herein;

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* This table of contents and the cover page are for convenience of reference and are not intended to be a part of this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF WOODLAND, as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings, unless a different meaning clearly appears from the context.

Beneficial Owner means any person that has or shares the power, directly or indirectly to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Bond Counsel means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the Port for any purpose under this resolution applicable to the use of that term.

Bond Fund means the Port of Woodland, General Obligation Bond Redemption Fund created or maintained pursuant to this resolution.

Bond Insurance Commitment means the commitment(s) of the Bond Insurer, if any, to insure certain principal maturities, of the Bonds of any series

Bond Insurance Policy means the policy(ies) of municipal bond insurance, if any, delivered by the Bond Insurer at the time of issuance and delivery of Bonds of a series to be insured pursuant to the Bond Insurance Commitment.

Bond Insurer means the municipal bond insurer(s), if any, that has committed to insure certain principal maturities, of Bonds pursuant to the Bond Insurance Commitment.

Bond Purchase Contract means the purchase contract relating to the Bonds of a series between the Port and the Underwriter pursuant to Section 13 of this resolution.

Bond Register means the registration books maintained by the Registrar setting forth the names and addresses of the owners of the Bonds of a series in compliance with Section 149 of the Code.

Bonds mean the Port's Limited Tax General Obligation Bonds, 2024[A][B] [Taxable][Tax-Exempt (Non-AMT)], issued for the purpose of financing costs of the Project and paying related costs of issuance.

Code means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

Commission means the Port Commission, as the general legislative body of the Port as the same shall be duly and regularly constituted from time to time.

Continuing Disclosure Undertaking means the undertaking for ongoing disclosure for the Bonds of a series executed by the Port pursuant to Section 13 of this resolution.

Designated Port Representative means the Executive Director of the Port (or the successor in function to such person(s)) or such other person as may be directed by resolution of the Commission.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 4 of this resolution.

Executive Director means the Executive Director of the Port, or any successor to the functions of the Executive Director.

Federal Tax Certificate means the certificate of that name executed and delivered by the Designated Port Representative at the time of issuance and delivery of the Bonds issued on a federally tax-exempt basis.

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Rule means the SEC's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SEC means the United States Securities and Exchange Commission.

Term Bonds means any Bonds designated by the Underwriter as Term Bonds in the Bond Purchase Contract.

Treasurer means the Cowlitz County Treasurer, as treasurer *ex officio*, or the person appointed as the Treasurer of the Port, or any successor to the functions of the Treasurer.

Underwriter means Piper Sandler & Co., Seattle, Washington or any other underwriting firm selected by the Designated Port Representative.

Rules of Interpretation. In this resolution, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before the date of this resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neutral genders, and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely

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Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW, as the same may be amended from time to time, provided that such obligations are noncallable and are obligations issued or unconditionally guaranteed by the United States of America.

Letter of Representations means the blanket issuer letter of representations from the Port to DTC.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions. Until otherwise designated by the MSRB or the SEC, any information, reports or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system, currently located at www.emma.msrb.org.

Official Statement means a final Official Statement delivered to the initial purchasers of the Bonds.

Port means the Port of Woodland, a municipal corporation duly organized and existing as a port district under and by virtue of the laws of the State of Washington.

Project has the meaning described in Section 2(a) of this resolution.

Record Date means the close of business on the 15th day prior to each day on which a payment of interest on the Bonds of a series is due and payable.

Registered Owner means the person in whose name ownership of a Bond is identified in the Bond Register.

Registrar means the fiscal agent of the State of Washington, appointed by the Treasurer for the purposes of registering and authenticating the Bonds, maintaining the Bond Register and effecting transfer of ownership of the Bonds. The term **Registrar** shall include any successor to the fiscal agent, if any, hereafter appointed by the Designated Port Representative.

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for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect;

(e) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Plan of Finance: Authorization of Bonds.

(a) **Project.** The Port intends to acquire an existing recreational vehicle park (currently including more than 100 parking spots) situated on the Columbia River to be operated by the Port for recreational purposes (the "Project").

(b) **Bonds.** The Port shall issue its limited tax general obligation bonds in one or more series (the "Bonds") for the purpose of providing the funds to finance all or a portion of the costs of the Project and pay all or a portion of the costs of issuance of the Bonds.

Section 3. Bond Details. The Bonds shall be designated as "Port of Woodland, Washington, Limited Tax General Obligation Bonds, 2024 [A][B] [Taxable][Tax-Exempt (Non-AMT)]," with such description and additional designations for identification purposes of a series as may be approved by the Designated Port Representative, shall be registered as to both principal and interest and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated as of their date of original issuance and delivery, shall be in the denomination of \$5,000 each within a series or any integral multiple of \$5,000, provided that no Bond shall represent more than one series and maturity, shall bear interest from their date until the Bond bearing such interest has been paid or its payment duly provided for, at the rates, payable on the dates, set forth in the Bond Purchase Contract for the applicable series and shall mature on the dates and in the years and in the principal amounts set forth in the Bond Purchase Contract, all as approved by the Designated Port

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Representative pursuant to Section 10 of this resolution. The Bonds of any of the maturities may be combined and issued as term bonds ("Term Bonds"), subject to mandatory redemption as provided in the Bond Purchase Contract.

Section 4. Registration, Payment and Transfer.

(a) *Registrar/Bond Register.* The Port hereby requests the Treasurer to adopt the system of registration and transfer for the Bonds approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agents. The Port shall cause a bond register to be maintained by the Registrar. So long as any Bonds remain outstanding, the Registrar shall make all necessary provisions to permit the exchange and registration of transfer of Bonds at its principal corporate trust office. The Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Registrar, DTC and a successor Registrar appointed by the Designated Port Representative. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the Port, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this resolution and to carry out all of the Registrar's powers and duties under this resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

(b) *Registered Ownership.* The Port and the Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in the Continuing Disclosure Undertaking), and neither the Port nor the Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(h) of this resolution, but such Bond may be transferred as herein provided.

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rate designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Designated Port Representative pursuant to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Designated Port Representative to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the Designated Port Representative may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Registrar shall, upon receipt of all outstanding Bonds of a series, together with a written request from a Designated Port Representative, issue a single new Bond for each series and maturity of the Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Designated Port Representative.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Designated Port Representative determines that it is in the best interest of the Beneficial Owners of the Bonds that such owners be able to obtain such Bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein

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All such payments made as described in Section 4(h) of this resolution shall be valid and shall satisfy and discharge the liability of the Port upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* To induce DTC to accept the Bonds of each series as eligible for deposit at DTC, the Port has executed and delivered to DTC a Letter of Representations.

Neither the Port nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the Port to the Registrar or to DTC (or any successor depository), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds of a series are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder (except as provided in the Continuing Disclosure Undertaking), and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of "Cede & Co.," as nominee of DTC, with one Bond for each series and interest rate maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein of that interest

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provided, and shall no longer be held in fully immobilized form. The Designated Port Representative shall deliver a written request to the Registrar, together with a supply of definitive Bonds, to issue Bonds of a series as herein provided in any authorized denomination. Upon receipt by the Registrar of all then outstanding Bonds of a series together with a written request on behalf of the Designated Port Representative to the Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.*

The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless such Bond is surrendered to the Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee thereof, a new Bond (or Bonds at the option of the new Registered Owner) of the same series, date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and canceled Bond. Any Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same series, date, maturity and interest rate, in any authorized denomination or denominations. The Registrar shall not be obligated to register the transfer of or to exchange any Bond during the fifteen (15) days preceding the date any such Bond is to be redeemed.

(f) *Registrar's Ownership of Bonds.* The Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Registrar, and to the extent

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permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The Port covenants that, until all of the Bonds of a series issued on a federally tax-exempt basis have been surrendered and canceled, it will maintain, or cause to be maintained, a system for recording the ownership of such Bonds that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. For so long as all Bonds of a series are in fully immobilized form, payments of principal and interest shall be made to the parties entitled to receive payment as of each Record Date in accordance with the operational arrangements of DTC referred to in the Letter of Representations.

In the event that the Bonds of a series are no longer in fully immobilized form, interest on the Bonds of that series shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register as of the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Registrar at least fifteen (15) days prior to the applicable payment date), such payment shall be made by the Registrar by wire transfer to the account within the continental United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Registrar.

If any Bond shall be duly presented for payment on a principal and/or interest payment date and funds have not been duly provided by the Port on the applicable date, then interest shall

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provided in this subsection (e). If the Port redeems at any one time fewer than all of the Bonds having the same series and maturity date, the particular Bonds or portions of Bonds of such series and maturity to be redeemed shall be selected by lot (or in such manner determined by the Registrar or otherwise as provided in the Official Statement for such Bonds) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the Port and the Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(f) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds of a series are held in uncertificated form, notice of redemption (which notice, in the case of an optional redemption that is not irrevocable, may be conditional or may be rescinded or revoked at the option of the Port) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the Port nor the Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption, in the case of an optional redemption that is not irrevocable, shall be conditioned by the Registrar on the receipt of sufficient funds for redemption) shall be given by the Registrar on behalf of the Port by mailing a copy of an official

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continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until such Bond is paid.

Section 5. Redemption and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds of each series may be subject to optional redemption on the dates, at the prices, and under the terms set forth in the applicable Bond Purchase Contract, all as approved by the Designated Port Representative pursuant to Section 10 of this resolution.

(b) *Mandatory Redemption.* The Bonds of each series may be subject to mandatory redemption to the extent, if any, set forth in the applicable Bond Purchase Contract, all as approved by the Designated Port Representative pursuant to Section 10 of this resolution.

(c) *Purchase of Bonds.* The Port reserves the right to purchase any Bonds offered to the Port at any price deemed reasonable by the Port. Any purchase of Bonds may be made with or without tender of Bonds and at either public or private sale.

(d) *Effect of Optional Redemption/Purchase.* To the extent that the Port shall have optionally redeemed or purchased any Term Bonds prior to scheduled mandatory redemption of such Term Bonds, the Port may reduce the principal amount of the Term Bonds to be redeemed in like aggregate principal amount. Such reduction may be applied in the year specified by the Designated Port Representative.

(e) *Selection of Bonds for Redemption.* For as long as the Bonds of each series are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC or otherwise as provided in the Official Statement for such Bonds. If the Bonds of a series are no longer held in uncertificated form, the selection of such Bonds to be redeemed shall be made as

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redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Registrar.

All official notices of redemption for Bonds shall be dated and shall state:

- (A) the series of Bonds being redeemed,
- (B) the redemption date,
- (C) the redemption price,
- (D) if fewer than all outstanding of that series of Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (E) any conditions to redemption, if the notice of redemption is a conditional notice,
- (F) unless the notice was conditional and the conditions have not been satisfied or if the Port has not revoked a notice of redemption that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (G) if applicable, the place where such Bonds are to be surrendered for payment of the redemption price.

(2) Additional Notice. In addition to the foregoing notice, further notice shall be given by the Port as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given

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hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least twenty (20) days before the redemption date to each party entitled to receive notice pursuant to Section 13, and to such persons (including securities repositories who customarily at the time receive notices of redemption in accordance with rules promulgated by the SEC) and with such additional information as the Port shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(3) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

(g) Effect of Redemption. Unless the Port has revoked a notice of optional redemption (or unless the Port provided a conditional notice and the conditions for redemption set forth therein are not satisfied), the Port shall transfer to the Registrar amounts that, in addition to other money, if any, held by the Registrar for such purpose, will be sufficient to redeem, on the date fixed for redemption, all the Bonds to be redeemed. If and to the extent that funds have been provided to the Registrar for the redemption of Bonds then from and after the date fixed for redemption for such Bond or portion thereof, interest on each such Bond shall cease to accrue and such Bond or

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity in the aggregate principal amount of \$ _____, and is issued pursuant to Resolution No. 528 (the "Bond Resolution") for the purpose of providing long-term financing for the acquisition of certain property by the Port and paying costs of issuance. Simultaneously herewith, the Port is issuing its Revenue Bonds, 2024 [A][B] [Taxable][Tax-Exempt (Non-AMT)].

The bonds of this issue are subject to redemption as set forth in the Bond Purchase Contract.

The bonds of this issue are [not] "qualified tax-exempt obligations" under Section 265(b) of the Code for investment by financial institutions. [The Port has taken no action to cause the bond to be exempt from federal income taxation.]

The Port hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the Port within the levy limits permitted to port districts without a vote of the electors and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on the bonds of this issue as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Registrar or its duly designated agent.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions duly adopted by the Port Commission including the Bond Resolution.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the Port may incur.

IN WITNESS WHEREOF, the Port of Woodland, Washington, has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission and the seal of the Port imprinted, impressed or otherwise reproduced hereon as of this ____ day of _____, 2024.

[SEAL]

PORT OF WOODLAND

portion thereof shall cease to be outstanding. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Section 6. Form of Bonds.

The Bonds shall be in substantially the following form:

[DTC HEADING]
[Statement of Insurance]

UNITED STATES OF AMERICA

NO. _____ \$ _____

STATE OF WASHINGTON
PORT OF WOODLAND
LIMITED TAX GENERAL OBLIGATION BOND, 2024 [A][B] [TAXABLE][TAX-EXEMPT
(NON-AMT)]

MATURITY DATE: _____ CUSIP NO.: _____

INTEREST RATE: %

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT:

THE PORT OF WOODLAND, WASHINGTON (the "Port"), a municipal corporation organized and existing under and by virtue of the laws of the State of Washington, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from _____, 2024, 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 _____ 1, 20____, and semiannually thereafter on the first days of each succeeding June and December.

Both principal of and interest on this bond are payable in lawful money of the United States of America. The Cowlitz County Treasurer, as *ex officio*, treasurer of the Port has appointed the fiscal agent of the State of Washington as the initial registrar (the "Registrar") for the bonds of this issue. Interest shall be paid in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") between the Port and DTC. Principal also shall be payable in accordance with the operational arrangements referred to in the foregoing sentence to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the Registrar. Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the hereinafter defined Bond Resolution.

By _____ /s/ _____
President, Port Commission

ATTEST:
_____/s/ _____
Secretary, Port Commission

The Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Resolution and is one of the Limited Tax General Obligation Bonds, 2024 [A][B] [Taxable][Tax-Exempt (Non-AMT)], of the Port of Woodland, Washington, dated _____, 2024.

WASHINGTON STATE FISCAL AGENT,
as Registrar

By _____

In the event that any Bonds are no longer in fully immobilized form, the form of such Bonds may be modified to conform to printing requirements and the terms of this resolution.

Section 7. Execution of Bonds. The Bonds shall be executed on behalf of the Port with the manual or facsimile signatures of the President and Secretary of the Port Commission and the seal of the Port impressed, imprinted or otherwise reproduced thereon.

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

In case either of the officers who shall have executed the Bonds shall cease to be an officer or officers of the Port before the Bonds so signed shall have been authenticated or delivered by the

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

Section 8. Bond Fund and Provision for Tax Levy Payments. A special fund of the Port known as the "Port of Woodland, Washington, General Obligation Bond Redemption Fund" (the "Bond Fund") shall be continued in the office of the Treasurer of the Port. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on general obligation bonds of the Port.

The Port hereby further irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes upon all of the property in the Port subject to taxation within and as a part of the tax levy permitted to port districts without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 9. Defeasance. In the event that money and/or noncallable Government Obligations that are direct obligations of the United States or obligations unconditionally guaranteed by the United States maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds of a series authorized hereunder in accordance with their terms, are set aside in a special account of the Port to effect such redemption and retirement, and such moneys and the

result in the most favorable interest cost on the Bonds of each series, including, but not limited to, current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Bonds of each series. Subject to the terms and conditions set forth in this section, the Designated Port Representative is hereby authorized to execute the final form of the Bond Purchase Contract for each series, upon the approval by the Designated Port Representative of the number of series, the final date of sale, interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights set forth therein. Following the execution of the Bond Purchase Contract, the Designated Port Representative shall provide a report to the Commission, describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Port Representative by this section shall expire on December 31, 2024. If a Bond Purchase Contract for the Bonds of a series proposed to be issued has not been executed by December 31, 2024, the authorization for the issuance of that series of Bonds shall be rescinded, and the Bonds of that series shall not be issued nor their sale approved unless the Bonds shall have been re-authorized by resolution of the Commission. The resolution reauthorizing the issuance and sale of the Bonds may be in the form of a new resolution repealing this resolution in whole or in part (only with respect to the Bonds not issued) or may be in the form of an amendatory resolution approving a bond purchase contract or extending or establishing new terms and conditions for the authority delegated under this section.

Upon the adoption of this resolution, the proper officials of the Port including the Designated Port Representative, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Bonds of each series to the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the applicable Bond Purchase Contract.

principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund of the Port for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this resolution except the right to receive the moneys so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

The Registrar shall provide notice of defeasance of Bonds to Registered Owners and to each party entitled to receive notice pursuant to an ongoing disclosure undertaking entered into pursuant to Section 13 of this resolution.

Section 10. Sale of Bonds.

(a) *Bond Sale.* The Commission has been advised by the Port's municipal advisor that the most favorable market conditions may occur on a day other than a regular meeting date of the Commission. The Bonds of each series shall be sold by negotiated sale to the Underwriter. The Designated Port Representative is hereby authorized to approve the number of series, the date of sale, interest rates, maturity dates, aggregate principal amount, principal amounts of each maturity of a series and redemption rights for the Bonds in the manner provided hereafter (i) so long as the aggregate principal amount of the Bonds issued pursuant to this resolution does not exceed \$2,650,000, (ii) so long as the true interest cost for the Bonds of a series does not exceed 9.0% per annum and (iii) so long as final maturity of a series is no longer than 31 years from the date of its issuance.

In determining the number of series, the date of sale, interest rates, prices, maturity dates, aggregate principal amount, principal maturities and redemption rights or other provisions of the Bonds for approval, the Designated Port Representative, in consultation with Port staff and the Port's municipal advisor, shall take into account those factors that, in his or her judgment, will

The Designated Port Representative and other Port officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bonds to the Underwriter and for the proper application and use of the proceeds of sale of the Bonds. In furtherance of the foregoing, the Designated Port Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including Underwriter's discount, the fees and expenses specified in the applicable Bond Purchase Contract, including fees and expenses of the Underwriter and other retained services, including Bond Counsel, disclosure counsel, rating agencies, fiscal agent, financial advisory services, and other expenses customarily incurred in connection with the issuance and sale of bonds.

The Designated Port Representative is authorized to ratify, execute, deliver and approve for purposes of the Rule, on behalf of the Port, the final Official Statement (and to approve, deem final and deliver any preliminary official statement) and any supplement thereto relating to the issuance and sale of the Bonds and the distribution of the Bonds pursuant thereto with such changes, if any, as may be deemed by the Designated Port Representative to be appropriate.

Section 11. Disposition of Sale Proceeds. The net proceeds of the Bonds (exclusive of any amounts that may be designated by the Designated Port Representative in a closing certificate to be allocated to pay costs of issuance or any Bond Insurance Policy), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be held by the Treasurer and used at the direction of the Designated Port Representative for the Project. The Treasurer shall invest the net proceeds of the Bonds until expended in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law and that will mature prior to the date on which such money shall be needed. Earnings on such investments, except as may be required to pay rebatable arbitrage pursuant to the Federal Tax Certificate, if

applicable, may be used for Port purposes or transferred to the Bond Fund for the uses and purposes therein provided.

Section 12. Tax Covenants.

(a) *General.* The Port covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Bonds issued on a federally tax-exempt basis and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exclusion from gross income for federal income tax purposes of the interest on such Bonds.

(b) *Arbitrage Covenant.* The Port hereby covenants that it will not make any use of the proceeds of sale of the Bonds issued on a federally tax-exempt basis or any other funds of the Port which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code which will cause the Bonds to be "arbitrage bonds" within the meaning of said section and said Regulations. The Port will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) and the applicable Regulations thereunder throughout the term of the Bonds.

(c) *Designation under Section 265(b).* The Designated Port Representative is authorized to determine and designate any Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions.

Section 13. Undertaking to Provide Ongoing Disclosure. The Designated Port Representative is authorized to execute and deliver a Continuing Disclosure Undertaking regarding ongoing disclosure in order to assist the Underwriter in complying with Section (b)(5) of the Rule.

Section 17. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the Port 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 resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

Section 18. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Woodland at a regular meeting thereof, held this 6th day of June, 2024, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof.

PORT OF WOODLAND

Commissioner

Commissioner

Commissioner

Attest:

Secretary of the Commission

Section 14. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds of a series shall be lost, stolen or destroyed, the Registrar may execute and deliver a new Bond or Bonds of like series, date, number and tenor to the owner thereof upon the owner's paying the expenses and charges of the Port in connection therewith and upon his filing with the Port evidence satisfactory to the Port that such Bond was actually lost, stolen or destroyed and of his ownership thereof, and upon furnishing the Port with indemnity satisfactory to the Port.

Section 15. Bond Insurance. The payments of the principal of and interest on one or more principal maturities within the Bonds of a series may be insured by the issuance of the Bond Insurance Policy. The Designated Port Representative may solicit proposals from municipal bond insurance companies, and the Designated Port Representative, in consultation with the Port's municipal advisor, is hereby authorized to select the proposal that is deemed to be the most cost effective and further to execute the Bond Insurance Commitment with the Bond Insurer, which may include such covenants and conditions as shall be approved by the Designated Port Representative. The Designated Port Representative is further authorized to execute and deliver to the Bond Insurer any insurance agreement or documents as necessary to carry out the terms of the Bond Insurance Commitment.

Section 16. Resolution and Laws a Contract with the Bond Owners. This resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington. In consideration of the purchase and ownership of the Bonds, the provisions of this resolution and of said laws shall constitute a contract with the owners of the Bonds, and the obligations of the Port and its Commission under said laws and under this resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein and in the Bonds set forth shall be for the equal benefit of the owners of the Bonds.

CERTIFICATE

I, the undersigned, Secretary of the Port Commission (the "Commission") of the Port of Woodland (the "Port"), DO HEREBY CERTIFY:

1. That the attached resolution numbered 528 (the "Resolution") is a true and correct copy of a resolution of the Port, as finally adopted at a meeting of the Commission held on the 6th day of June, 2024, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Commission was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of June, 2024.

Secretary of the Commission

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF WOODLAND, AUTHORIZING THE SALE AND ISSUANCE OF REVENUE BONDS OF THE PORT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$4,900,000 IN ONE OR MORE SERIES FOR THE PURPOSE OF FINANCING THE ACQUISITION OF CERTAIN PROPERTY; AUTHORIZING PRELIMINARY AND FINAL OFFICIAL STATEMENTS; AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE THE NUMBER OF SERIES, THE SALE DATE OR DATES, FINAL PRINCIPAL AMOUNTS, INTEREST RATES, PAYMENT DATES, REDEMPTION PROVISIONS, MATURITY DATES AND PRINCIPAL MATURITIES FOR THE BONDS; PROVIDING FOR CONTINUING DISCLOSURE; AND PROVIDING FOR A NEGOTIATED SALE OF THE BONDS.

ADOPTED: JUNE 6, 2024

Prepared by:

K&L GATES LLP
Seattle, Washington

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* This Table of Contents and the Cover Page are for convenience of reference and are not intended to be a part of this resolution.

RESOLUTION NO. 529

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF WOODLAND, AUTHORIZING THE SALE AND ISSUANCE OF REVENUE BONDS OF THE PORT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$4,900,000 IN ONE OR MORE SERIES FOR THE PURPOSE OF FINANCING THE ACQUISITION OF CERTAIN PROPERTY; AUTHORIZING PRELIMINARY AND FINAL OFFICIAL STATEMENTS; AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE THE NUMBER OF SERIES, THE SALE DATE OR DATES, FINAL PRINCIPAL AMOUNTS, INTEREST RATES, PAYMENT DATES, REDEMPTION PROVISIONS, MATURITY DATES AND PRINCIPAL MATURITIES FOR THE BONDS; PROVIDING FOR CONTINUING DISCLOSURE; AND PROVIDING FOR A NEGOTIATED SALE OF THE BONDS.

WHEREAS, the Port of Woodland, Washington (the "Port"), a municipal corporation of the State of Washington, owns and manages industrial and commercial properties; and

WHEREAS, the Port Commission (the "Commission") of the Port deems it necessary and in the best interest of the citizens of the Port to acquire certain property as described herein (the "Project"); and

WHEREAS, the Port is authorized to issue its revenue bonds pursuant to RCW chs. 53.40 and 39.44 for the purpose of financing a portion of the costs of financing the Project, and it is in the best interest of the Port to issue revenue bonds in the aggregate principal amount of not to exceed \$4,900,000 (the "Bonds") in order to obtain long-term financing for a portion of the costs of the Project; and

WHEREAS, the Bonds authorized herein shall be sold pursuant to a negotiated sale as herein provided; and

WHEREAS, the Commission wishes to delegate authority to the Port's Executive Director (the "Designated Port Representative") to negotiate the final terms of the Bonds, including the number of series, final principal amounts, date of the Bonds, denominations,

interest rates, payment dates, redemption provisions, and maturity dates of such Bonds under such terms and conditions as are approved by this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF WOODLAND, as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings unless a different meaning clearly appears from the context:

Adjusted Net Revenue means the Net Revenue of the Port for the Base Period as adjusted and certified by a Professional Consultant to take into consideration additional Net Revenue estimated by such Professional Consultant to be derived by the Port under the following conditions:

- (a) the additional Net Revenue which would have been received by the Port if any change in rentals, tariffs, rates and charges adopted prior to the date of such certificate and subsequent to the beginning of the Base Period, had been in force during the full Base Period;
- (b) the additional Net Revenue which would have been received by the Port if any Facility which became fully operational after the beginning of the Base Period had been so operating for the entire Base Period;
- (c) the additional Net Revenue estimated by the Professional Consultant to be received by the Port as a result of any additions, betterments and improvements to and extensions of any Facilities which are (1) under construction at the time of such certificate or (2) will be constructed from the proceeds of the Future Parity Bonds to be issued; and
- (d) the additional Net Revenue to be received by the Port as a result of executed leases or contracts, which Net Revenue has not been included in (a), (b), or (c) above.

Annual Debt Service Requirement means, with respect to any particular year and to any specified bonds, an amount equal to (i) the principal amount of such bonds due or subject to mandatory redemption during such year and for which no sinking fund installments have been established, (ii) the amount of any payments required to be made during such year into any sinking fund established for the payment of any such bonds, plus (iii) all interest payable during such year on any such bonds outstanding, calculated on the assumption that mandatory sinking fund installments will be applied to the redemption or retirement of such bonds on the earlier of the date specified in such bonds. Such amount shall be net of any interest funded out of bond proceeds. With respect to any Variable Interest Rate Bonds and the certification required under Section 11, an amount for any period equal to the amount which would have been payable for principal and interest on such Variable Interest Rate Bonds during such period computed on the assumption that the amount of Variable Interest Rate Bonds Outstanding as of the date of such computation would be amortized (i) in accordance with the mandatory redemption provisions, if any, set forth in the resolution authorizing the issuance of such Variable Interest Rate Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the date 30 years after the date of issuance (ii) at an interest rate equal to the yield to maturity set forth in the Revenue Bond Index published in the edition of *The Bond Buyer* (or comparable publication or such other similar index selected by the Port) selected by the Port and published within ten days prior to the date of calculation or, if such calculation is being made in connection with the certificate required by Section 11 hereof, then within ten days of such certificate, (iii) to provide for essentially level annual debt service of principal and interest over such period.

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Bonds mean the Port's Revenue Bonds, 2024[A][B][Taxable][Tax-Exempt (Non-AMT)] authorized to be issued pursuant to this resolution.

Code means the Internal Revenue Code of 1986, as amended, and all applicable regulations and rulings relating thereto.

Commission means the Port Commission, as the general legislative body of the Port as the same shall be duly and regularly constituted from time to time.

Common Reserve Fund means the "Common Reserve Fund" established pursuant to Section 9 of this resolution and maintained with the Treasurer pursuant to this resolution.

Common Reserve Requirement means the lowest of (i) maximum Annual Debt Service with respect to Outstanding Covered Bonds; (ii) 125% of average Annual Debt Service with respect to Outstanding Covered Bonds; and (iii) 10% of the initial principal amount of each series then Outstanding of Covered Bonds. The Common Reserve Requirement shall be determined and calculated as of the date of issuance of each series of Covered Bonds (and recalculated upon the issuance of a subsequent series of Covered Bonds and also, at the Port's option, upon the payment of principal of Covered Bonds) and provided that if, as a result of the issuance of Future Parity Bonds, the increase in the Common Reserve Requirement of Future Parity Bonds would require that an amount be contributed to the Common Reserve Fund that is more than the Tax Maximum, the Common Reserve Requirement shall be adjusted to require a contribution equal to the Tax Maximum.

Continuing Disclosure Undertaking means the undertaking for ongoing disclosure for the Bonds executed by the Port pursuant to Section 16 of this resolution.

Covered Bonds means the Bonds and those Future Parity Bonds, designated in the resolution authorizing their issuance as Covered Bonds secured by the Common Reserve Fund.

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Base Period means a period of any 12 consecutive months out of the 30 months immediately preceding the date of delivery of an issue of Future Parity Bonds.

Beneficial Owner means any person that has or shares the power, directly or indirectly to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Bond Counsel means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the Port for any purpose under this resolution applicable to the use of that term.

Bond Fund means the Port of Woodland Revenue Bond Fund maintained in the office of the Treasurer pursuant to Section 9 of this resolution.

Bond Insurance Commitment means the commitment(s) of the Bond Insurer, if any, to insure certain principal maturities, of the Bonds of any series

Bond Insurance Policy means the policy(ies) of municipal bond insurance, if any, delivered by the Bond Insurer at the time of issuance and delivery of Bonds pursuant to the Bond Insurance Commitment.

Bond Insurer means the municipal bond insurer(s), if any, that has committed to insure certain principal maturities, of Bonds pursuant to the Bond Insurance Commitment.

Bond Purchase Contract means the purchase contract relating to the Bonds of a series between the Port and the Underwriter and setting forth certain terms approved by the Executive Director pursuant to Section 13 of this resolution.

Bond Register means the registration books maintained by the Registrar setting forth the names and addresses of the owners of the Bonds in compliance with Section 149 of the Code.

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A **Credit Event** occurs when (a) a Qualified Letter of Credit terminates, or (b) the issuer of Qualified Insurance or a Qualified Letter of Credit shall become insolvent or no longer be in existence.

Designated Port Representative means the Executive Director of the Port (or the successor in function to such person(s)) or such other person as may be directed by resolution of the Commission.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 4 of this resolution.

Executive Director means the Executive Director of the Port, or any successor to the functions of the Executive Director.

Facilities mean all equipment and all property, real and personal, or any interest therein, whether improved or unimproved, now or hereafter (for as long as any revenue bonds of the Port issued pursuant to this resolution or on a parity therewith shall be outstanding) owned, operated, used, leased or managed by the Port and which contribute in some measure to its Gross Revenue as herein defined.

Federal Tax Certificate means the certificate of that name executed and delivered by the Designated Port Representative at the time of issuance and delivery of the Bonds of a series issued on a federally tax-exempt basis.

Fitch means Fitch Ratings, Inc., organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be

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deemed to refer to any other nationally recognized securities rating agency (other than S&P or Moody's) designated by the Designated Port Representative.

Future Parity Bonds mean those revenue bonds or other revenue obligations issued by the Port in the future as Parity Bonds having a lien on Gross Revenues on parity with the Bonds.

Government Obligations mean those obligations defined as such in chapter 39.53 RCW, as it may be amended from time to time.

Gross Revenue means all income and revenue derived by the Port from time to time from any source whatsoever except:

- (1) the proceeds of any borrowing by the Port,
- (2) income and revenue which may not be legally pledged for revenue bond debt service,
- (3) income and revenue of the Port separately pledged and used by it to pay and secure the payment of the principal of and interest on any issue or series of Special Revenue Bonds of the Port issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, provided that prior to the issuance of such Special Revenue Bonds, a licensed professional engineer experienced in the design and operation of such facilities shall have certified that the amount of such pledged income and revenue will be sufficient to pay and secure the payment of such principal and interest as provided in the resolution of the Port authorizing the issuance of such Special Revenue Bonds, and provided further, that nothing in this subparagraph (3) shall permit the withdrawal from Gross Revenue of any income or revenue derived or to be derived by the Port from any income producing facility which shall have been contributing to Gross Revenue prior to the issuance of such Special Revenue Bonds, and

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notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system, currently located at www.emma.msrb.org.

Net Revenue means the Gross Revenue less any part thereof used or applied to pay normal costs of maintenance and operation of the Facilities of the Port (other than Special Facilities) and normal costs of administration of the business of the Port not paid from general tax levies, but before depreciation and any other non-cash expenses. For purposes of this resolution general tax levies are deemed to be applied to such costs.

Official Statement means a final Official Statement delivered to the initial purchasers of the Bonds.

Outstanding, when used as of a particular time with reference to Parity Bonds, means all Parity Bonds except those identified as no longer "Outstanding" under the terms established in the respective resolution authorizing their issuance.

Parity Bonds mean any revenue bonds or revenue warrants issued by the Port which have a lien upon the Gross Revenue for the payment of the principal thereof and interest thereon equal to the lien created upon Gross Revenue for the payment of the principal of and interest on the Bonds, and the term **Parity Bonds** shall mean and include the Bonds and any Future Parity Bonds.

Parity Conditions mean the conditions to the issuance of Future Parity Bonds set forth in Section 11 of this resolution.

Port means the Port of Woodland, a municipal corporation duly organized and existing as a port district under and by virtue of the laws of the State of Washington.

Professional Consultant means at any time an independent consultant or an engineer or engineering firm or financial consultant or advisor or other expert appointed by the Port to

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(4) income from investments irrevocably pledged to the payment of bonds issued or to be refunded under any refunding bond plan of the Port.

Letter of Representations means the blanket issuer letter of representations from the Port to DTC.

Liquidity Facility means a line of credit, standby purchase agreement or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or to provide funds for the payment of the purchase price of Parity Bonds.

Liquidity Facility Issuer means the issuer of any Liquidity Facility.

Maximum Annual Debt Service means the highest remaining Annual Debt Service Requirement for outstanding Parity Bonds.

Maximum Interest Rate means, with respect to any particular Variable Interest Rate Bond, a numerical rate of interest, which shall be set forth in any resolution authorizing Future Parity Bonds, which shall be the maximum rate of interest such Variable Interest Rate Bond may at any time bear.

Moody's means Moody's Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term Moody's shall be deemed to refer to any other nationally recognized securities rating agency (other than Fitch or S&P) selected by the Designated Port Representative.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions. Until otherwise designated by the MSRB or the SEC, any information, reports or

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perform the duties of the Professional Consultant as required by this resolution. For the purposes of delivering any certificate required by Section 11 hereof and making the calculation required by Section 11 hereof, the term Professional Consultant shall also include any independent public accounting firm appointed by the Port to make such calculation or to provide such certificate or the financial advisor appointed by the Port to make such calculation or to provide such certificate.

Project has the meaning described in Section 2(a) of this resolution.

Qualified Insurance means any non-cancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies) (i) which insurance company or companies are rated at the time of delivery of issuance of the policy of Qualified Insurance in one of the two highest Rating Categories by one or more of the Rating Agencies for unsecured debt or insurance underwriting or claims paying ability or (ii) if as a result of the issuance of its policies, the obligations insured thereby to be rated at the time of issuance of the policy of Qualified Insurance in one of the two highest Rating Categories by one or more of the Rating Agencies.

Qualified Letter of Credit means any irrevocable letter of credit issued by a financial institution, which institution maintains an office, agency or branch in the United States and is rated at the time of issuance of the Qualified Letter of Credit in one of the two highest long-term Rating Categories by one or more of the Rating Agencies.

Rate Covenant means in any year Net Revenue in an amount equal to at least 1.25 times that year's Annual Debt Service Requirement.

Rating Agency means Fitch, Moody's or S&P.

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Rating Category means the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

Record Date means the close of business on the 15th day prior to each day on which a payment of interest on the Bonds of a series is due and payable.

Registered Owner means the person in whose name ownership of a Bond is identified in the Bond Register.

Registrar means the fiscal agent of the State of Washington, appointed by the Treasurer for the purposes of registering and authenticating the Bonds, maintaining the Bond Register and effecting transfer of ownership of the Bonds. The term **Registrar** shall include any successor to the fiscal agent, if any, hereafter appointed by the Treasurer.

Revenue Fund means the Port of Woodland Revenue Fund heretofore established in the office of the Treasurer.

Rule means the SEC's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

S&P means S&P Global Ratings, a Division of S&P Global Inc., and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P shall be deemed to refer to any other nationally recognized securities rating agency (other than Moody's or Fitch) selected by the Designated Port Representative.

SEC means the United States Securities and Exchange Commission.

Special Revenue Bonds mean any issue or series of revenue bonds, revenue warrants or other revenue obligations of the Port issued to directly or indirectly acquire (by purchase, lease or otherwise), construct, equip, install or improve part or all of particular facilities and which are

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Rate. Such resolution authorizing Parity Bonds shall also specify either (1) the particular period or periods of time or manner of determining such period or periods of time for which each value of such variable interest rate shall remain in effect or (2) the time or times upon which any change in such variable interest rate shall become effective.

Variable Interest Rate Bond means any Parity Bond bearing a Variable Interest Rate.

Rules of Interpretation. In this resolution, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neutral genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and Sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect; and

(e) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

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payable from and secured by the income and revenue from such particular facilities (herein referred to as "Special Facilities").

Tax Maximum means the maximum dollar amount permitted by the Code to be allocated to a bond reserve account from bond proceeds without requiring a balance to be invested at a restricted yield.

Term Bonds means any Bonds designated by the Underwriter as Term Bonds in the Bond Purchase Contract.

Treasurer means the Cowlitz County Treasurer, as treasurer *ex officio*, or the person appointed as the Treasurer of the Port, or any successor to the functions of the Treasurer.

Uncovered Bonds means any Future Parity Bonds that will not be secured by the Common Reserve Fund.

Underwriter means Piper Sandler & Co., Seattle, Washington or any other underwriting firm selected by the Designated Port Representative.

Variable Interest Rate means a variable interest rate or rates to be borne by a series of Parity Bonds or any one or more maturities within a series of Parity Bonds. The method of computing such variable interest rate shall be specified in the resolution authorizing such Parity Bonds and shall be based on (a) a percentage or percentages or other function of an objectively determinable interest rate or rates (e.g., a prime lending rate) or a function of such objectively determinable interest rate or rates which may be in effect from time to time or at a particular time or times, provided that, such variable interest rate shall be subject to a Maximum Interest Rate and that there may be an initial rate specified, in each case as provided in such resolution or (b) a stated interest rate that may be changed from time to time as provided in such resolution authorizing Parity Bonds, provided that, such interest rate shall be subject to a Maximum Interest

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Section 2. Plan of Finance; Authorization of Bonds.

(a) **Project.** The Port intends to acquire an existing recreational vehicle park (currently including more than 100 parking spots) situated on the Columbia River to be operated by the Port for recreational purposes (the "Project").

(b) **Bonds.** The Port shall issue its revenue bonds (the "Bonds") in one or more series for the purpose of providing the funds to finance a portion of the costs of the Project and pay all or a portion of the costs of issuance of the Bonds.

Section 3. Bond Details. The Bonds shall be designated as "Port of Woodland, Washington, Revenue Bonds, 2024[A][B] [Taxable][Tax-Exempt (Non-AMT)]," with such description and additional designations for identification purposes of a series as may be approved by the Designated Port Representative, shall be registered as to both principal and interest and shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated as of their date of original issuance and delivery, shall be in the denomination of \$5,000 each within a series or any integral multiple of \$5,000, provided that no Bond shall represent more than one series and maturity, shall bear interest from their date until the Bond bearing such interest has been paid or its payment duly provided for, at the rates, payable on the dates, set forth in the Bond Purchase Contract for the applicable series and shall mature on the dates and in the years and in the principal amounts set forth in the Bond Purchase Contract, all as approved by the Designated Port Representative pursuant to Section 13 of this resolution. The Bonds of any of the maturities may be combined and issued as term bonds ("Term Bonds"), subject to mandatory redemption as provided in the Bond Purchase Contract.

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The Bonds shall be obligations only of the Bond Fund and shall be payable and secured as provided herein. The Bonds shall not be general obligations of the Port.

Section 4. Registration, Payment and Transfer.

(a) *Registrar/Bond Register.* The Port hereby requests the Treasurer to adopt the system of registration and transfer for the Bonds approved by the Washington State Finance Committee from time to time through the appointment of state fiscal agents. The Port shall cause a bond register to be maintained by the Registrar. So long as any Bonds remain outstanding, the Registrar shall make all necessary provisions to permit the exchange and registration of transfer of Bonds at its principal corporate trust office. The Registrar may be removed at any time at the option of the Treasurer upon prior notice to the Registrar, DTC and a successor Registrar appointed by the Designated Port Representative. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the Port, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this resolution and to carry out all of the Registrar's powers and duties under this resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

(b) *Registered Ownership.* The Port and the Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in the Continuing Disclosure Undertaking), and neither the Port nor the Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(h) of this resolution, but such Bond may be transferred as herein provided. All such payments made as described in Section 4(h) of this resolution shall be

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that interest rate designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Designated Port Representative pursuant to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Designated Port Representative to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the Designated Port Representative may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Registrar shall, upon receipt of all outstanding Bonds of a series, together with a written request from a Designated Port Representative, issue a single new Bond for each series and maturity of the Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Designated Port Representative.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Designated Port Representative determines that it is in the best interest of the Beneficial Owners of the Bonds that such owners be able to obtain such Bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as

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valid and shall satisfy and discharge the liability of the Port upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* To induce DTC to accept the Bonds of each series as eligible for deposit at DTC, the Port has executed and delivered to DTC a Letter of Representations.

Neither the Port nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the Port to the Registrar or to DTC (or any successor depository), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds of a series are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder (except as provided in the Continuing Disclosure Undertaking), and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of "Cede & Co.," as nominee of DTC, with one Bond for each series and interest rate maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein of

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herein provided, and shall no longer be held in fully immobilized form. The Designated Port Representative shall deliver a written request to the Registrar, together with a supply of definitive Bonds, to issue Bonds of a series as herein provided in any authorized denomination. Upon receipt by the Registrar of all then outstanding Bonds of a series together with a written request on behalf of the Designated Port Representative to the Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.*

The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless such Bond is surrendered to the Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee thereof, a new Bond (or Bonds at the option of the new Registered Owner) of the same series, date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and canceled Bond. Any Bond may be surrendered to the Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same series, date, maturity and interest rate, in any authorized denomination or denominations. The Registrar shall not be obligated to register the transfer of or to exchange any Bond during the fifteen (15) days preceding the date any such Bond is to be redeemed.

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(f) *Registrar's Ownership of Bonds.* The Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The Port covenants that, until all of the Bonds of a series issued on a federally tax-exempt basis have been surrendered and canceled, it will maintain, or cause to be maintained, a system for recording the ownership of such Bonds that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. For so long as all Bonds of a series are in fully immobilized form, payments of principal and interest shall be made to the parties entitled to receive payment as of each Record Date in accordance with the operational arrangements of DTC referred to in the Letter of Representations.

In the event that the Bonds of a series are no longer in fully immobilized form, interest on the Bonds of that series shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register as of the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Registrar at least fifteen (15) days prior to the applicable payment date), such payment shall be made by the Registrar by wire transfer to the account within the continental United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Registrar.

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(e) *Selection of Bonds for Redemption.* For as long as the Bonds of each series are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC or otherwise as provided in the Official Statement for such Bonds. If the Bonds of a series are no longer held in uncertificated form, the selection of such Bonds to be redeemed shall be made as provided in this subsection (e). If the Port redeems at any one time fewer than all of the Bonds having the same series and maturity date, the particular Bonds or portions of Bonds of such series and maturity to be redeemed shall be selected by lot (or in such manner determined by the Registrar or otherwise as provided in the Official Statement for such Bonds) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the Port and the Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(f) *Notice of Redemption.*

(1) *Official Notice.* For so long as the Bonds of a series are held in uncertificated form, notice of redemption (which notice, in the case of an optional redemption that is not irrevocable, may be conditional or may be rescinded or revoked at the option of the Port) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the Port nor the Registrar will provide any notice of redemption to any Beneficial

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If any Bond shall be duly presented for payment on a principal and/or interest payment date and funds have not been duly provided by the Port on the applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until such Bond is paid.

Section 5. Redemption and Purchase of Bonds.

(a) *Optional Redemption.* The Bonds of each series may be subject to optional redemption on the dates, at the prices, and under the terms set forth in the applicable Bond Purchase Contract, all as approved by the Designated Port Representative pursuant to Section 13 of this resolution.

(b) *Mandatory Redemption.* The Bonds of each series may be subject to mandatory redemption to the extent, if any, set forth in the applicable Bond Purchase Contract, all as approved by the Designated Port Representative pursuant to Section 13 of this resolution.

(c) *Purchase of Bonds.* The Port further reserves the right to use at any time any surplus Net Revenue available after providing for the payments required by paragraphs First through Fifth of Section 8 of this resolution, or other available funds, to purchase any of the Bonds that are offered to the Port at any price deemed appropriate by the Port. Any purchase of Bonds may be made with or without tender of Bonds and at either public or private sale.

(d) *Effect of Optional Redemption/Purchase.* To the extent that the Port shall have optionally redeemed or purchased any Term Bonds prior to scheduled mandatory redemption of such Term Bonds, the Port may reduce the principal amount of the Term Bonds of the same series to be redeemed in like aggregate principal amount. Such reduction may be applied in the year specified by the Designated Port Representative.

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Owners. Thereafter (if the Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption, in the case of an optional redemption that is not irrevocable, shall be conditioned by the Registrar on the receipt of sufficient funds for redemption) shall be given by the Registrar on behalf of the Port by mailing a copy of an official redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Registrar.

All official notices of redemption for Bonds shall be dated and shall state:

- (A) the series of Bonds being redeemed,
- (B) the redemption date,
- (C) the redemption price,
- (D) if fewer than all outstanding of that series of Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (E) any conditions to redemption, if the notice of redemption is a conditional notice,
- (F) unless the notice was conditional and the conditions have not been satisfied or if the Port has not revoked a notice of redemption that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

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(G) if applicable, the place where such Bonds are to be surrendered for payment of the redemption price.

(2) Additional Notice. In addition to the foregoing notice, further notice shall be given by the Port as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least twenty (20) days before the redemption date to each party entitled to receive notice pursuant to Section 16, and to such persons (including securities repositories who customarily at the time receive notices of redemption in accordance with rules promulgated by the SEC) and with such additional information as the Port shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(3) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

(g) Effect of Redemption. Unless the Port has revoked a notice of optional redemption (or unless the Port provided a conditional notice and the conditions for redemption

Both principal of and interest on this bond are payable in lawful money of the United States of America. The Cowlitz County Treasurer, as treasurer *ex officio* of the Port has appointed the fiscal agent of the State of Washington as the initial registrar for the bonds of this issue (the "Registrar"). Interest shall be paid in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") between the Port and DTC. Principal also shall be payable in accordance with the operational arrangements referred to in the foregoing sentence to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the Registrar. Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the hereinafter defined Bond Resolution.

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity in the aggregate principal amount of \$ _____, and is issued pursuant to Resolution No. 529 (the "Bond Resolution") for the purpose of providing long-term financing for the acquisition of certain property by the Port and paying costs of issuance. Simultaneously herewith, the Port is issuing its Limited Tax General Obligation Bonds, 2024 [A][B] [Taxable][Tax-Exempt (Non-AMT)].

The bonds of this issue are subject to redemption as set forth in the Bond Purchase Contract.

The bonds of this issue are [not] "qualified tax-exempt obligations" under Section 265(b) of the Code for investment by financial institutions. [The Port has taken no action to cause the bond to be exempt from federal income taxation.]

The Port hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this bond and the Bond Resolution.

The Port does hereby pledge and bind itself to set aside from Net Revenue (as defined in the Bond Resolution), and to pay into the Bond Fund the various amounts required by the Bond Resolution to be paid into and maintained in said Funds, all within the times provided by said resolution.

Said amounts so pledged to be paid into the Bond Fund are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever, except costs of administration and maintenance and operation and except that the amounts so pledged are of equal lien to the lien and charge of any lien and charge that may hereafter be made to pay and secure the payment of the principal of and interest on any Future Parity Bonds.

The Port has further bound itself to maintain all of its properties and facilities which contribute in some measure to such Gross Revenue in good repair, working order and condition, to operate the same in an efficient manner and at a reasonable cost, and to establish, maintain and collect rentals, tariffs, rates and charges in the operation of all of its business for as long as any of the bonds of this issue are outstanding that will make available, for the payment of the principal thereof and interest thereon as the same shall become due, Net Revenue in an amount equal to at least the Rate Covenant.

set forth therein are not satisfied), the Port shall transfer to the Registrar amounts that, in addition to other money, if any, held by the Registrar for such purpose, will be sufficient to redeem, on the date fixed for redemption, all the Bonds to be redeemed. If and to the extent that funds have been provided to the Registrar for the redemption of Bonds then from and after the date fixed for redemption for such Bond or portion thereof, interest on each such Bond shall cease to accrue and such Bond or portion thereof shall cease to be outstanding. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Section 6. Form of Bonds.

The Bonds shall be in substantially the following form:

[DTC HEADING]
[Statement of Insurance]
UNITED STATES OF AMERICA
NO. _____ \$ _____
STATE OF WASHINGTON
PORT OF WOODLAND
REVENUE BOND, 2024 [A][B] [TAXABLE][TAX-EXEMPT (NON-AMT)]
MATURITY DATE: _____ CUSIP NO.: _____
INTEREST RATE: %
REGISTERED OWNER: CEDE & Co.
PRINCIPAL AMOUNT:

THE PORT OF WOODLAND, WASHINGTON a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "Port"), hereby acknowledges itself to owe and for value received hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the Port known as the "Port of Woodland Revenue Bond Fund" (the "Bond Fund") maintained by the Port, the Principal Amount indicated above, together with interest thereon, at the Interest Rate specified above from _____, 2024, 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 _____ 1, 20____, and semiannually thereafter on the first days of each succeeding ____ and _____.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Registrar or its duly designated agent.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions duly adopted by the Port Commission including the Bond Resolution.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the Port may incur.

IN WITNESS WHEREOF, the Port of Woodland, Washington, has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission and the seal of the Port imprinted, impressed or otherwise reproduced hereon as of this ____ day of _____, 2024.

[SEAL]
PORT OF WOODLAND, WASHINGTON
By _____ /s/_____
President, Port Commission

ATTEST:
_____/s/_____
Secretary, Port Commission

The Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Resolution and is one of the Revenue Bonds, 2024 [A][B] [Taxable][Tax-Exempt (Non-AMT)], of the Port of Woodland, Washington, dated _____, 2024.

WASHINGTON STATE FISCAL AGENT,
as Registrar
By _____

In the event that any Bonds are no longer in fully immobilized form, the form of such Bonds may be modified to conform to printing requirements and the terms of this resolution.

Section 7. Execution of Bonds. The Bonds shall be executed on behalf of the Port with the manual or facsimile signatures of the President and Secretary of the Port Commission and the seal of the Port impressed, imprinted or otherwise reproduced thereon.

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

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

Section 8. Priority of Use of Gross Revenue. There has heretofore been established in the office of the Treasurer a special fund of the Port known as the "Port of Woodland Revenue Fund" (the "Revenue Fund"). The Gross Revenue shall be deposited in the Revenue Fund as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts

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Section 9. Bond Fund; Reserve Account.

(a) *Bond Fund.* A special fund of the Port designated the "Port of Woodland Revenue Bond Fund" (the "Bond Fund") is hereby authorized to be created in the office of the Treasurer for the purpose of paying and securing the payment of Parity Bonds. The Parity Bonds are payable solely from the Bond Fund. The Bond Fund shall be held separate and apart from all other funds and accounts of the Port and shall be a trust fund for the owners, from time to time, of Parity Bonds.

(b) *Reserve Account.*

The Treasurer is hereby authorized and directed to establish a Common Reserve Fund for the purpose of securing the payment of the principal of, premium, if any, and interest on all Covered Bonds. The Bonds shall be Covered Bonds.

(1) *Deposits into the Common Reserve Fund.* The Treasurer shall deposit the following amounts on the following dates into the Common Reserve Fund:

(i) On the date of issuance of each series of Covered Bonds, the Port will assure that the amount on hand in the Common Reserve Fund shall be sufficient to meet the Common Reserve Requirement; and

(ii) If there shall be a deficiency in the Common Reserve Fund, the Port shall deposit Net Revenue into the Reserve Fund as further provided in this section.

(2) *Disbursements from the Common Reserve Fund.* The Treasurer shall maintain and disburse the balances on hand in the Common Reserve Fund in accordance with the following provisions.

The dollar amount required to be contributed to the Common Reserve Fund as the result of the issuance of Future Parity Bonds that are designated as Covered Bonds shall be no greater

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

First, to pay necessary costs of administration of the business of the Port and of maintenance and operation of the Facilities not paid from other sources;

Second, to make all payments required to be made into the Bond Fund to pay the interest on any Parity Bonds, including reimbursement of credit providers securing the payment of Parity Bonds;

Third, to make all payments, including sinking fund payments, required to be made into the Bond Fund to pay the principal of any Parity Bonds, including reimbursement of credit providers securing the payment of Parity Bonds;

Fourth, to make all payments required to be made into any reserve account(s) to secure the payment of any Parity Bonds, including reimbursements to the issuer (if any) of Qualified Insurance or Qualified Letters of Credit with respect a reserve account;

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

Sixth, to retire by redemption or purchase any outstanding revenue bonds or other revenue obligations of the Port as authorized in the various resolutions of the Port Commission authorizing their issuance or to make necessary additions, betterments, improvements and repairs to or extension and replacements of the Facilities, or any other lawful Port purposes.

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than the Tax Maximum. If the dollar amount required to be contributed at the time of issuance of a series of Future Parity Bonds (designated as Covered Bonds) exceeds the Tax Maximum, then the amount required to be contributed shall be equal to the Tax Maximum; the Common Reserve Requirement shall be adjusted accordingly and remain in effect until the earlier of (A) at the Port's option, a payment of principal of Future Parity Bonds (designated as Covered Bonds) or (B) the issuance of a subsequent series of Future Parity Bonds designated as Covered Bonds (when the Common Reserve Requirement shall be re-calculated).

The Common Reserve Requirement shall be maintained by deposits of cash and/or qualified investments, a Qualified Letter of Credit or Qualified Insurance, or a combination of the foregoing. The Designated Port Representative may decide to utilize Qualified Insurance or Qualified Letter(s) of Credit to satisfy all or a portion of the Common Reserve Requirement. Upon such election, the Designated Port Representative is hereby authorized to execute and deliver one or more agreements with issuers of Qualified Insurance or Qualified Letters of Credit to effect the delivery of the appropriate instrument. To the extent that the Port obtains a Qualified Letter of Credit or Qualified Insurance in substitution for cash or securities in the Common Reserve Fund, all or a portion of the money on hand in the Common Reserve Fund shall be transferred to another fund or account of the Port designated by the Treasurer. In computing the amount on hand in the Common Reserve Fund, Qualified Insurance and/or a Qualified Letter of Credit shall be valued at the lower of the face amount thereof and the amount available to be drawn thereunder, and all other obligations purchased as an investment of moneys therein shall be valued by the Port on a marked to market basis, at least once annually. As used herein, the term "cash" shall include U.S. currency, cash equivalents and evidences thereof, including demand deposits, certified or cashier's check; and the deposit to the Common Reserve

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Fund may be satisfied by the transfer of investments to such account. If a deficiency in the Common Reserve Requirement shall exist as a result of the foregoing valuation, such deficiency shall be made up within one year after the valuation date thereof.

If the balance on hand in the Common Reserve Fund is sufficient to satisfy the Common Reserve Requirement, amounts in excess of such Common Reserve Requirement shall be applied as provided in the following sentences. Whenever there is a sufficient amount in the Bond Fund and the Common Reserve Fund to pay the principal of, premium, if any, and interest on all Covered Bonds, the money in the Common Reserve Fund may be used to pay such principal and interest. If the balance on deposit in the Common Reserve Fund is at least equal to the Common Reserve Requirement, money in the Common Reserve Fund in excess of the Common Reserve Requirement may be transferred to another fund or account of the Port designated by the Treasurer.

If a deficiency in the Bond Fund with respect to Covered Bonds shall occur, such deficiency shall be made up from the Common Reserve Fund by the withdrawal of cash therefrom for that purpose and by the sale or redemption of investments held in the Common Reserve Fund, in such amounts as will provide cash in the Common Reserve Fund sufficient to make up any such deficiency with respect to the Covered Bonds, and if a deficiency still exists immediately prior to an interest payment date and after the transfer of cash from the Common Reserve Fund to the Bond Fund, the Port shall then draw from any Qualified Letter of Credit or Qualified Insurance then credited to the Common Reserve Fund for the Covered Bonds in sufficient amount to make up the deficiency. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. Reimbursement may be made to the issuer of any Qualified Letter of Credit or

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In addition, the Port may also establish and provide for the funding of a separate reserve account for any series of Future Parity Bonds.

(c) *Pledge of Revenues; Lien.* Said amounts so pledged to be paid into the Bond Fund are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other charges of any kind or nature whatsoever, except costs of administration and maintenance and operation and except that the amounts so pledged are of equal lien to the lien and charge of any lien and charge that have heretofore and may hereafter be made to pay and secure the payment of the principal of and interest on any Future Parity Bonds.

(d) *Investments.* Money in the Bond Fund not needed to pay the interest or principal and interest next coming due on any outstanding Parity Bonds may be invested in any legal investment for Port funds.

Section 10. Specific Covenants. The Port hereby covenants and agrees with the owners and holders of each of the Bonds for as long as any of the same remain outstanding as follows:

(a) *Rate Covenant.* The Port will at all times establish, maintain and collect rentals, tariffs, rates, fees, and charges in the operation of all of its businesses as long as any Parity Bonds are Outstanding that will produce in each fiscal year Net Revenue in an amount equal to at least the Rate Covenant.

If the Net Revenue in any fiscal year is less than required to fulfill the Rate Covenant, then the Port will retain a Professional Consultant to make recommendations as to operations and the revision of schedules of rentals, tariffs, rates, fees and charges; and upon receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Commission, on the basis of such recommendations and other available information, will

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Qualified Insurance in accordance with the reimbursement agreement related thereto, and after making necessary provision for the payments required to be made in paragraphs First, Second, and Third of Section 8 of this resolution. If the Port shall have failed to make any payment required to be made under such reimbursement agreement for Covered Bonds, the issuer shall be entitled to exercise all remedies available at law; provided, however, that no acceleration of Covered Bonds shall be permitted, and no remedies that adversely affect Registered Owners of Covered Bonds shall be permitted. Any deficiency created in the Common Reserve Fund by reason of any such withdrawal shall be made up within one year after the withdrawal from Qualified Insurance or a Qualified Letter of Credit or out of Net Revenue (or out of any other moneys on hand legally available for such purpose), in 12 equal monthly installments, after first making timely provision for all payments required to be made into the Bond Fund within such year.

To the extent that the Port has obtained Qualified Insurance or a Qualified Letter of Credit to satisfy its obligations under this Section 9(b), amounts then available to be drawn under such Qualified Insurance or a Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Common Reserve Fund by this Section 9(b) to the extent that such payments and credits are insured by the issuer of such Qualified Insurance, or are to be made or guaranteed by a Qualified Letter of Credit.

If a Credit Event occurs, the Common Reserve Requirement shall be satisfied, at the option of the Port, within one year after the occurrence of such Credit Event with other Qualified Insurance or another Qualified Letter of Credit, or out of Net Revenue (or out of other money on hand and legally available for such purpose) after first making necessary provisions for all payments required to be made into the Bond Fund.

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establish rentals, tariffs, rates, fees and charges for services and operations which will be necessary to meet the Rate Covenant in the fiscal year during which such adjustments are made. If the Commission has taken the steps set forth in this paragraph and the Net Revenue in the fiscal year nevertheless is not sufficient to meet the Rate Covenant, there shall be no default under this Section 10 (a) during such fiscal year, unless the Port fails to meet the Rate Covenant for two consecutive fiscal years.

(b) *Payment of Debt Service.* The Port will duly and punctually pay or cause to be paid out of the Bond Fund the principal of and interest on the Bonds at the times and places as herein and in said Bonds provided and will at all times faithfully perform and observe any and all covenants, undertakings and provisions contained in this resolution and in the Bonds.

(c) *Maintenance of Facilities.* The Port will at all times keep and maintain all of the Facilities in good repair, working order and condition, and will at all times operate the same and the business or businesses in connection therewith in an efficient manner and at a reasonable cost.

(d) *Sale of Certain Facilities.* In the event any Facility or part thereof which contributes in some measure to the Gross Revenue is sold by the Port or is condemned pursuant to the power of eminent domain, the Port will apply the net proceeds of such sale or condemnation to capital expenditures upon or for Facilities which will contribute in some measure to the Gross Revenue or to the retirement of Bonds then Outstanding.

(e) *Insurance of Facilities.* The Port will keep or arrange to keep all Facilities insured, if such insurance is obtainable at reasonable rates and upon reasonable conditions, against such risks, in such amounts, and with such self insurance retention or deductibles as the Commission or the Designated Port Representative shall deem necessary.

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(f) *Insurance Against Port Liability.* The Port will at all times keep or arrange to keep in full force and effect policies of public liability and property damage insurance which will protect the Port against anyone claiming damages of any kind or nature, if such insurance is obtainable at reasonable rates and upon reasonable conditions, in such amounts and with such self insurance retention and deductibles as the Commission or the Designated Port Representative shall deem necessary.

(g) *Maintenance of Books and Records.* The Port will keep and maintain proper books of account and accurate records of all of its revenue, including tax receipts, received from any source whatsoever, and of all costs of administration and maintenance and operation of all of its business that are in accordance with generally accepted accounting principles as in effect from time to time. On or before 120 days after each fiscal year the Port will prepare or cause to be prepared an operating statement of all of the business of the Port for such preceding fiscal year. Each such annual statement shall contain a statement in detail of the Gross Revenue, tax receipts, expenses of administration, expenses of normal operation, expenses of normal and extraordinary maintenance and repair, and expenditures for capital purposes of the Port for such fiscal year and shall contain a statement as of the end of such year showing the status of all funds and accounts of the Port pertaining to the operation of its business and the status of all of the funds and accounts created by various resolutions of the Commission authorizing the issuance of outstanding bonds and other obligations payable from the Gross Revenue. Copies of such statements shall be placed on file in the main office of the Port and shall be open to inspection at any reasonable time by the owners of Parity Bonds.

(h) *Disposal of Income Properties.* In the event of voluntary or involuntary sale, lease, or other conveyance, transfer or disposal of all or substantially all of its Facilities, the Port

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(B) a Professional Consultant's certificate, prepared as provided below, stating that projected Adjusted Net Revenue will be at least equal to 125 percent of the Maximum Annual Debt Service in each year with respect to all Parity Bonds then Outstanding and the Future Parity Bonds then proposed to be issued.

The Designated Port Representative's certificate, described in (A) above shall be based upon the financial statements of the Port for the Base Period, corroborated by the certified statements of the State Auditor's office of the State of Washington, or any successor to the duties thereof, or by an independent certified public accounting firm for the Base Period. If the audited financial statements for the most recently completed fiscal year are not yet available, the Designated Port Representative's certificate may be based on unaudited financial statements certified by the Port's Executive Director.

In making the computations of projected Adjusted Net Revenue for the purpose of certifying compliance with the conditions specified in (B) above, the Professional Consultant shall use as a basis the Net Revenue for the Base Period corroborated by the certified statements of the State Auditor's office of the State, or any successor to the duties thereof, or by an independent certified public accounting firm for the Base Period. If the audited financial statements for the most recently completed fiscal year are not yet available, the Professional Consultant's certificate may be based on unaudited financial statements certified by the Port's Executive Director. The Professional Consultant shall make such adjustments or modifications to Net Revenue (including those described in establishing Adjusted Net Revenue) in order to compute projected Adjusted Net Revenue as he/she/it deems reasonable as set forth in writing to the Port.

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shall require that contemporaneously with such disposition, there shall be paid into a special fund a sum which shall be sufficient to defease all Parity Bonds then Outstanding; provided, however, that such defeasance will not be required so long as the Port maintains primary responsibility for the management and operation of the affected Facilities and provided further that all Net Revenue from such Facilities continues to be pledged to all Parity Bonds then Outstanding.

Section 11. Conditions of Issuance of Future Parity Bonds.

(a) *Future Parity Bonds - General Provisions.* All Parity Bonds authorized to be issued, upon fulfillment of the conditions of this resolution, shall be issued on a parity of lien with one another, having an equal lien and charge upon the Gross Revenue of the Port.

The Port hereby further covenants and agrees with the owners and holders of each of the Parity Bonds for as long as any of the same remain Outstanding that it will not issue any Parity Bonds that constitute a charge and lien upon the Gross Revenue equal to the lien thereon of Outstanding Parity Bonds, unless at the time of the issuance of such Parity Bonds the Port is not in default under this resolution or any other resolution authorizing the issuance of Parity Bonds then Outstanding, and the Port meets the conditions set forth in subsection (b) below or meets either of the conditions described in (1) or (2) below.

(1) Certificate Required. There shall have been delivered prior to or on the date of the issuance of the Parity Bonds then proposed to be issued, either:

(A) a certificate prepared as provided below and executed by the Designated Port Representative stating that Adjusted Net Revenue during the Base Period was at least equal to 125 percent of Annual Debt Service in each year of the Base Period with respect to all Parity Bonds then Outstanding and the Future Parity Bonds then proposed to be issued; or

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Compliance with the coverage requirements of this Section 11 shall be demonstrated conclusively by a certificate delivered in accordance with this subsection (a).

(2) No Certificate Required. A certificate shall not be required as a condition to the issuance of Parity Bonds:

(A) if the Parity Bonds are being issued for refunding purposes upon compliance with the provisions of subsection (b) of this section; or

(B) if the Parity Bonds are being issued to pay costs of construction of Facilities for which indebtedness has been issued previously and the principal amount of such indebtedness being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of indebtedness theretofore issued for such Facilities and reasonably allocable to the Facilities to be completed as shown in a written certificate of the Designated Port Representative, stating that the scope, nature and purpose of such Facilities has not materially changed and that the net proceeds of such indebtedness being issued for completion purposes will be sufficient, together with other available funds of the Port, to complete such Facilities.

(b) *Future Parity Bonds For Refunding Purposes.* The Port may issue Future Parity Bonds for refunding purposes, as follows:

(1) Future Parity Bonds may be issued at any time for the purpose of refunding (including by purchase) Parity Bonds including amounts to pay principal thereof and redemption premium, if any, and interest thereon to the date of redemption (or purchase), any deposits to a reserve account or to purchase a Qualified Letter of Credit or Qualified Insurance, and the expenses of issuing the Future Parity Bonds and of effecting such refunding upon

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delivery of a certificate as provided in subsection (b)(2) above. Such refunding Future Parity Bonds also may be issued without a certificate if:

(A) the latest maturity of the Future Parity Bonds to be issued is not later than the latest maturity of the Parity Bonds to be refunded (were such refunding not to occur), and the increase in Annual Debt Service as a result of such refunding in any year is less than the greater of (i) \$25,000 or (ii) 5% of such Annual Debt Service on the Future Parity Bonds to be refunded; or

(B) the latest maturity of the Future Parity Bonds to be issued is later than the latest maturity of the Parity Bonds to be refunded (were such refunding not to occur), and the Maximum Annual Debt Service on all Parity Bonds to be Outstanding after the issuance of the refunding Future Parity Bonds shall not be greater than Maximum Annual Debt Service were such refunding not to occur.

(2) Future Parity Bonds may be issued without the requirement of a certificate pursuant to this section for the purpose of refunding (including by purchase) any Parity Bonds at any time within one year prior to their maturity or mandatory redemption date if sufficient Net Revenue or other moneys are not expected to be available for payment at maturity or mandatory redemption.

(c) *Liens Subordinate to Parity Bonds.* Nothing herein contained shall prevent the Port from issuing revenue bonds or other obligations which are a charge upon the Gross Revenue junior or inferior to the payments required by this resolution to be made out of such Gross Revenue to pay and secure the payment of any Parity Bonds. Such junior or inferior obligations shall not be subject to acceleration. This prohibition against acceleration shall not be deemed to prohibit mandatory tender or other tender provisions with respect to variable rate obligations.

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series does not exceed 11.0% per annum and (iii) so long as final maturity of the series of Bonds being issued is no longer than 31 years from date of issue.

In determining the number of series, the date of sale, interest rates, prices, maturity dates, aggregate principal amount, principal maturities, and redemption rights or provisions of the Bonds for approval, the Designated Port Representative, in consultation with Port staff and the Port's municipal advisor, shall take into account those factors that, in the judgment of the Designated Port Representative, will result in the most favorable interest cost on the Bonds of each series, including, but not limited to, current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Bonds of a series. Subject to the terms and conditions set forth in this section, the Designated Port Representative is hereby authorized to execute the final form of the Bond Purchase Contract, upon the approval of the Designated Port Representative the number of series, the final date of sale, interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights set forth therein. Following the execution of the Bond Purchase Contract, the Designated Port Representative shall provide a report to the Commission, describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Port Representative by this section shall expire on December 31, 2024. If a Bond Purchase Contract for the Bonds of a series has not been executed by December 31, 2024, the authorization for the issuance of that series of Bonds shall be rescinded, and the Bonds of that series shall not be issued nor their sale approved unless the Bonds of that series shall have been re-authorized by resolution of the Commission. The resolution reauthorizing the issuance and sale of the Bonds may be in the form of a new resolution repealing this resolution in whole or in part (only with respect to the Bonds not issued) or may be in the form of an amendatory

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Section 12. Defeasance. In the event that money and/or noncallable Government Obligations that are direct obligations of the United States or obligations unconditionally guaranteed by the United States maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds authorized hereunder in accordance with their terms, are set aside in a special account of the Port to effect such redemption and retirement, and such moneys and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund of the Port for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this resolution except the right to receive the moneys so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

The Registrar shall provide notice of defeasance of Bonds to Registered Owners and to each party entitled to receive notice pursuant to an ongoing disclosure undertaking entered into pursuant to Section 16 of this resolution.

Section 13. Sale of Bonds.

The Commission has been advised by the Port's municipal advisor that the most favorable market conditions may occur on a day other than a regular meeting date of the Commission. The Bonds of each series shall be sold by negotiated sale to the Underwriter. The Designated Port Representative is hereby authorized to approve the number of series, the date of sale, interest rates, maturity dates, aggregate principal amount, principal amounts of each maturity of a series and redemption rights for the Bonds of a series in the manner provided hereafter (i) so long as the aggregate principal amount all Bonds issued pursuant to this resolution does not exceed \$4,900,000, (ii) so long as the true interest cost for the Bonds of a

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resolution approving a bond purchase contract or extending or establishing new terms and conditions for the authority delegated under this section.

Upon the adoption of this resolution, the proper officials of the Port including the Designated Port Representative, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Bonds of each series to the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the applicable Bond Purchase Contract.

The Designated Port Representative and other Port officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bonds to the Underwriter and for the proper application and use of the proceeds of sale of the Bonds. In furtherance of the foregoing, the Designated Port Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including Underwriter's discount, the fees and expenses specified in the applicable Bond Purchase Contract, including fees and expenses of the Underwriter and other retained services, including Bond Counsel, disclosure counsel, rating agencies, fiscal agent, financial advisory services, and other expenses customarily incurred in connection with the issuance and sale of bonds.

The Designated Port Representative is authorized to ratify, execute, deliver and approve for purposes of the Rule, on behalf of the Port, the final Official Statement (and to approve, deem final and deliver any preliminary official statement) and any supplement thereto relating to the issuance and sale of the Bonds and the distribution of the Bonds pursuant thereto with such changes, if any, as may be deemed by the Designated Port Representative to be appropriate.

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Section 14. Disposition of Sale Proceeds. The net proceeds of the Bonds (exclusive of any amounts that may be designated by the Designated Port Representative in a closing certificate to be allocated to pay costs of issuance or any Bond Insurance Policy), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be held by the Treasurer and used at the direction of the Designated Port Representative for the Project. The Treasurer shall invest the net proceeds of the Bonds until expended in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law and that will mature prior to the date on which such money shall be needed. Earnings on such investments, except as may be required to pay rebatable arbitrage pursuant to a Federal Tax Certificate, if applicable, may be used for Port purposes or transferred to the Bond Fund for the uses and purposes therein provided.

Section 15. Tax Covenants.

(a) *General.* The Port covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Bonds issued on a federally tax-exempt basis and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exclusion from gross income for federal income tax purposes of the interest on such Bonds.

(b) *Arbitrage Covenant.* The Port hereby covenants that it will not make any use of the proceeds of sale of the Bonds issued on a federally tax-exempt basis or any other funds of the Port which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code which will cause the Bonds to be "arbitrage bonds" within the meaning of said section and said Regulations. The Port will comply with the requirements of Section 148 of the Code (or any

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execute and deliver to the Bond Insurer any insurance agreement or documents as necessary to carry out the terms of the Bond Insurance Commitment.

Section 19. Supplements and Amendments.

(a) The Commission from time to time and at any time may adopt a resolution or resolutions supplemental hereof, which resolution or resolutions thereafter shall become a part of this resolution, for any one or more or all of the following purposes:

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

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this resolution or any resolution authorizing Parity Bonds in regard to matters or questions arising under such resolutions as the Commission may deem necessary or desirable and not inconsistent with such resolutions and which shall not adversely affect the interest of the Beneficial Owners of Parity Bonds.

Any such supplemental resolution of the Commission may be adopted without the consent of the owners of any Parity Bonds at any time outstanding, notwithstanding any of the provisions of subsection (b) of this section.

(b) With the consent of the owners of not less than 65% in aggregate principal amount of the Parity Bonds at the time outstanding, including any Parity Bonds authorized to be issued at the time of the adoption of the supplemental resolution, the Commission may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or

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successor provision thereof applicable to the Bonds) and the applicable Regulations thereunder throughout the term of the Bonds.

(c) *Designation under Section 265(b).* The Designated Port Representative is authorized to determine and designate any Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions.

Section 16. Undertaking to Provide Ongoing Disclosure. The Designated Port Representative is authorized to execute and deliver a Continuing Disclosure Undertaking regarding ongoing disclosure in order to assist the Underwriter in complying with Section (b)(5) of the Rule.

Section 17. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds of a series shall be lost, stolen or destroyed, the Registrar may execute and deliver a new Bond or Bonds of like series, date, number and tenor to the owner thereof upon the owner's paying the expenses and charges of the Port in connection therewith and upon his filing with the Port evidence satisfactory to the Port that such Bond was actually lost, stolen or destroyed and of his ownership thereof, and upon furnishing the Port with indemnity satisfactory to the Port.

Section 18. Bond Insurance. The payments of the principal of and interest on one or more principal maturities within the Bonds of a series may be insured by the issuance of the Bond Insurance Policy. The Designated Port Representative may solicit proposals from municipal bond insurance companies, and the Designated Port Representative, in consultation with the Port's municipal advisor, is hereby authorized to select the proposal that is deemed to be the most cost effective and further to execute the Bond Insurance Commitment with the Bond Insurer, which may include such covenants and conditions as shall be approved by the Designated Port Representative. The Designated Port Representative is further authorized to

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changing in any manner or eliminating any of the provisions of this resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall:

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

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

It shall not be necessary for the consent of the owners under this subsection (b) to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent shall approve the substance thereof. For purposes of executing consents to the supplemental resolution, the issuer of a Bond Insurance Policy with respect to Parity Bonds shall be deemed to be the owner of such Parity Bonds.

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

(d) Parity Bonds executed and delivered after the execution of any supplemental resolution adopted pursuant to the provisions of this section may have a notation as to any matter

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provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new bonds so modified as to conform in the opinion of the Commission, to any modification of this resolution contained in any such supplemental resolution, may be prepared by the Port and delivered without cost to the owners of any affected Parity Bonds then outstanding.

Section 20. Resolution and Laws a Contract with the Bond Owners. This resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington. In consideration of the purchase and ownership of the Bonds, the provisions of this resolution and of said laws shall constitute a contract with the owners of the Bonds, and the obligations of the Port and its Commission under said laws and under this resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein and in the Bonds set forth shall be for the equal benefit of the owners of the Bonds.

Section 21. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the Port 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 resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

Section 22. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Woodland at a regular meeting thereof, held this 6th day of June, 2024, and duly authenticated in open session by the signatures of the Commissioners present and voting in favor thereof.

PORT OF WOODLAND

By _____
President and Commissioner

By _____
Commissioner

By _____
Commissioner

CERTIFICATE

I, the undersigned, Secretary of the Port Commission ("Commission") of the Port of Woodland, Washington (herein called the "Port"), DO HEREBY CERTIFY:

1. That the attached resolution numbered 529_ (herein called the "Resolution") is a true and correct copy of a resolution of the Port, as finally adopted at a regular meeting of the Commission held on the 6th day of June, 2024, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Commission was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of June, 2024.

Secretary

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Port of Woodland (the “Port”) in connection with the issuance of its \$2,600,000 aggregate principal amount of its Limited Tax General Obligation Bonds, 2024 (the “LTGO Bonds”), and its \$4,585,000 aggregate principal amount of its Revenue Bonds, 2024 (the “Revenue Bonds,” and together with the LTGO Bonds, the “Bonds”). The Port covenants and agrees as follows:

For purposes of the Port’s undertaking pursuant to Section (b)(5) of Securities and Exchange Commission’s (“SEC”) Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”) (the “undertaking”), “beneficial owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond, including persons holding Bonds through nominees or depositories or other intermediaries.

(a) Financial Statements/Operating Data.

(1) *Annual Disclosure Report.* The Port covenants and agrees that not later than the end of nine months after the end of each fiscal year (the “Submission Date”), commencing September 30, 2025 for the fiscal year ending December 31, 2024, the Port shall provide or cause to be provided to the Municipal Securities Rulemaking Board (the “MSRB”), an annual report (the “Annual Disclosure Report”) that is consistent with the requirements of part (2) of this subsection (a). The Annual Disclosure Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in part (2) of this subsection (a); provided that any audited annual financial statements may be submitted separately from the balance of the Annual Disclosure Report and later than the Submission Date if such audited financial statements are not available by the Submission Date. If the Port’s fiscal year changes, the Port shall give notice of such change in the same manner as notice is to be given of the occurrence of an event listed in subsection (b), and if for any fiscal year the Port does not furnish an Annual Disclosure Report to the MSRB, by the Submission Date, the Port shall send to MSRB notice of its failure to furnish such report pursuant to subsection (c).

(2) *Content of Annual Disclosure Reports.* The Port’s Annual Disclosure Report shall contain or include by reference the following:

(A) *Annual financial statements.* Annual financial statements, which statements may or may not be audited, showing ending fund balances for the Port’s general fund prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute);

(B) In connection with the LTGO Bonds:

- (i) The assessed valuation of the taxable property in the Port;
- (ii) Ad valorem taxes due;
- (iii) Property tax levy rate per \$1,000 of assessed valuation; and
- (iv) Outstanding general obligation of the Port.

(C) In connection with the Revenue Bonds:

- (i) Outstanding Parity Bonds; and
- (ii) Revenue Bond Debt Service Coverage.

Any or all of the listed items may be included by specific reference to other documents, including official statements of debt issues of the Port, or of any related entity, that have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Port shall identify clearly each document so included by reference.

(b) *Listed Events.* The Port agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the event, notice 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, Notices 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 the rights of Bond owners, if material;
8. Bond calls, 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 Port;
13. The consummation of a merger, consolidation, or acquisition involving the Port or the sale of all or substantially all of the assets of the Port, 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 Port, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Port, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Port, any of which reflect financial difficulties.

The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(c) *Notice Upon Failure to Provide Financial Data.* The Port agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of its failure to provide the Annual Disclosure Reports described in subsection (a) above on or prior to the Submission Date.

(d) *Format for Filings with the MSRB.* All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All

documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(e) *Termination/Modification.* The Port's obligations to provide Annual Disclosure Reports and notices of listed events with respect to a series of Bonds shall terminate upon the legal defeasance (if notice of such defeasance is given as provided above), early redemption or payment in full of all of such series of Bonds. The undertaking, or any provision hereof, shall be null and void if the Port (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require the undertaking, or any such provision, have been repealed retroactively or otherwise do not apply to the Bonds; and (2) notifies the MSRB of such opinion and the cancellation of the undertaking. The Port may amend the undertaking and any provision of the undertaking may be waived, in accordance with the Rule; *provided that* (A) if the amendment or waiver relates to the provisions of subsections (a)(1), (a)(2) or (b) above, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (B) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (C) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the beneficial owners of the Bonds.

In the event of any amendment of or waiver of a provision of the undertaking, the Port shall describe such amendment or waiver in the next Annual Disclosure Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Port. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a listed event under subsection (b), and (ii) the Annual Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(f) *Registered Owner's and Beneficial Owners' Remedies Under the Undertaking.* A Registered Owner's and the beneficial owners' right to enforce the provisions of the undertaking shall be limited to a right to obtain specific enforcement of the Port's obligations under the undertaking, and any failure by the Port to comply with the provisions of the undertaking shall not be a default under the Resolutions.

(g) *Additional Information.* Nothing in the undertaking shall be deemed to prevent the Port from disseminating any other information, using the means of dissemination set forth in the undertaking or any other means of communication, or including any other information in any Annual Disclosure Report or notice of occurrence of an event, in addition to that which is required by the undertaking. If the Port chooses to include any information in any Annual Disclosure Report or notice of the occurrence of an event in addition to that specifically required by this undertaking, the Port shall have no obligation under the Resolutions to update such information or to include it in any future Annual Disclosure Report or notice of occurrence of an event.

PORT OF WOODLAND

By: _____
Designated Port Representative

APPENDIX F
2022-2023 AUDITED FINANCIAL STATEMENTS



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Port of Woodland

For the period January 1, 2022 through December 31, 2023

Published July 25, 2024

Report No. 1035278



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**Office of the Washington State Auditor
Pat McCarthy**

July 25, 2024

Board of Commissioners
Port of Woodland
Woodland, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Port of Woodland's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Port's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

Americans with Disabilities

In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at webmaster@sao.wa.gov.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Port of Woodland January 1, 2023 through December 31, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the Port of Woodland are summarized below in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the Port’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Port.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Port’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
11.300	Economic Development Cluster – Investments for Public Works and Economic Development Facilities

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The Port did not qualify as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



Port of Woodland

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Port of Woodland January 1, 2022 through December 31, 2023

This schedule presents the status of findings reported in prior audit periods.

Audit Period: 2021	Report Reference No.: 1031068	Finding Ref. No.: 2021-001	ALN(s): 11.300
Federal Program Name and Granting Agency: Investments for Public Works and Economic Development Facilities - U.S. Economic Development Administration		Pass-Through Agency Name: N/A	
Finding Caption: The Port did not have adequate controls for ensuring compliance with Davis-Bacon Act (prevailing wage rate) and reporting requirements.			
Background: The audit found the Port did not ensure the contract with its contractor included the wage rate clause required by the Davis-Bacon Act. Additionally, the Port did not file semiannual SF- 425 financial reports in accordance with the federal program requirements.			
Status of Corrective Action: (check one) <input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid			
Corrective Action Taken: <i>The Port of Woodland corrected the process in the vertical construction phase of the project by including a signed statement on all certified payroll "I hereby certify that the wages have been paid in accordance with RCW 39.12 (prevailing wage)" that is submitted by the contractor. The Port also incorporated a more significant listing of all CFR's related to the project within the contract with the Contractor at time of execution. This includes an entire section for prevailing wage rates (Section V), and that they again verify under payment (Section IX) with the signed statement. This is signed by the contractor in the original contractor and on certified payroll, maintaining a monthly check of prevailing wage requirements.</i> <i>The Port did not file the initial SF-425 prior to the Port spending funds from the EDA on the project due to the Project Manager for EDA, at the time of the SF-425, verbally stating that with the Port receiving additional funds, to delay the SF-425 until the final contract was complete. The Port followed that verbal statement. However, with the prior audit, the Port now ensures that any direction, advice or requirements that EDA representatives state verbally are prepared in an email to EDA and requesting a confirmation. The Port has filed all the required SF 425 reports since that date in accordance with the federal requirements.</i>			

INDEPENDENT AUDITOR'S REPORT

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Port of Woodland January 1, 2022 through December 31, 2023

Board of Commissioners
Port of Woodland
Woodland, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Port of Woodland, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Port's financial statements, and have issued our report thereon dated July 18, 2024.

We issued an unmodified opinion on the fair presentation of the Port's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the Port using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the Port's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Port's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Port's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this

report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

July 18, 2024

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Port of Woodland January 1, 2023 through December 31, 2023

Board of Commissioners
Port of Woodland
Woodland, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the Port of Woodland, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Port's major federal programs for the year ended December 31, 2023. The Port's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Port complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Port and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on

compliance for each major federal program. Our audit does not provide a legal determination on the Port's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Port's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Port's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Port's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Port's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the Port's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control over compliance. Accordingly, no such opinion is expressed; and

- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other

purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

July 18, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Port of Woodland January 1, 2022 through December 31, 2023

Board of Commissioners
Port of Woodland
Woodland, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the Port of Woodland, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, as listed in the financial section of our report.

Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the Port has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the Port of Woodland, and its changes in cash and investments, for the years ended December 31, 2023 and 2022, on the basis of accounting described in Note 1.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Port of Woodland, as of December 31, 2023 and 2022, or the changes in financial position or cash flows thereof for the years then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Port, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

Matter Giving Rise to Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the Port in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and

Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Port's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Port's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS Manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2024 on our consideration of the Port's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Port's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

July 18, 2024

**Port of Woodland
January 1, 2022 through December 31, 2023**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2023
Fund Resources and Uses Arising from Cash Transactions – 2022
Notes to Financial Statements – 2023
Notes to Financial Statements – 2022

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2023
Schedule of Liabilities – 2022
Schedule of Expenditures of Federal Awards – 2023
Notes to the Schedule of Expenditures of Federal Awards – 2023

**Port of Woodland
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023**

Beginning Cash and Investments

308	Beginning Cash and Investments	7,257,168
388 / 588	Net Adjustments	-

Revenues

310	Taxes	456,941
320	Licenses and Permits	-
330	Intergovernmental Revenues	1,085,138
340	Charges for Goods and Services	695,294
350	Fines and Penalties	-
360	Miscellaneous Revenues	399,273
Total Revenues:		2,636,646

Expenditures

510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	923,942
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		923,942
Excess (Deficiency) Revenues over Expenditures:		1,712,704

Other Increases in Fund Resources

391-393, 596	Debt Proceeds	584,518
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	100,733
Total Other Increases in Fund Resources:		685,251

Other Decreases in Fund Resources

594-595	Capital Expenditures	5,512,050
591-593, 599	Debt Service	394,991
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	84,409
Total Other Decreases in Fund Resources:		5,991,450

Increase (Decrease) in Cash and Investments: **(3,593,495)**

Ending Cash and Investments

50821	Nonspendable	-
50831	Restricted	234,880
50841	Committed	-
50851	Assigned	3,428,792
50891	Unassigned	-
Total Ending Cash and Investments		3,663,672

The accompanying notes are an integral part of this statement.

**Port of Woodland
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022**

Beginning Cash and Investments

308	Beginning Cash and Investments	6,308,432
388 / 588	Net Adjustments	-

Revenues

310	Taxes	441,268
320	Licenses and Permits	-
330	Intergovernmental Revenues	2,693,600
340	Charges for Goods and Services	617,924
350	Fines and Penalties	-
360	Miscellaneous Revenues	104,700
Total Revenues:		3,857,492

Expenditures

510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	848,471
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		848,471
Excess (Deficiency) Revenues over Expenditures:		3,009,021

Other Increases in Fund Resources

391-393, 596	Debt Proceeds	1,980,840
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	78,608
Total Other Increases in Fund Resources:		2,059,448

Other Decreases in Fund Resources

594-595	Capital Expenditures	3,643,569
591-593, 599	Debt Service	390,373
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	85,791
Total Other Decreases in Fund Resources:		4,119,733

Increase (Decrease) in Cash and Investments: 948,736

Ending Cash and Investments

50821	Nonspendable	-
50831	Restricted	265,170
50841	Committed	-
50851	Assigned	6,991,998
50891	Unassigned	-
Total Ending Cash and Investments		7,257,168

The accompanying notes are an integral part of this statement.

PORT OF WOODLAND
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2023

Note 1 – Summary of Significant Accounting Policies

The Port of Woodland was incorporated on September 13, 1960 and operates under the laws of the state of Washington applicable to a special purpose government. The Port of Woodland is a special purpose local government and provides economic development and job creation through ownership of industrial properties and facilities to the general public and is supported primarily through property tax receipts and industrial leases.

The Port of Woodland reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from Generally Accepted Accounting Principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements. (see Note 4 – Component Unit(s), Joint Ventures, and Related Parties).
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. For reporting purposes, the activities of all the Port's funds are in one fund. The following fund type is used:

Proprietary Fund Type:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

C. Cash and Investments

See Note 3 - Deposits and Investments.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of four years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Full-time and qualifying part-time employees can accumulate up to 30 days of PTO (Paid Time Off). PTO time will be paid at the rate of an employee's regular base pay. Accrued PTO may be used on an hourly basis or in daily increments. Employees have the option of cashing out PTO up to 50% of their current balance. At the end of the year, PTO in excess of 30 days will automatically be cashed out to the 30-day accrued balance. Payment for unused, accrued PTO, if any, will be made upon termination of employment. In no case will an employee be eligible to receive any PTO payment in excess of thirty (30) days. Payment is based on 160-hour monthly basis at 12 months or 1920 hours annually. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 6 - Long-Term Debt.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Port Commission. When expenditures that meet restrictions are incurred, the Port of Woodland intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of Retainage - \$234,880.26.

Note 2 – Budget Compliance

The Port of Woodland adopts an annual budget following budgetary guideline codes set by RCW 53.35. The Port of Woodland adopted budget for 2023 was \$7,444,362.77.

Note 3 - Deposits and Investments

Investments are reported at fair value. Deposits and investments by type at December 31, 2023 are as follows:

Type of deposit or investment	Port of Woodland's own deposits and investments	Total
Cowlitz County Treasurer	407,655	407,655
CCIP	3,256,017	3,256,017
TOTAL	\$3,663,672	\$3,663,672

It is the Port of Woodland's policy to invest all temporary cash surpluses. The interest on these investments is reinvested into balance on deposit.

Investments in the Cowlitz County Investment Pool (CCIP)

The Port of Woodland is a voluntary participant in the Cowlitz County Investment Pool, an external investment pool operated by the County Treasurer. The pool is not rated or registered with the SEC. Rather, oversight is provided by the County Finance Committee in accordance with RCW 36.48.070. The Port reports its investment in the pool at the fair value amount, which is not the same as the value of the pool per share at \$1.00. The fair value of the Port's investment in the pool is measured using a net asset value (NAV) as determined by the pool which was 1.004 on December 31, 2023. The pool maintains a maximum average maturity of 1.5 years and it was at .881 years on December 31, 2023. The pool does not impose liquidity fees or redemption gates on participant withdrawals.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the Port of Woodland would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The Port of Woodland's deposits are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the Port of Woodland or its agent in the government's name.

Note 4 – Joint Ventures, Component Unit(s), and Related Parties

The Port of Woodland created the Schurman Way Industrial Park Owners Association as part of the development that includes the sale of specific Port lots for private industrial development. The owner’s association shares two individual storm facilities that are served by multiple lots. There is an annual meeting regarding the costs for the upcoming year for legal filings, maintenance, and landscaping. The owner’s association maintains these assets through a contract for maintenance and landscaping with the Port of Woodland. Each of the lots is assessed a cost share of the annual costs based on the association bylaws and the declaration of covenants, conditions and restrictions for Schurman Way Industrial Park.

The Port of Woodland created the Centennial Industrial Park Owners Association as part of the development that includes the sale of specific Port lots for private industrial development. The owner’s association shares a storm pond facility a private road and a 15-foot easement around the lots for utility access that are served by multiple lots. There is an annual meeting regarding the costs for the upcoming year for legal filings, maintenance, and landscaping. The owner’s association maintained these assets through a contract for maintenance and landscaping with the Port of Woodland. Each of the lots is assessed a cost share of the annual costs based on the association bylaws and the declaration of covenants, conditions and restrictions for Centennial Industrial Park.

Note 5 – Leases (Lessees)

During the year ended 2022, the Port of Woodland adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement could result in the addition of a lease liability reported on the Schedule of Liabilities.

The Port of Woodland leases land from PacifiCorp for \$250.00 annually under a lease agreement that began January of 2000 and will end December of 2023.

The total amount paid for this lease in 2023 was \$250.00. As of December 31, 2023, the future lease payments are as follows:

Year ended December 31	Total
2024	\$0
Total	\$0

Note 6 – Long-Term Debt

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the Port of Woodland and summarizes the Port of Woodland's debt transactions for year ended December 31, 2023.

The debt service requirements for general obligation bonds, revenue bonds, and other (non G.O.) debt/liabilities are as follows:

	Principal	Interest	Total
2024	227,889	166,468	394,357
2025	257,333	170,637	427,970
2026	260,461	166,796	427,257
2027	263,638	162,738	426,376
2028	266,868	158,546	425,414
2029-2033	1,496,142	721,117	2,217,259
2034-2038	1,784,717	557,141	2,341,857
2039-2043	1,600,424	357,741	1,958,165
2044-2048	1,068,783	185,392	1,254,175
2049-2053	465,000	23,800	488,800
TOTALS	7,691,255	2,670,376	10,361,631

Note 7 - Other Disclosures

Contingencies and Litigations

As disclosed in the 2022 notes, Advanced Composite Services Inc./Sunshyne Inc. filed for bankruptcy protection in May 2022 and the Port entered in a claim in August 2022 against lease and utility payments unpaid. The company was sold to a trustee and the remaining assets were sold in December 2022 and dividends from the assets were split between claimants. The matter was closed on December 28, 2022. In January 2023, the Port received a settlement from the claim filed against Advanced Composite Services Inc./Sunshyne Inc. in the amount of \$13,254.06 for unpaid lease and utility payments totaling \$21,646.11. In August 2023, the Port received additional settlement funds in the amount of \$10,950.97.

The Port entered into a consulting agreement in 2017 with Harper Houf Peterson Righellis, Inc (HHPR) for the Guild Road Industrial Park (aka Rose Way Industrial Park) for design, engineering and permitting. The contract required HHPR to complete its work by April 30, 2018. By October 2020, the work had not been completed, and the Port demanded completion. HHPR claimed that all the previous resources allocated were spent and another contract was awarded to complete the work in 2020 to finish the work plan by the end of the year. Significant work efforts were not completed, during the construction of the project, were found to not have been engineered, and were required to be re-engineered, costing the Port additional funding. Furthermore, delays, additional work, lack of initial planning work required additional horizontal work that cost the Port significantly more money. The Port assessed those costs at the conclusion of the first phase of construction and determined that HHPR did not meet their

contract obligations. The Port began working with legal counsel in 2023 on the items for moving forward of delivering their litigation, which was served April 2, 2024 and is still pending.

Significant Commitments or Obligations

Construction Commitment

The Port of Woodland has active construction projects as of December 31, 2023. The projects include:

Centennial Way and Rose Way

- CERB Funding and Matching Funds
 - CERB Match \$4,904,126.00
 - CERB Reimbursable Loan \$2,250,000.00
 - CERB Grant \$750,000.00

Dark Fiber - Phase I Backbone Ariel to Cougar

- CERB Funding and Matching Funds
 - CERB Match \$187,500.00
 - CERB Reimbursable Loan \$375,000.00
 - CERB Grant \$375,000.00

Dark Fiber - Ariel to Cougar Phase II FTTH (Fiber to the Home)

- CERB Funding and Matching Funds
 - CERB Match \$494,124.00
 - CERB Grant \$1,976,496.00
 - WSBO Grant \$2,808,832.00

Rose Way Industrial Park – Building I A&E & Construction

- CERB Funding and Matching Funds
 - CERB Match \$1,327,070
 - CERB Reimbursable Loan \$843,750
 - CERB Grant \$281,250

Rose Way Industrial Park – Infrastructure & Building II A&E & Construction

- EDA Funding and Matching Funds
 - EDA Match \$4,553,120
 - EDA Award \$4,553,120

At year-end the Port of Woodland’s commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Dark Fiber	\$1,374,052	\$372,695
Rose Way & Industrial Park	\$9,626,157	\$1,817,394

Of the committed balance, the Port of Woodland, through state grants, state loans, federal grants, and cash investments, has secured the required financing at this time.

Grants

In the past the Port of Woodland has received grant money from county, state and federal programs for industrial and recreational facilities. Grants are subject to audit by the grantors, and such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed or non-compliance of the terms of the grant.

Note: This Port of Woodland project is waiting for closing documents to release final grant retainage. No grant fund expenditures were reported on Schedule 15.

State: Centennial Way and Rose Way - CERB \$750,000

Note: This Port of Woodland project is waiting for closing documents to release final grant retainage. No grant fund expenditures were reported on Schedule 15.

State: Dark Fiber – Phase I Backbone Ariel to Cougar – CERB \$375,000

Note: The Port of Woodland worked on the following partially grant funded project in 2023 and reported grant fund expenditures on Schedule 15.

State: Dark Fiber – Ariel to Cougar Phase II FTTH – CERB \$1,976,496

State: Dark Fiber – Ariel to Cougar Phase II FTTH – WSBO \$2,808,832

Note: The Port of Woodland worked on the following partially grant funded project in 2023 and reported grant fund expenditures on Schedule 15.

State: Rose Way Industrial Park Building I A&E & Construction – CERB \$281,250

Note: The Port of Woodland worked on the following partially funded project in 2023 and reported award fund expenditures on Schedule 16.

Federal Award: Rose Way Industrial Park – EDA \$4,553,120

Note 8 – Other Postemployment Benefits

The Port of Woodland is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. The Port of Woodland had seven active plan members and zero retired plan members as of December 31, 2023. As of December 31, 2023, the Port of Woodland's total OPEB liability was \$220,060 as calculated using the alternative measurement method. The Port of Woodland contributed \$291 to the plan for the year ended December 31, 2023.

Note 9 - Pension Plans

A. State Sponsored Pension Plans

Substantially all Port of Woodland’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plan Public Employees' Retirement System (PERS).

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2023, the Port of Woodland proportionate share of the collective net pension liabilities (assets) was reported on the Schedule of Liabilities, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$10,507	0.001542%	\$35,200
PERS 2/3	\$17,430	0.001982%	\$(81,236)

Only the net pension liabilities are reported on the Schedule of Liabilities.

Note 10 - Property Tax

The Cowlitz County Treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed at the end of each month.

Property tax revenues are recognized when cash is received by Port of Woodland. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Port of Woodland’s regular levy for the year 2023 was \$0.1801879711 per \$1,000 on an assessed valuation of \$2,575,053,446 for a total regular levy of \$457,735.

Note 11 – PPP

During the year ended December 31, 2023, the Port of Woodland adopted guidance for the presentation and disclosure of Public-Private and public-Public Partnerships (PPP), as required by the BARS manual. This requirement resulted in no liability reported on the Schedule of Liabilities.

Note 12 – Risk Management

Port of Woodland is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and contract for risk management, claims, and administrative services. The Pool was formed on July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool’s fiscal year ending August 31, 2023, there were 518 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris program provides various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes General Liability, Automobile Liability, Public Officials’ Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement policy. Pollution and Cyber coverage are provided on a claims-made coverage form. Crime coverage is provided on a discovery form. All other coverage is provided on an occurrence coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that apply to them. In certain cases, the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool’s SIR up to the coverage maximum limit of liability. The tables below reflect the Pool’s SIR, reinsurance limits, and member deductibles/co- pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Liability:				
General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability ⁽²⁾	Per Occurrence Pool Aggregate	\$500,000 \$1 million	None	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay ⁽³⁾

(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of

losses require a specific co-pay deduction.

(2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.

(3) Members pay a 20% co-pay of costs. By meeting established guidelines, the co-pay may be waived.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Property ⁽²⁾:				
Buildings and Contents	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Boiler and Machinery ⁽³⁾	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense(EE) ⁽⁴⁾	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
Sublimit ⁽⁵⁾:				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000
Earthquake	Per Occurrence	5% of indemnity, subject to a \$250,000 minimum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million per occurrence \$200 million aggregate	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/ Pool aggregate \$1.1 billion/ per occurrence APIP program \$1.4 billion/ APIP program aggregate	\$0
Automobile Physical Damage⁽⁶⁾	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles; \$250,000 for Emergency Vehicles valued >\$750,000	\$1 billion	\$250 - \$1,000
Crime Blanket ⁽⁷⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Named Position ⁽⁸⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Cyber ⁽⁹⁾	Each Claim APIP Aggregate	\$100,000	\$2 million \$40 million	20% Copay
Identity Fraud Expense Reimbursement ⁽¹⁰⁾	Member Aggregate	\$0	\$25,000	\$0

(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.

(2) Property coverage for each member is based on a detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement according to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$1 billion except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.

(3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.

(4) Business Interruption/ Extra expense coverage is based on scheduled revenue-generating locations/operations. A limited number of members are scheduled, and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.

(5) This sub-limit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.

(6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detailed vehicle schedule.

(7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Members may elect to "buy up" the level of coverage from \$5,000 to \$2 million.

(8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.

- (9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/member's property TIV with an 8-hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.
- (10) Enduris purchases Identity Fraud Expense Reimbursement coverage. Member claims do not have a deductible. There is a \$25,000 limit per member.

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements above the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year. They must give notice 60 days before renewal to terminate participation. The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contributing to Enduris for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Its member participants fully fund Enduris. Members file claims with the Pool, which determines coverage and administers the claims.

The Pool is governed by a Board of Directors comprising seven board members. The Pool's members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool's Executive Director.

Self-Insurance

The Port of Woodland maintains employee health insurance through Washington State Health Care Authority and therefore, under the ACA regulations, does have a requirement to report data about employees enrolled in a self-insured medical plan UMP (Uniform Medical Plan).

Note 13 – Subscription Based Information Technology Arrangements (SBITA)

During the year ended December 31, 2023, the Port of Woodland adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS manual. This requirement resulted in no subscription liability reported on the Schedule of Liabilities.

Note 14 – Telecommunication Services

The Port will be providing dark fiber telecommunications opportunities for lease to internet service providers (ISPs) who will then light the fiber for the end user.

	Telecommunication Services	Amount
Revenues:	Wholesale Fiber Services to ISP	\$0.00
Expenses:	Administration and General	\$200,040.00
Capital Outlay:	Construction/Permits/Material - Backbone	\$1,489,017.00

**PORT OF WOODLAND
NOTES TO FINANCIAL STATEMENT
For the Year Ended December 31, 2022**

Note 1 – Summary of Significant Accounting Policies

The Port of Woodland was incorporated on September 13, 1960 and operates under the laws of the state of Washington applicable to a special purpose government. The Port of Woodland is a special purpose local government and provides economic development and job creation through ownership of industrial properties and facilities to the general public and is supported primarily through property tax receipts and industrial leases.

The Port of Woodland reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from Generally Accepted Accounting Principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. For reporting purposes, the activities of all the Port's funds are in one fund. The following fund type is used:

Proprietary Fund Type:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

C. Cash and Investments

See Note 3 - *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of four years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Full-time and qualifying part-time employees can accumulate up to 20 days of vacation leave and is payable upon separation or retirement. There is no accrual limit to sick leave, but upon separation or retirement full-time and qualifying part-time employees do receive twenty-five percent payment for unused sick leave, up to a maximum of 120 days. Payments are recognized as expenditures when paid.

F. Long-Term Debt (Formerly Debt Service Requirements)

See Note 6 - *Long-Term Debt*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Port Commission. When expenditures that meet restrictions are incurred, the Port of Woodland intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of Retainage - \$265,170.13.

Note 2 – Budget Compliance

The Port of Woodland adopts an annual budget following budgetary guideline codes set by RCW 53.35. The Port of Woodland adopted budget for 2022 was \$11,878,314.26.

Note 3 - Deposits and Investments

Investments are reported at fair value. Deposits and investments by type at December 31, 2022 are as follows:

Type of deposit or investment	Port of Woodland's own deposits and investments	Total
Cowlitz County Treasurer	668,256	668,256
LGIP	6,588,912	6,588,912
TOTAL	\$7,257,168	\$7,257,168

It is the Port of Woodland's policy to invest all temporary cash surpluses. The interest on these investments is deposited as follows:

LGIP - reinvested into balance on deposit.

Investments in the State Local Government Investment Pool (LGIP)

Through the Cowlitz County Treasurer, acting as an agent on behalf of the Port, the Port of Woodland is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the Port of Woodland would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The Port of Woodland's deposits are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the Port of Woodland or its agent in the government's name.

Note 4 – Joint Ventures, Component Unit(s), and Related Parties

The Port of Woodland created the Schurman Way Industrial Park Owners Association as part of the development that includes the sale of specific Port lots for private industrial development. The owner’s association shares two individual storm facilities that are served by multiple lots. There is an annual meeting regarding the costs for the upcoming year for legal filings, maintenance, and landscaping. The owner’s association maintains these assets through a contract for maintenance and landscaping with the Port of Woodland. Each of the lots is assessed a cost share of the annual costs based on the association bylaws and the declaration of covenants, conditions and restrictions for Schurman Way Industrial Park.

The Port of Woodland created the Centennial Industrial Park Owners Association as part of the development that includes the sale of specific Port lots for private industrial development. The owner’s association shares a storm pond facility a private road and a 15-foot easement around the lots for utility access that are served by multiple lots. There is an annual meeting regarding the costs for the upcoming year for legal filings, maintenance, and landscaping. The owner’s association maintained these assets through a contract for maintenance and landscaping with the Port of Woodland. Each of the lots is assessed a cost share of the annual costs based on the association bylaws and the declaration of covenants, conditions and restrictions for Centennial Industrial Park.

Note 5 – Leases (Lessees)

During the year ended 2022, the Port of Woodland adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement resulted in the addition of a lease liability reported on the Schedule of Liabilities.

The Port of Woodland leases land from PacifiCorp for \$250.00 annually under a lease agreement that began January of 2000 and will end December of 2023.

The total amount paid for this lease in 2022 was \$250.00. As of December 31, 2022, the future lease payments are as follows:

Year ended December 31	Total
2023	\$250
Total	\$250

Note 6 – Long-Term Debt

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the Port of Woodland and summarizes the Port of Woodland's debt transactions for year ended December 31, 2022.

The debt service requirements for general obligation bonds, revenue bonds, and other (non G.O.) debt/liabilities are as follows:

	Principal	Interest	Total
2023	221,863	167,791	389,654
2024	224,244	164,685	388,929
2025	231,916	161,413	393,329
2026	234,634	157,980	392,614
2027	237,397	154,337	391,734
2028-2032	1,289,193	711,317	2,000,510
2033-2037	1,599,063	569,602	2,168,665
2038-2042	1,598,569	386,251	1,984,820
2043-2047	1,010,000	216,960	1,226,960
2048-2052	685,000	47,090	732,090
TOTALS	7,331,879	2,737,426	10,069,305

Note 7 - Other Disclosures

Contingencies and Litigations

Advanced Composite Services Inc./Sunshyne Inc. filed for bankruptcy protection in May 2022 and the Port entered in a claim in August 2022 against lease and utility payments unpaid. The company was sold to a trustee and the remaining assets were sold in December 2022 and dividends from the assets were split between claimants. The matter was closed on December 28, 2022.

Subsequent Events

In January 2023, the Port received a settlement from the claim filed against Advanced Composite Services Inc./Sunshyne Inc. in the amount of \$13,254.06 for unpaid lease and utility payments totaling \$21,646.11.

Significant Commitments or Obligations

Construction Commitment

The Port of Woodland has active construction projects as of December 31, 2022. The projects include:

Centennial Way and Rose Way

- CERB Funding and Matching Funds
 - CERB Match \$4,904,126.00
 - CERB Reimbursable Loan \$2,250,000.00
 - CERB Grant \$750,000.00

Dark Fiber- Phase I Backbone Ariel to Cougar

- CERB Funding and Matching Funds
 - CERB Match \$187,500.00
 - CERB Reimbursable Loan \$375,000.00
 - CERB Grant \$375,000.00

Rose Way Industrial Park – Infrastructure & Building II A&E & Construction

- EDA Funding and Matching Funds
 - EDA Match \$4,553,120
 - EDA Award \$4,553,120

Rose Way Industrial Park – Building I A&E & Construction

- CERB Funding and Matching Funds
 - CERB Match \$1,327,070
 - CERB Reimbursable Loan \$843,750
 - CERB Grant \$281,250

At year-end the Port of Woodland's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Dark Fiber	\$745,971	\$622,971
Rose Way & Industrial Park	\$5,500,021	\$393,117

Of the committed balance, the Port of Woodland, through state grants, state loans, federal grants, and cash investments, has secured the required financing at this time.

Grants

In the past the Port of Woodland has received grant money from county, state and federal programs for industrial and recreational facilities. Grants are subject to audit by the grantors, and such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed or non-compliance of the terms of the grant.

Note: The Port of Woodland worked on the following partially grant funded project in 2022 and reported grant fund expenditures on Schedule 15.

State: Centennial Way and Rose Way - CERB \$750,000

Note: The Port of Woodland worked on the following partially grant funded project in 2022 and reported grant fund expenditures on Schedule 15.

State: Dark Fiber – Phase I Backbone Ariel to Cougar – CERB \$375,000

Note: The Port of Woodland worked on the following partially grant funded project in 2022 and reported grant fund expenditures on Schedule 15. Project completed May 2022.

State: Martin Bar Industrial Conceptual Site Study – CERB \$50,000

Note: The Port of Woodland worked on the following partially funded project in 2022 and reported award fund expenditures on Schedule 16.

Federal Award: Rose Way Industrial Park – EDA \$4,553,120

Note: The Port of Woodland began work on the following partially funded project in 2022, but grant funds were not allocated to the project in 2022.

State: Rose Way Industrial Park Building I A&E & Construction – CERB \$281,250

Note 8 – Other Postemployment Benefits

The Port of Woodland is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. The Port of Woodland had seven active plan members and zero retired plan members as of December 31, 2022. As of December 31, 2022, the Port of Woodland's total OPEB liability was \$272,618 as calculated using the alternative measurement method. The Port of Woodland contributed \$721 to the plan for the year ended December 31, 2022.

Note 9 - Pension Plans

A. State Sponsored Pension Plans

Substantially all Port of Woodland’s full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plan Public Employees' Retirement System (PERS).

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2022, the Port of Woodland proportionate share of the collective net pension liabilities (assets) was reported on the Schedule of Liabilities, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$9,573	0.001562%	\$43,492
PERS 2/3	\$16,411	0.002043%	\$(75,770)

Only the net pension liabilities are reported on the Schedule of Liabilities.

Note 10 - Property Tax

The Cowlitz County Treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed at the end of each month.

Property tax revenues are recognized when cash is received by Port of Woodland. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Port of Woodland’s regular levy for the year 2022 was \$0.2059613681 per \$1,000 on an assessed valuation of \$2,152,364,805 for a total regular levy of \$443,304.

Note 11 – Risk Management

Port of Woodland is a member of the Enduris Washington (Pool). Chapter 48.62 RCW provides the exclusive source of local government entity authority to individually or jointly self-insure risks, jointly purchase insurance or reinsurance, and to contract for risk management, claims, and administrative services. The Pool was formed July 10, 1987 pursuant to the provisions of Chapter 48.62 RCW, Chapter 200-100 WAC, and Chapter 39.34 RCW when two counties and two cities in the State of Washington joined together by signing an interlocal governmental agreement to fund their self-insured losses and jointly purchase insurance and administrative services. For the Pool’s fiscal year ending August 31, 2022, there were 527 Enduris members representing a broad array of special purpose districts throughout the state.

The Enduris program provides for various forms of joint self-insurance and reinsurance coverage for its members: Liability coverage, which includes: General Liability, Automobile Liability, Public Officials' Errors and Omissions liability, Terrorism liability and Employment Practices liability; Property coverage, which includes: Building and Contents, Mobile Equipment, Boiler and Machinery, and Business Interruption/Extra Expense; Automobile Physical Damage coverage; Cyber coverage; Crime blanket coverage; Named Position coverage; and an Identity Fraud reimbursement policy. Pollution and Cyber coverage are provided on a claims made coverage form. Crime coverage is provided on a discovery form. All other coverage is provided on an occurrence coverage form.

Members are responsible for a coverage deductible or co-pay on each covered loss. Each policy year members receive a Memorandum of Coverage (MOC) outlining the specific coverage, limits, and deductibles/co-pays that are applicable to them. In certain cases the Pool may allow members to elect to participate in the programs at limits, coverage, deductibles, and co-pays that are specific to their needs. Enduris is responsible for payment of all covered losses above the member retention, up to the Pool self-insured retention (SIR). Enduris acquires excess/reinsurance from unrelated insurance companies to cover losses above the Pool's SIR up to the coverage maximum limit of liability. The tables below reflect the Pool's SIR, reinsurance limits and member deductibles/co-pays by coverage type.

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Liability:				
Comprehensive General Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Automobile Liability	Per Occurrence	\$1 million	\$20 million	\$1,000 - \$100,000
Public Officials Errors and Omissions Liability	Each Wrongful Act Member Aggregate	\$1 million	\$20 million \$20 million	\$1,000 - \$100,000
Terrorism Liability ⁽²⁾	Per Occurrence Pool Aggregate	\$500,000 \$1 million	\$0 Fully funded by Pool	\$1,000 - \$100,000
Employment Practices Liability	Per Occurrence Member Aggregate	\$1 million	\$20 million \$20 million	20% Copay ⁽³⁾

(1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible

(2) Terrorism liability is fully funded by the Pool i.e. no excess/reinsurance is procured.

(3) Members pay a 20% co-pay of costs. By meeting established guidelines, the co-pay may be waived.

Property ⁽²⁾:

Buildings and Contents	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Mobile Equipment	Per Occurrence	\$250,000	\$1 billion	\$1,000 - \$250,000
Boiler and Machinery ⁽³⁾	Per Occurrence	Varies	\$100 million	Varies
Business Interruption (BI)/ Extra Expense (EE) ⁽⁴⁾	Per Occurrence	\$250,000	\$100 million (BI)/ \$50 million (EE)	\$1,000 - \$250,000
Sublimit ⁽⁵⁾:				
Flood	Per Occurrence	\$250,000	\$50 million (shared by Pool members)	\$1,000 - \$250,000

Coverage	Coverage Type	Pool Self-Insured Retention	Excess/ Reinsurance Limits	Member Deductibles/ Co-Pays ⁽¹⁾
Earthquake	Per Occurrence	5% of indemnity, subject to \$250,000 minimum	\$10 million (shared by Pool members)	\$1,000 - \$250,000
Terrorism Primary	Per Occurrence Pool Aggregate	\$250,000	\$100 million per occurrence \$200 million aggregate	\$1,000 - \$250,000
Terrorism Excess	Per Occurrence APIP Per Occurrence APIP Aggregate	\$500,000	\$600 million/ Pool aggregate \$1.1 billion/ per occurrence APIP program \$1.4 billion/ APIP program aggregate	\$0
Automobile Physical Damage⁽⁶⁾	Per Occurrence	\$25,000; \$100,000 for Emergency Vehicles; \$250,000 for Emergency Vehicles valued >\$750,000	\$1 billion	\$250 - \$1,000
Crime Blanket⁽⁷⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Named Position⁽⁸⁾	Per Occurrence	\$50,000	\$1 million	\$1,000
Cyber⁽⁹⁾	Each Claim APIP Aggregate	\$100,000	\$2 million \$40 million	20% Copay
Identity Fraud Expense Reimbursement⁽¹⁰⁾	Member Aggregate	\$0	\$25,000	\$0

- (1) Members may request or be required to pay a higher deductible than the minimum for certain coverage and certain types of losses require a specific co-pay or deductible.
- (2) Property coverage for each member is based on detailed property schedule. Scheduled items are covered to the extent of the cost of repair or replacement pursuant to the excess/reinsurance policy terms. Under the Alliant Property Insurance Program (APIP) Reinsurance carriers cover insured losses over \$250,000 to the limit of \$1 billion except for certain types of sub-limited property losses such as flood, earthquake, and terrorism.
- (3) Boiler and Machinery self-insured retention for the Pool varies depending on motor horsepower.
- (4) Business Interruption/ Extra expense coverage is based on scheduled revenue generating locations/operations. A limited number of members schedule and the rest are limited to \$500,000 of coverage with a \$2.5 million Pool maximum for undeclared exposure. The waiting period (deductible) is typically 24 hours but there are exceptions specific to the type of exposure covered.
- (5) This sublimit list is simplified and is not all-inclusive. In addition, sub-limits are often shared or aggregated by all pool members and, in a few cases, are shared by all APIP members. Deductibles often vary by coverage sub-limit.
- (6) Auto Physical Damage coverage includes comprehensive, named perils and collision. Coverage for each member is based on a detail vehicle schedule.
- (7) Crime Blanket coverage (also referred to as "Employee Dishonesty Coverage with Faithful Performance" of \$2,500 is provided to each member. Member's may elect to "buy-up" the level of coverage from \$5,000 to \$2 million.
- (8) Named Position coverage is optional. Members may elect to schedule various employees, directors, and commissioners, with individual limits of between \$5,000 and \$1 million.
- (9) Cyber coverage is included under the Pool's Property program. Members are subject to a 20% co-pay per loss and the Pool's SIR is tiered between \$50,000 and \$100,000 depending on the insured/members property TIV with an 8 hour waiting period. By meeting established guidelines, the co-pay may be waived. The reinsurance maximum limit of liability is \$2 million, with various declared sub-limits.
- (10) Identity Fraud Expense Reimbursement coverage is purchased by Enduris. Member claims do not have a deductible. There is a \$25,000 limit per member.

Members make an annual contribution to fund the Pool. Since Enduris is a cooperative program, there is joint liability among the participating members. There were no claim settlements in excess of the insurance coverage in any of the last three policy years.

Upon joining the Pool, members are contractually obligated to remain in the Pool for a minimum of one year and must give notice 60 days before renewal in order to terminate participation.

The Interlocal Governmental Agreement (formerly known as the Master Agreement) is automatically renewed each year unless provisions for withdrawal or termination are applied. Even after termination, a member is still responsible for contribution to Enduris for any unresolved, unreported and in process claims for the period they were a signatory to the Interlocal Governmental Agreement.

Enduris is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and administers the claims.

The Pool is governed by a Board of Directors which is comprised of seven board members. The Pool’s members elect the Board, and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for overseeing the business affairs of Enduris and providing policy direction to the Pool’s Executive Director.

Self-Insurance

The Port of Woodland maintains employee health insurance through Washington State Health Care Authority and therefore, under the ACA regulations, does have a requirement to report data about employees enrolled in a self-insured medical plan UMP (Uniform Medical Plan).

Note 12 – Telecommunication Services

The Port will be providing dark fiber telecommunications opportunities for lease to internet service providers (ISPs) who will then light the fiber for the end user.

	Telecommunication Services	Amount
Revenues:	Wholesale Fiber Services to ISP	\$0.00
Expenses:	Administration and General	\$129,157.65
Capital Outlay:	Construction/Permits/Material - Backbone	\$820,485.33

See Note 7 – *Construction Commitment*

See Note 7 – *Grants*

**Port of Woodland
Schedule of Liabilities
For the Year Ended December 31, 2023**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.83	LOT 4 PROJECT	7/31/2029	246,179	-	34,127	212,052
251.11	LTGO REFUNDING BONDS, 2020	12/1/2050	4,040,000	-	50,000	3,990,000
263.83	HOWARD WAY CONNECTION	1/31/2041	542,812	60,987	24,987	578,812
263.83	ROSE WAY/CENTENNIAL	7/31/2041	2,157,037	6,214	99,229	2,064,022
263.83	DARK FIBER	7/31/2041	345,601	15,739	16,549	344,791
263.83	RWIP BUILDING I	7/31/2044	-	501,578	-	501,578
Total General Obligation Debt/Liabilities:			7,331,629	584,518	224,892	7,691,255
Revenue and Other (non G.O.) Debt/Liabilities						
263.57	LEASE-PACIFORP	12/31/2023	250	-	250	-
259.12	COMPENSATED ABSENCES		24,810	20,327	-	45,137
264.30	PENSION LIABILITY		43,492	-	8,292	35,200
264.40	OPEB LIABILITY		272,618	-	52,558	220,060
Total Revenue and Other (non G.O.) Debt/Liabilities:			341,170	20,327	61,100	300,397
Total Liabilities:			7,672,799	604,845	285,992	7,991,652

**Port of Woodland
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.83	Lot 4 Project/CERB	7/31/2029	279,968	-	33,789	246,179
251.11	LTGO Refunding Bonds, 2020	12/1/2050	4,085,000	-	45,000	4,040,000
263.83	Howard Way Connection/CERB	1/31/2041	529,475	35,950	22,613	542,812
263.83	Rose Way/Centennial/CERB	7/31/2041	546,375	1,697,410	86,748	2,157,037
263.83	Dark Fiber/CERB	7/31/2041	111,781	247,480	13,660	345,601
Total General Obligation Debt/Liabilities:			5,552,599	1,980,840	201,810	7,331,629
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absences		25,828	-	1,018	24,810
263.57	Lease - PacifiCorp	12/31/2023	500	-	250	250
264.30	Pension Liability		13,043	30,449	-	43,492
264.40	OPEB Liability		321,799	-	49,181	272,618
Total Revenue and Other (non G.O.) Debt/Liabilities:			361,170	30,449	50,449	341,170
Total Liabilities:			5,913,769	2,011,289	252,259	7,672,799

**Port of Woodland
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures				Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total			
Economic Development Cluster									
ECONOMIC DEVELOPMENT ADMINISTRATION, COMMERCE, DEPARTMENT OF	Investments for Public Works and Economic Development Facilities	11.300	-	1,206,593	1,206,593				1,2,3
	Total Economic Development Cluster:		-	1,206,593	1,206,593				
	Total Federal Awards Expended:		-	1,206,593	1,206,593				

The accompanying notes are an integral part of this schedule.

Port of Woodland

Notes to the Schedule of Expenditures of Federal Awards Schedule 16 For the Year Ended December 31, 2023

Note 1 – Basis of Accounting

This schedule is prepared on the same basis of accounting as the Port of Woodland's financial statements. The Port of Woodland uses the *Cash Basis Budgeting Accounting and Reporting System (BARS) Manual*.

Note 2 – Federal Indirect Cost Rate

The Port of Woodland has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The amount expended includes \$0.00 claimed as an indirect cost recovery using an approved indirect cost rate of 0.0 percent.

Note 3 – Program Costs

The amounts shown as current year expenditures represent only the federal award portion of the program costs. Entire program costs, including the Port of Woodland's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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- [Request public records](#)
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- Learn about our [training workshops](#) and [on-demand videos](#)
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- Main telephone:
(564) 999-0950
- Toll-free Citizen Hotline:
(866) 902-3900
- Email:
webmaster@sao.wa.gov

APPENDIX G
SPECIMEN MUNICIPAL BOND INSURANCE POLICY



BAM

**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN