

CITY OF UNIVERSITY PLACE, WASHINGTON

ORDINANCE NO. 719

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AUTHORIZING THE ISSUANCE OF TWO SERIES OF LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$21,500,000 TO FINANCE AND REFINANCE COSTS RELATED TO PUBLIC IMPROVEMENTS AND OTHER CITY FACILITIES AND TO PAY COSTS OF ISSUING THE BONDS; PROVIDING THE FORM, TERMS AND COVENANTS OF THE BONDS; DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to chapter 39.104 of the Revised Code of Washington ("RCW"), the City of University Place, Washington (the "City") is authorized to undertake a "local revitalization financing" by using revenues received from a local option sales and use tax imposed pursuant to RCW 82.14.510 to pay the principal of and interest on bonds issued to finance "public improvements" within a "local revitalization area," all within the meaning of chapter 39.104 RCW; and

WHEREAS, pursuant to Ordinance No. 577, adopted by the City Council on August 24, 2009, the City designated an area located within the City and encompassing a mix-use town center, consisting of a civic building containing a library, City administrative and law enforcement offices, a Town Hall meeting room and retail shops, a public transit and public parking facility, a parking garage, related infrastructure and other public improvements, as a "local revitalization area" within the meaning of chapter 39.104 RCW, (the "Revitalization Area"); and

WHEREAS, the City designated certain components of the Revitalization Area meeting the requirements of RCW 39.104.020 as "public improvements" (the "Town Center Project"); and

WHEREAS, pursuant to Ordinance No. 593 adopted by the City Council on June 20, 2011, and RCW 82.14.505 and 82.14.510, the City levied and imposed a local option sales and use tax (the "Local Option Sales and Use Taxes") to generate revenues in the aggregate annual amount of approximately \$500,000 (the "Local Option Sales and Use Tax Revenues") to finance public improvements within the Revitalization Area, including the Town Center Project; and

WHEREAS, pursuant to Ordinance No. 592 adopted by the City Council on June 20, 2011, and RCW 35.21.730 through .757, the City chartered the City of University Place Town Center Project Authority (the "Authority") a Washington public development authority, to undertake on behalf of the City the financing of the completion of certain components of the Town Center Project; and

WHEREAS, under chapter 39.34 RCW, the City and the Authority entered into an Interlocal Agreement dated as of June 1, 2011 (the "Interlocal Agreement"), under which the Authority agreed to undertake on behalf of the City the financing of components of the Town Center Project constituting public improvements within the Revitalization Area by issuing one or more series of revenue bonds and the City agreed to contribute the Local Option Sales and Use Tax Revenues to the Authority to pay when due the principal of and interest on such bonds; and

WHEREAS, to secure the payment of the principal of and interest on bonds issued by the Authority and certain related obligations, the Authority and the City entered into a Payment Agreement dated as of June 1, 2011 (the "Payment Agreement"); and

WHEREAS, on June 30, 2011 the Authority issued its Local Option Sales and Use Tax Revenue Bonds, Series 2011 in the original aggregate principal amount of \$5,885,000 (the "Authority Bonds") pursuant to a Bond Resolution adopted by the Board of Directors of the Authority on June 20, 2011 (the "Authority Bond Resolution"), a Master Trust Agreement by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee") dated as of June 1, 2011 (the "Master Trust Agreement") and a First Supplemental Trust Agreement by and between the Authority and the Trustee dated as of June 1, 2011 (the "First Supplement," and together with the Master Trust Agreement, the "Trust Agreement"); and

WHEREAS, the Trust Agreement provides that the Authority Bonds (the "Authority Bond Refunding Candidates") may be called for redemption in whole or in part, on any date on or after October 1, 2021, at a price of par plus accrued interest, if any, to the date of redemption; and

WHEREAS, after due consideration the Council has determined that additional improvements (the "Improvements") are necessary within the Revitalization Area; and

WHEREAS, pursuant to Ordinance No. 613 adopted by the City Council on October 15, 2012 (the "2012 Bond Ordinance"), the City issued its Limited Tax General Obligation Refunding Bonds, 2012A (the "2012A Bonds") and its Limited Tax General Obligation Refunding Bonds, 2012B (Taxable) (the "2012B Bonds") in the original aggregate principal amounts of \$6,250,000 and \$7,880,000, respectively; and

WHEREAS, the 2012 Bond Ordinance provides that the 2012A Bonds and 2012B Bonds maturing on December 1, 2023 and thereafter (the "2012 Refunding Candidates"), may be called for redemption prior to maturity in whole or in part, on December 1, 2022 or any day thereafter, at a price of par plus accrued interest, if any, to the date of redemption; and

WHEREAS, the City has determined that it is in the best interest of the City to issue limited tax general obligation bonds (the "2019A Bonds") to finance the costs of the Improvements and to pay the costs of issuance of such bonds, and to issue taxable limited tax general obligation refunding bonds (the "2019B Bonds" and together with the 2019A Bonds, the "Bonds") to defease and redeem all or a portion of the Authority Bond Refunding Candidates and the 2012 Refunding Candidates (together, the "Refunding Candidates") at a savings to the City and its taxpayers and to pay costs of issuance of such bonds; and

WHEREAS, this Council wishes to delegate authority to the City Manager, the Executive Director Administrative Services/Assistant City Manager, and Finance Director (as further described herein, each a "Designated Representative"), for a limited time, to approve the interest rates, maturity dates, redemption terms and other terms of the Bonds within the parameters set by this ordinance; and

WHEREAS, the City expects to receive a proposal from D.A. Davidson & Co. (the "Underwriter") to underwrite the Bonds, and now desires to authorize the acceptance of such proposal, and the issuance and sale of the Bonds to the Underwriter, all as set forth herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, HEREBY DOES ORDAIN AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following words and terms shall have the following meanings, unless the context or use indicates another or different meaning or intent. Unless the context indicates otherwise, words importing the singular number shall include the plural number and vice versa.

Acquired Obligations means the Government Obligations acquired under the terms of this ordinance and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds, but only to the extent that the same are acquired at Fair Market Value.

Authority means the City of University Place Town Center Project Authority, a Washington public development authority, chartered by the City pursuant to Ordinance No. 592 adopted by the City Council on June 20, 2011 and RCW 35.21.730 through .757, to undertake on behalf of the City the financing of the completion of certain components of the Town Center Project.

Authority Bond Authorizing Documents mean the Bond Resolution adopted by the Board of Directors of the Authority on June 20, 2011, a Master Trust Agreement by and between the Authority and the Trustee, dated as of June 1, 2011 and a First Supplemental Trust Agreement by and between the Authority and the Trustee, dated as of June 1, 2011.

Authority Bond Refunding Candidates means the outstanding Authority Bonds.

Authority Bonds mean the Authority's Local Option Sales and Use Tax Revenue Bonds, Series 2011 issued in the original aggregate principal amount of \$5,885,000 pursuant to the Authority Bond Authorizing Documents.

Authority Refunded Bonds means all or a portion of the Authority Bond Refunding Candidates as selected by a Designated Representative pursuant to the terms of this ordinance.

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 Pacifica Law Group LLP or an attorney at law or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

Bond Purchase Contract means the contract for the purchase of the Bonds between the Underwriter and City, executed pursuant to Section 12.

Bond Register means the registration books maintained by the Bond Registrar for purposes of identifying ownership of the Bonds or the nominee of each owner, and such other information as the Bond Registrar shall determine.

Bond Registrar means, initially, the fiscal agent of the State, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

Bonds mean the 2019A Bonds and the 2019B Bonds.

Call Date means the date specified in the Escrow Agreement for the refunding of each series of the Refunded Bonds.

Certificate of Authentication means the form of certificate of authentication included in the form of Bond attached hereto as Exhibit A.

City means the City of University Place, Washington, a municipal corporation duly organized and existing under the laws of the State.

City Clerk means the duly appointed and acting City Clerk of the City or the successor to the person fulfilling the duties of that office.

City Manager means the duly appointed and acting City Manager of the City or the successor to the duties of such office.

City Mayor or **Mayor** means the duly appointed and acting Mayor of the City or the successor to the duties of such office.

Closing means the date of issuance and delivery of a series of Bonds to the Underwriter.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the 2019A Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the 2019A Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commission means the United States Securities and Exchange Commission.

Continuing Disclosure Certificate means the written undertaking for the benefit of the owners and Beneficial Owners of the Bonds as required by Section (b)(5) of the Rule.

Council or **City Council** means the University Place City Council, as the general legislative body of the City, as the same is duly and regularly constituted from time to time.

Debt Service Fund means one or more funds, and accounts held therein, created pursuant to this ordinance for the purpose of paying debt service on a series of Bonds.

Designated Representative means each of the City Manager, the Executive Director Administrative Services/Assistant City Manager, and Finance Director of the City, any successors to the functions of such officers, and their designees. The signature of one Designated Representative shall be sufficient to bind the City.

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 this ordinance.

Escrow Agent means U.S. Bank National Association, Seattle, Washington.

Escrow Agreement means the Escrow Deposit Agreement among the City, the Authority and the Escrow Agent to be dated as of the date of Closing of the 2019B Bonds.

Executive Director Administrative Services/Assistant City Manager means the duly appointed and acting Executive Director Administrative Services/Assistant City Manager of the City, or the successor to the duties of such office.

Fair Market Value means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm's-length transaction, except for specified investments as described in Treasury Regulation §1.148-5(d)(6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield-restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

Federal Tax Certificate means the certificate executed by a Designated Representative setting forth the requirements of the Code for maintaining the tax exemption of interest on the 2019A Bonds, and any attachments thereto.

Finance Director means the City's Finance Director/Risk Manager, or the successor to such office.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW constituting direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, as such chapter may be hereafter amended or restated.

Improvements mean the public improvements within the Revitalization Area that are eligible for financing under chapter 39.104 RCW.

Interlocal Agreement means the Interlocal Agreement between the City and the Authority dated as of June 1, 2011, as amended, relating to the Town Center Project.

Letter of Representations means the Blanket Issuer Letter of Representations given by the City to DTC, as amended from time to time.

Local Option Sales and Use Tax means the local option sales and use tax levied and imposed by the City as authorized by RCW 82.14.505 and RCW 82.14.510.

Local Option Sales and Use Tax Revenue means the Local Option Sales and Use Tax credit revenues received by the City in an aggregate annual amount of approximately \$500,000.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions.

Official Statement means the disclosure documents prepared and delivered in connection with the issuance of a series of Bonds.

Payment Agreement means the Payment Agreement between the City and the Authority dated as of June 1, 2011, as amended, relating to the Town Center Project.

Project Fund means the fund or account created pursuant to Section 8 of this ordinance.

Record Date means the close of business for the Bond Registrar on the day that is 15 days preceding any interest and/or principal payment or redemption date.

Refunded Bonds means the Authority Refunded Bonds, the 2012A Refunded Bonds and the 2012B Refunded Bonds.

Refunding Account means the account by that name established pursuant to Section 8.

Refunding Candidates mean the Authority Bond Refunding Candidates, the 2012A Refunding Candidates, and the 2012B Refunding Candidates.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

Revitalization Area means the area designated by the City as a "local revitalization area" within the meaning of chapter 39.104 RCW as provided for in City Ordinance No. 577.

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

State means the State of Washington.

Town Center means the mix-use town center located in the Revitalization Area, consisting of a civic building containing a library, City administrative and law enforcement offices, a Town Hall meeting

room and retail shops, a public transit and public parking facility, a parking garage, related infrastructure and other public improvements.

Town Center Project means the components of the Town Center within the Revitalization Area designated as "public improvements" and financed with proceeds of the Authority Bonds.

Trustee means U.S. Bank National Association, as trustee with respect to the Authority Bonds.

Underwriter means D.A. Davidson & Co., and its successors.

2012 Bond Ordinance means Ordinance No. 613 adopted by the City Council on October 15, 2012.

2012A Bonds mean the City's Limited Tax General Obligation Refunding Bonds, 2012A issued pursuant to the 2012 Bond Ordinance.

2012A Refunded Bonds means all or a portion of the 2012A Refunding Candidates as selected by a Designated Representative pursuant to the terms of this ordinance.

2012A Refunding Candidates mean the 2012A Bonds maturing on and after December 1, 2023.

2012B Bonds mean the City's Limited Tax General Obligation Refunding Bonds, 2012B (Taxable) issued pursuant to the 2012 Bond Ordinance.

2012B Refunded Bonds means all or a portion of the 2012B Refunding Candidates as selected by a Designated Representative pursuant to the terms of this ordinance.

2012B Refunding Candidates mean the 2012B Bonds maturing on and after December 1, 2023.

2019A Bonds mean the City's Limited Tax General Obligation Bonds, 2019A authorized to be issued pursuant to the terms of this ordinance.

2019B Bonds mean the City's Limited Tax General Obligation Refunding Bonds, 2019B (Taxable) authorized to be issued pursuant to the terms of this ordinance.

Section 2. Authorization of the Improvements. The Improvements, as they are to be more fully described in the plans and specifications prepared by and filed with the City, are hereby approved. The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, demolition, administrative and relocation expenses and other costs incurred in connection with the foregoing capital improvements shall be deemed a part of the capital costs of such Improvements. Such Improvements shall be complete with all necessary equipment and appurtenances.

The City will determine the exact specifications for the Improvements, and the components thereof, as well as the timing, order and manner of completing the components of the Improvements. The City may alter, make substitutions to, and amend the Improvements as it determines are in the best interests of the City and consistent with chapter 39.104 RCW.

Section 3. Authorization and Description of Bonds.

(a) **2019A Bonds.** For the purpose of paying and/or reimbursing the City for costs of the Improvements and paying costs of issuance, the City is hereby authorized to issue and sell limited tax general obligation bonds designated as the "City of University Place, Washington, Limited Tax General Obligation Bonds, 2019A" with additional series designation or other such designation as determined to be necessary by a Designated Representative (the "2019A Bonds").

(b) *2019B Bonds.* For the purpose of defeasing and refunding the Refunded Bonds and paying costs of issuance, the City is hereby authorized to issue and sell limited tax general obligation refunding bonds designated as the "City of University Place, Washington, Limited Tax General Obligation Refunding Bonds, 2019B (Taxable)" with additional series designation or other such designation as determined to be necessary by a Designated Representative (the "2019B Bonds").

(c) *Principal Amount.* The aggregate principal amount of all Bonds authorized to be issued under the terms of this ordinance shall not exceed \$21,500,000.

(d) *Bond Details.* The Bonds of each series shall be general obligations of the City, shall be dated as of the date of Closing for such series of Bonds; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, within a maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest from their date payable on the dates and at the rates and commencing as provided in the Bond Purchase Contract; and shall mature on the dates and in the principal amounts set forth in the Bond Purchase Contract, as approved and executed by a Designated Representative pursuant to Section 12 of this ordinance.

Section 4. Registration, Exchange and Payments.

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

(b) *Registered Ownership.* The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond of a series as the absolute owner thereof for all purposes (except as provided in a Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(g), but such Bond may be transferred as herein provided. All such payments made as described in Section 4(g) shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds of a series initially shall be held in fully immobilized form by DTC acting as depository. The City has executed and delivered to DTC the Letter of Representations. Neither the City nor the Bond Registrar shall 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 ordinance (except such notices as shall be required to be given by the City to the Bond 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 are held by a depository, DTC or its successor depository or its nominee shall be deemed to be the Registered Owner for all purposes hereunder, 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 of each series maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such 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 Finance Director 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 Finance Director to discontinue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the Finance Director may hereafter 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 Bond Registrar shall, upon receipt of all outstanding Bonds together with a written request on behalf of the Finance Director, issue a single new Bond for each maturity of that series then outstanding, registered in the name of such successor depository or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Finance Director.

(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 Finance Director determines that it is in the best interest of the Beneficial Owners of the Bonds that such owners be able to obtain physical bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held by a depository. The Finance Director shall deliver a written request to the Bond Registrar, together with a supply of physical bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds of a series together with a written request on behalf of the Finance Director to the Bond Registrar, new Bonds of such series 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 it is surrendered to the Bond 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 Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, series, 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 cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, series, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer of or to exchange any Bond during the 15 days preceding any principal payment or redemption date.

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

(g) *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 year of 360 days and twelve 30-day months. For so long as all Bonds are held by a depository, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer held by a depository, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least by the Record Date), such payment shall be made by the Bond Registrar by wire transfer to the account within the 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 designated office of the Bond Registrar.

If any Bond is duly presented for payment and funds have not been provided by the City on the applicable payment date, then interest will continue to accrue thereafter on the unpaid principal thereof at the rate stated on the Bond until the Bond is paid.

Section 5. Redemption Prior to Maturity and Purchase of Bonds.

(a) *Mandatory Redemption of Term Bonds and Optional Redemption.* The Bonds of each series shall be subject to mandatory redemption of term bonds to the extent, if any, set forth in the Bond Purchase Contract and as approved by a Designated Representative pursuant to Section 12. The Bonds of each series shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract approved by a Designated Representative pursuant to Section 12.

(b) *Selection of Bonds for Redemption.* For as long as the Bonds of a 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. If the Bonds are no longer held by a depository, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (b). If the City redeems at any one time fewer than all of the Bonds of a series having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such manner as determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and the Bond 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 designated office of the Bond 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.

(c) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds of a series are held by a depository, notice of redemption shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar shall provide any notice of redemption to any Beneficial Owners. The notice of redemption may be conditional. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the City 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 Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

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

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds of such series are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (D) any conditions to redemption,
- (E) that unless conditional notice of redemption has been given and such conditions have either been satisfied or waived, on the redemption date the redemption price shall 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
- (F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded or revoked, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected Registered Owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

(2) Effect of Notice; Bonds Due. If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Bonds of such series or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City 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 series and 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 20 days before the redemption date to each party entitled to receive notice pursuant to the applicable Continuing Disclosure Certificate and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) 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.

(d) *Purchase of Bonds.* The City reserves the right to purchase any or all of the Bonds offered to it at any time at a price deemed reasonable by the Finance Director plus accrued interest to the date of purchase.

Section 6. Form of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference, with such changes thereto as may be approved by the Designated Representative, consistent with the provisions of Section 12 hereof.

Section 7. Execution of Bonds. The Bonds shall be executed on behalf of the City by the facsimile or manual signature of the Mayor and shall be attested to by the facsimile or manual signature of the City Clerk, and shall have the seal of the City impressed or a facsimile thereof imprinted or otherwise reproduced thereon.

In the event any officer who shall have signed or whose facsimile signatures appear on any of the Bonds shall cease to be such officer of the City before said Bonds shall have been authenticated or delivered by the Bond Registrar or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the City as though said person had not ceased to be such officer. Any Bond may be signed and attested on behalf of the City by such persons who, at the actual date of execution of such Bond shall be the proper officer of the City, although at the original date of such Bond such persons were not such officers of the City.

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

Section 8. Application of Bond Proceeds, Project Fund, Plan of Refunding.

(a) *Project Fund.* The Finance Director is hereby authorized to create a fund or account (the "Project Fund"), and subaccounts therein as necessary, for the purposes set forth in this section. A portion of the proceeds of the 2019A Bonds, net of any Underwriter's discount and fees, shall be deposited in the Project Fund in the amounts specified in the closing memorandum prepared in connection with the issuance of the 2019A Bonds. Such proceeds shall be used to pay and/or reimburse the City for the costs of the Improvements and, unless otherwise provided by the City, to pay costs of issuance of the 2019A Bonds.

The Finance Director shall invest money in the Project Fund and the subaccounts contained therein in such obligations as may now or hereafter be permitted by law to cities of the State and which will mature prior to the date on which such money shall be needed, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Any remaining 2019A Bond proceeds (including interest earnings thereon) may be used for other capital projects of the City approved by the City Council or shall be transferred to the Debt Service Fund for the 2019A Bonds.

(b) *Refunding Plan.* For the purpose of realizing a debt service savings, upon the issuance of the 2019B Bonds, the City shall deposit a portion of the proceeds of the 2019B Bonds to the Authority pursuant to the terms of the Authority Bond Authorizing Documents for the purpose of refunding the Refunded Authority Bonds and paying related costs of issuance. Such portion of the proceeds of the 2019B Bonds shall be deposited, on behalf of the Authority, with the Escrow Agent pursuant to the Escrow Agreement, to be used immediately upon receipt thereof to defease the Refunded Authority Bonds as authorized by the Authority Bond Authorizing Documents and to pay costs of issuance allocable to that portion of the 2019B Bonds.

For the purpose of realizing a debt service savings, the City also proposes to defease and refund the Refunded 2012A Bonds and the Refunded 2012B Bonds as set forth herein. The Refunded 2012A Bonds shall include all or a portion of the 2012A Refunding Candidates which are designated by a Designated Representative for refunding and set forth in the Escrow Agreement. A portion of the proceeds of the 2019B Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Agreement to be used immediately upon receipt thereof to defease the Refunded 2012A Bonds as authorized by the 2012 Bond Ordinance and to pay costs of issuance allocable to that portion of the 2019B Bonds.

The Refunded 2012B Bonds shall include all or a portion of the 2012B Refunding Candidates, which are designated by a Designated Representative for refunding and set forth in the Escrow Agreement. A portion of the proceeds of the 2019B Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Agreement to be used immediately upon receipt thereof to defease the Refunded 2012B Bonds as authorized by the 2012 Bond Ordinance and to pay costs of issuance allocable to that portion of the 2019B Bonds.

The proceeds of the 2019B Bonds deposited with the Escrow Agent shall be used to defease the Refunded Bonds and discharge the obligations thereon by the purchase of Acquired Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of:

- (1) interest on the Refunded Bonds as such becomes due on and prior to the applicable Call Date; and
- (2) the redemption price (100% of the principal amount) of the Refunded Bonds on the applicable Call Date.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(c) *Escrow Agent/Escrow Agreement.* The City hereby appoints U.S. Bank National Association, Seattle, Washington, as the Escrow Agent for the Refunded Bonds. A beginning cash balance, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the 2019B Bonds remaining after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and costs of issuance of the Bonds and the administrative costs of the refunding.

In order to carry out the purposes of this Section 8, each Designated Representative is authorized and directed to execute and deliver to the Escrow Agent, one or more Escrow Agreements.

(d) *Call for Redemption of Refunded Bonds.* The City hereby sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the 2019B Bonds to make the payments described above.

The City hereby directs the Authority and the Escrow Agent to call the Refunded Authority Bonds for redemption on their Call Date in accordance with the provisions of the Authority Bond Authorizing Documents authorizing the redemption and retirement of the Refunded Authority Bonds prior to their stated maturity dates.

The City further calls the Refunded 2012A Bonds and the Refunded 2012B Bonds for redemption on their applicable Call Date in accordance with the provisions of the 2012 Bond Ordinance authorizing the redemption and retirement of the 2012A Bonds and the 2012B Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the issuance of the 2019B Bonds and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the redemption of the Refunded Bonds in accordance with the applicable provisions of the 2012 Bond Ordinance and the Authority Bond Authorizing Documents. The costs of publication of such notices shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the Finance Director, or, at the direction of the Finance Director, to the paying agent for the Refunded Bonds, sums sufficient to pay, when due, the payments specified in this Section 8. All such sums shall be paid from the moneys and Acquired Obligations deposited with the Escrow Agent, and the income therefrom and proceeds thereof. All such sums so paid to or to the order of the Finance Director shall be credited to the Refunding Account (which is hereby authorized to be created) or other funds created under the Escrow Agreement. All moneys and Acquired Obligations deposited with the Escrow Agent and any income therefrom shall be held, invested (but only at the direction of the Finance Director) and applied in accordance with the provisions of this ordinance, the Escrow Agreement, and with the laws of the State for the benefit of the City and owners of the Refunded Bonds.

The City will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due.

Section 9. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on any 2019A Bonds from the gross income of the owners of such 2019A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of such 2019A Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the 2019A Bonds are not so used as to cause the 2019A Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) *Limitations on Disposition of Improvements.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the Improvements other than in the ordinary course of an established government program under Treasury Regulation 1.141-2(d)(4) or (ii) any real property components of the Improvements, unless it has received an opinion of Bond Counsel to the effect that such disposition will not adversely affect the treatment of interest on the 2019A Bonds as excludable from gross income for federal income tax purposes.

(c) *Federal Guarantee Prohibition.* The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the 2019A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) *Rebate Requirement.* The City will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2019A Bonds.

(e) *No Arbitrage.* The City will not take, or permit or suffer to be taken, any action with respect to the proceeds of the 2019A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2019A Bonds would have caused the 2019A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The City will maintain a system for recording the ownership of each 2019A Bond that complies with the provisions of Section 149 of the Code until all 2019A Bonds have been surrendered and canceled.

(g) *Record Retention.* The City will retain its records of all accounting and monitoring it carries out with respect to the 2019A Bonds for at least three years after the 2019A Bonds mature or are redeemed (whichever is earlier); however, if the 2019A Bonds are redeemed and refunded, the City will

retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the 2019A Bonds.

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to a series of 2019A Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the 2019A Bonds.

(i) *Bank Qualification.* In the Federal Tax Certificate executed in connection with the issuance of the 2019A Bonds, the City may designate such 2019A Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code for investment by financial institutions if the City does not reasonably expect to issue more than \$10,000,000 of qualified tax-exempt obligations in the calendar year in which such 2019A Bonds are issued.

Section 10. Debt Service Fund and Provision for Tax Levy Payments. The City hereby authorizes the creation of one or more funds, and accounts held therein, to be used for the payment of debt service on each series of Bonds, designated as the "Limited Tax General Obligation Bond Debt Service Fund" or other such designation selected by the City (the "Debt Service Fund"). No later than the date each payment of principal or interest on the Bonds becomes due, the City shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources, to the Bond Registrar for the payment of such principal or interest. Money in the Debt Service Fund may be invested in legal investments for City funds, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Any interest or profit from the investment of such money shall be deposited in the Debt Service Fund.

The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it shall include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the property tax levy permitted to cities without a vote of the electorate, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds when due.

The City hereby further irrevocably pledges all Local Option Sales and Use Tax Revenues to the portion of the Bonds allocable to the financing and/or refinancing of the Improvements and the Town Center Project within the Revitalization Area and related costs of issuance, which is expected to include all of the 2019A Bonds and the portion of the 2019B Bonds allocable to the refunding the Authority Bonds. The City further covenants to impose the Local Option Sales and Use Tax, collect the Local Option Sales and Use Tax Revenues under and in accordance with RCW 82.14.505 and RCW 82.14.510, and apply Local Option Sales and Use Tax Revenues to pay debt service on the portion of the Bonds allocable to the financing and/or refinancing of the Improvements and the Town Center Project.

Section 11. Defeasance. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Debt Service Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities that, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be

made into the Debt Service Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Debt Service Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance. The City shall give written notice of defeasance of any Bonds of a series in accordance with the applicable Continuing Disclosure Certificate.

Section 12. Sale of Bonds.

(a) *Bond Sale.* The Council has determined that it would be in the best interest of the City to delegate to the Designated Representatives, for a limited time, the authority to designate all or a portion of the Refunding Candidates as Refunded Bonds and to approve the final interest rates, maturity dates, redemption terms and principal maturities for each series of Bonds.

Each Designated Representative is hereby authorized to select the Refunded Bonds and to determine the final interest rates, aggregate principal amount, principal maturities, and redemption rights for each series of Bonds in the manner provided hereafter so long as:

- (1) the aggregate principal (face) amount of all Bonds issued under the authority granted in this ordinance does not exceed \$21,500,000,
- (2) the final maturity date for the Bonds of each series is no later than December 1, 2037,
- (3) the aggregate purchase price for the Bonds of each series shall be no less than 98% of the aggregate stated principal amount of the Bonds of each series,
- (4) the true interest cost for the 2019A Bonds (in the aggregate for such series) does not exceed 5.00%,
- (5) the true interest cost for the 2019B Bonds (in the aggregate for such series) does not exceed 5.00%,
- (6) the 2019B Bonds are sold for a price that results in net present value debt service savings over the Refunded Bonds (in the aggregate) of at least 5%, and
- (7) the Bonds of each series otherwise conform to all other terms of this ordinance.

Subject to the terms and conditions set forth in this section, each Designated Representative is hereby authorized to execute the Bond Purchase Contract on behalf of the City for each series of Bonds. The signature of one Designated Representative shall be sufficient to bind the City.

Following the execution of the Bond Purchase Contract, a Designated Representative shall provide a report to the Council describing the final terms of the Bonds sold pursuant to such Bond Purchase Contract and approved pursuant to the authority delegated in this section. The authority granted to the Designated Representatives by this Section 12 shall expire one year after the effective date of this ordinance. If a Bond Purchase Contract for the Bonds has not been executed within one year after the effective date of this ordinance, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds are re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a Bond Purchase Contract or establishing terms and conditions for the authority delegated under this Section 12.

(b) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance and execution of the Bond Purchase Contract, the proper officials of the City, including the Designated

Representatives and the City Clerk, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds of a series to the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds of a series in accordance with the terms of the Bond Purchase Contract. Such documents may include, but are not limited to, documents related to a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of a series of Bonds as provided therein, if such insurance is determined by a Designated Representative to be in the best interest of the City.

Each Designated Representative is further authorized and directed to undertake all action necessary and to execute such documents as needed to redirect Local Option Sales and Use Tax Revenues to pay debt service on the portion of the Bonds allocable to the financing and/or refinancing of the Improvements and the Town Center Project within the Revitalization Area. Such documents may include, but are not limited to, amendments to the Paying Agreement and the Interlocal Agreement as determined to be necessary by a Designated Representative and Bond Counsel to the City.

Section 13. Preliminary and Final Official Statements. Each Designated Representative is hereby authorized to deem final the preliminary Official Statement relating to a series of Bonds for the purposes of the Rule. Each Designated Representative is further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement relating to the issuance and sale of a series of Bonds and the distribution of the final Official Statement in accordance with the Rule with such changes, if any, as may be deemed by him or her to be appropriate.

Section 14. Undertaking to Provide Ongoing Disclosure. The City covenants to execute and deliver at the time of Closing of a series of Bonds a Continuing Disclosure Certificate. Each Designated Representative is hereby authorized to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of a series of Bonds with such terms and provisions as such officer shall deem appropriate and in the best interests of the City.

Section 15. Lost, Stolen or Destroyed Bonds. In case any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like series, amount, date and tenor to the Registered Owner thereof if the Registered Owner pays the expenses and charges of the Bond Registrar and the City in connection therewith and files with the Bond Registrar and the City evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership thereof, and furnishes the City and the Bond Registrar with indemnity satisfactory to both.

Section 16. Severability, Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 17. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, State or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

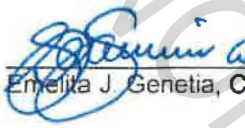
Section 18. Effective Date. This ordinance shall take effect and be in force five (5) days from and after its passage, approval, and publication, as required by law. A summary of this ordinance, consisting of the title, may be published in lieu of publishing the ordinance in its entirety.

PASSED BY THE CITY COUNCIL ON OCTOBER 21, 2019



Kent Keel, Mayor

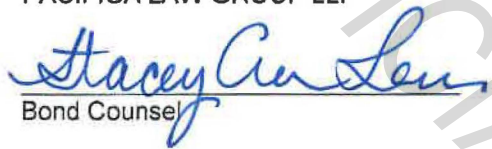
ATTEST:



Emelita J. Genetia, City Clerk

APPROVED AS TO FORM:

PACIFICA LAW GROUP LLP



Bond Counsel

Date of Publication: 10/23/19

Effective Date: 10/28/19

Exhibit A

Form of Bond

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

CITY OF UNIVERSITY PLACE

LIMITED TAX GENERAL OBLIGATION [REFUNDING] BOND, 2019[(TAXABLE)]

INTEREST RATE: _____ %

MATURITY DATE: _____

CUSIP NO. _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

The City of University Place, Washington (the "City"), 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 _____, 20____, 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 _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal thereof and interest thereon shall be made as provided 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") from the City to DTC.

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 Ordinance No. _____, duly passed by the City Council on _____, 2019 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

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

This bond is one of an authorized issue of bonds of like series, date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$ _____ and is issued pursuant to the Bond Ordinance to provide a portion of the funds necessary [to pay the costs of certain public improvements meeting the requirements of RCW 39.104.020][to refund certain outstanding obligations of the City and of the City of University Place Town Center Project Authority] and to pay costs of issuance.

The bonds of this issue are subject to redemption prior to their stated maturities as provided in the Bond Purchase Contract.

The City has irrevocably covenanted and agreed for as long as the bonds of this issue are outstanding and unpaid that each year it shall include in its budget and levy an ad valorem tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the bonds of this issue as the same shall become due.

The City has irrevocably pledged that the annual tax provided for to be levied for the payment of such principal and interest shall be within and as a part of the property tax levy permitted to cities without a vote of the electorate, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the bonds of this issue will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the bonds of this issue. The full faith, credit and resources of the City have been irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the bonds of this issue when due.

The City has further irrevocably pledged all Local Option Sales and Use Tax Revenues to the portion of the bonds of this issue allocable to the [Improvements][Town Center Project]. The City further covenanted to impose the Local Option Sales and Use Tax, collect the Local Option Sales and Use Tax Revenues under and in accordance with RCW 82.14.505 and RCW 82.14.510, and apply Local Option Sales and Use Tax Revenues to pay debt service on the portion of the bonds of this issue allocable to the [Improvements][Town Center Project]. In the event that the Bonds are combined with other limited tax general obligation bonds of the City and sold as a single series, the Local Option Sales and Use Tax Revenues shall be pledged to the portion of the combined series of bonds allocable to the Improvements.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and have happened, and have 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 City may incur.

IN WITNESS WHEREOF, the City of University Place, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City to be imprinted, impressed or otherwise reproduced hereon as of this _____ day of _____, 20____.

[SEAL]

CITY OF UNIVERSITY PLACE, WASHINGTON
By _____ /s/ manual or facsimile
Mayor

ATTEST:

_____/s/ manual or facsimile
City Clerk

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation [Refunding] Bonds, 2019[A][B (Taxable)], of the City of University Place, Washington, dated _____, 2019.

WASHINGTON STATE FISCAL AGENT, as
Bond Registrar

By _____

CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of University Place, Washington (the "City"), DO HEREBY CERTIFY:

1. The attached copy of Ordinance No. _____ (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on October 21, 2019 as that ordinance appears in the minute book of the City; and the Ordinance will be in full force and effect after its passage and publication as provided by law; and

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 legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; and that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed.

3. That Ordinance No. _____ has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of October, 2019.

City Clerk