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ORDINANCE NO. 853

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $42,000,000 TO FINANCE COSTS RELATED TO TRANSPORTATION IMPROVEMENT PROJECTS AND TO PAY COSTS OF ISSUING EACH SERIES OF BONDS; PROVIDING THE FORM, TERMS AND COVENANTS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

WHEREAS, Chapter 36.73 RCW enables cities and counties to create transportation benefit districts to finance and carry out transportation improvements necessitated by economic development and to improve the performance of transportation systems; and

WHEREAS, pursuant to Chapter 36.73 RCW, on June 25, 2009 the Shoreline City Council (the "Council" or the "City Council") approved Ordinance No. 550 creating the Shoreline Transportation Benefit District (the "District") with boundaries coterminous with the City of Shoreline, Washington (the "City"); and

WHEREAS, the District was originally organized as a legally separate municipal entity and taxing authority from the City; and

WHEREAS, on October 22, 2015, the City Council approved Ordinance No. 726, whereby the Council assumed the rights, powers, immunities, functions and obligations of the District, as allowed by Second Engrossed Substitute Senate Bill 5987, Section 302 (July 15, 2015), and as a result, the District was absorbed into the City and is no longer considered a legally separate entity; and

WHEREAS, Chapter 36.73 RCW permits the City (acting through its assumed powers of the District) to impose various fees and charges with and without a public vote, including vehicle licensing fees and sales and use taxes; and

WHEREAS, on November 8, 2018, the qualified electorate in the City approved a sales and use tax in accordance with RCW 82.14.0455 in the amount of two-tenths of one percent (0.2%) for a period of not more than 20 years (the "TBD Sales and Use Tax") for the purpose of paying debt service on bonds issued to finance the construction, maintenance, rehabilitation, repair and/or preservation of (a) sidewalks and pedestrian improvements in the City in order to improve pedestrian access and safety and/or the extension of the condition and life cycle of the City's sidewalk pedestrian system, and (b) other sidewalks in the City, including those identified in the Sidewalk Prioritization Plan and related Prioritization Matrix (as defined in Resolution No. 430 adopted by the Council on July 30, 2018, and as each may be amended, supplemented and restated from time to time), and to provide for related pedestrian improvements as set out in the City's American with Disabilities Act Transition Plan through the City's annual budget (as further defined in Resolution No. 430, the "Projects"); and

WHEREAS, the City Council now determines that it is in the best interest of the City to

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make such transportation improvement Projects; and

WHEREAS, after due consideration the Council has further determined that it is in the best interest of the City to authorize the issuance and sale from time to time of one or more series of limited tax general obligation bonds (as further defined herein, the "Bonds") to pay a portion of the costs of the Projects and related costs of issuance; and

WHEREAS, the Bonds authorized herein shall be payable from and secured by, among other sources of funds, transportation benefit district revenue received by the City (acting through its assumed powers of the District) under Chapter 36.73 RCW from the TBD Sales and Use Tax (the "TBD Revenue"); and

WHEREAS, the terms of each series of Bonds shall be consistent with this ordinance and the provisions of and additional parameters set forth in a sale resolution (the "Sale Resolution") to be considered and approved by the Council in connection with each series of Bonds; and

WHEREAS, the Council now desires to authorize the issuance of one or more series of Bonds, subject to the provisions of the applicable Sale Resolution, as set forth herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO 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.

Administrative Services Director means the City's Administrative Services Director or the successor to such officer.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Underwritten Bonds (including persons holding Underwritten 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 one or more contracts, if any, for the purchase of any Underwritten Bonds sold by negotiated sale to the initial purchaser, executed pursuant to Section 12 and the applicable Sale Resolution.

Bond Register means the registration books showing the name, address and tax identification number of each Registered Owner of a series of Bonds, maintained for the Bonds in the manner required pursuant to Section 149(a) of the Code.

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Bond Registrar means (a) for any Underwritten Bonds, initially, the fiscal agent of the State, and (b) for any Direct Purchase Bonds, the Administrative Services Director of the City or the fiscal agent of the State, as set forth in the Sale Resolution.

Bonds mean the limited tax general obligation bonds authorized to be issued from time to time in one or more series pursuant to this ordinance in the aggregate principal amount of not to exceed $42,000,000.

Certificate of Award means one or more certificates, if any, for the purchase of any Underwritten Bonds sold by competitive sale awarding the Bonds of a series to the bidder as set forth in Section 12 of this ordinance and the applicable Sale Resolution.

City means the City of Shoreline, Washington, a municipal corporation duly organized and existing by virtue of the laws of the State.

City Attorney means the duly appointed and acting City Attorney of the City, including anyone acting in such capacity for the position, or the successor to the duties of that office.

City Clerk means the duly appointed and acting City Clerk of the City or the successor to 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 elected 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 applicable Underwriter or Direct Purchaser.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Tax-Exempt Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Tax-Exempt 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 one or more written undertakings for the benefit of the owners and Beneficial Owners of any Underwritten Bonds as required by Section (b)(5) of the Rule.

Council or ***City Council*** means the Shoreline 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 or accounts created pursuant to this ordinance for the purpose of paying debt service on a series of Bonds.

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Designated Representative means the City Manager of the City, or his or her written designee.

Direct Purchase Bonds means any Bond or Bonds sold to a Direct Purchaser pursuant to Section 12 of this ordinance and the applicable Sale Resolution.

Direct Purchaser means any bank or other financial institution selected to purchase one or more Direct Purchase Bonds (or to accept delivery of one or more Direct Purchase Bonds to evidence the City's obligations under a Loan Agreement) pursuant to Section 12 of this ordinance.

District means the Shoreline Transportation Benefit District established by the City pursuant to Chapter 36.73 RCW and Ordinance No. 550 of the City Council, as the same may be amended from time to time.

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 any Underwritten Bonds pursuant to this ordinance.

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 one or more certificates of the City pertaining to the tax-exemption of interest on a series of Tax-Exempt Bonds, and any attachments thereto.

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.

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

Loan Agreement means one or more loan or purchase agreements, if any, between the City and a Direct Purchaser under which the Direct Purchaser will make a loan to the City, evidenced by a Direct Purchase Bond, or under which the Direct Purchaser will purchase the Direct Purchase Bond.

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 any Underwritten Bonds.

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

Projects mean the transportation improvement projects identified in the TBD Sales and Use Tax Resolution that are eligible transportation benefit district projects as described in Chapter 36.73 RCW and Shoreline Municipal Code 3.60.020.

Record Date means the Bond Registrar's close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with this ordinance.

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

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.

Sale Document means the Bond Purchase Contract, Certificate of Award or Loan Agreement, if any, executed by a Designated Representative in connection with the sale of a series of Bonds pursuant to Section 12 of this ordinance and the applicable Sale Resolution.

Sale Resolution means a resolution of the City Council adopted in connection with each series of Bonds pursuant to Section 12 of this ordinance.

State means the State of Washington.

Taxable Bonds means any Bonds determined to be issued on a taxable basis pursuant to Section 12.

Tax-Exempt Bonds mean any Bonds determined to be issued on a tax-exempt basis under the Code pursuant to Section 12.

TBD Revenue means revenue remitted to the City from the TBD Sales and Use Tax.

TBD Sales and Use Tax means the sales and use tax imposed by the City (acting through its assumed powers of the District) in accordance with RCW 82.14.0455 and Chapter 36.73 RCW, as each may be amended from time to time, in the current amount of two-tenths of one percent (0.2%) and approved by the qualified electors in the City on November 8, 2018, as further described in the TBD Sales and Use Tax Resolution.

TBD Sales and Use Tax Resolution means Resolution No. 430 adopted by the Council on July 30, 2018, and any amendments thereto.

Underwriter means any underwriter, in the case of a negotiated sale, or initial purchaser, in the case of a competitive sale, for a series of Bonds selected pursuant to Section 12.

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Underwritten Bonds means Bonds of a series, if any, sold pursuant to a negotiated or a competitive sale by the City to an Underwriter pursuant to Section 12 of this ordinance and the applicable Sale Resolution.

Section 2. Authorization of the Projects. The Council hereby approves the construction, maintenance, rehabilitation, repair and/or preservation of the Projects, as such Projects are to be more fully described in the plans and specifications prepared by and filed with the City.

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 Projects. Such Projects shall be complete with all necessary equipment and appurtenances.

The City will determine the exact specifications for the Projects, and the components thereof, as well as the timing, order and manner of completing the components of the Projects. The City may alter, make substitutions to, and amend the Projects as it determines are in the best interests of the City and consistent with the general descriptions provided herein.

Section 3. Authorization and Description of Bonds. For the purpose of paying and/or reimbursing the City for costs of the Projects and paying costs of issuance, the City is hereby authorized to issue and sell from time to time one or more series of limited tax general obligation bonds in an aggregate principal amount not to exceed $42,000,000 (the "Bonds").

The Bonds of each series shall be general obligations of the City and shall be designated "City of Shoreline, Washington, Limited Tax General Obligation Bond[s]," with the year and any applicable series or other designation, all as established by the related Sale Resolution. The Bonds of each series shall be fully registered as to both principal and interest and shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification. The Bonds of each series shall be dated as of the date of Closing for such series of Bonds and shall mature on the date or dates and in the principal amounts, bear interest at the rates and payable on such dates, be subject to redemption and/or purchase prior to maturity, and be subject to other terms and parameters set forth in the applicable Sale Resolution. The Bonds of each series shall be sold as either Direct Purchase Bonds or Underwritten Bonds.

Section 4. Registration, Exchange and Payments.

(a) *Underwritten Bonds*. The terms of this Section 4(a) shall apply to any Underwritten Bonds unless otherwise provided for in the applicable Sale Resolution.

(1) Bond Details. Any Bonds of a series may be sold as Underwritten Bonds. Underwritten Bonds shall be issued in denominations of $5,000 each, or any integral multiple thereof, within a series and maturity.

(2) 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

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maintained by the Bond Registrar. So long as any Underwritten Bonds of a series remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of such Underwritten Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Administrative Services Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Administrative Services 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 Underwritten 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 on the Bonds.

(3) Registered Ownership. The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Underwritten 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 Underwritten Bond shall be made only as described in Section 4(a)(8), but such Underwritten Bond may be transferred as herein provided. All such payments made as described in Section 4(a)(8) shall be valid and shall satisfy and discharge the liability of the City upon such Underwritten Bond to the extent of the amount or amounts so paid.

(4) DTC Acceptance/Letters of Representations. The Underwritten 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 Underwritten 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 Underwritten 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 Underwritten 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 Underwritten Bonds.

(5) Use of Depository.

(A) The Underwritten Bonds of a series shall be registered initially in the name of "Cede & Co.", as nominee of DTC, with one Underwritten Bond of each series maturing on each of the maturity dates for such Underwritten Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Underwritten Bonds, or any portions thereof, may not thereafter be transferred except (i) to any successor of DTC or its nominee, provided that any such successor shall be

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qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository appointed by the Administrative Services Director pursuant to subparagraph (B) below or such substitute depository's successor; or (iii) to any person as provided in subparagraph (D) below.

(B) 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 Administrative Services Director to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Administrative Services 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.

(C) In the case of any transfer pursuant to clause (i) or (ii) of paragraph (A) above, the Bond Registrar shall, upon receipt of all outstanding Underwritten Bonds together with a written request on behalf of the Administrative Services Director, issue a single new Underwritten Bond for each maturity of that series 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 Administrative Services Director.

(D) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the Administrative Services Director determines that it is in the best interest of the Beneficial Owners of the Underwritten Bonds that such owners be able to obtain physical bond certificates, the ownership of such Underwritten Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held by a depository. The Administrative Services Director shall deliver a written request to the Bond Registrar, together with a supply of physical bonds, to issue Underwritten Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Underwritten Bonds of a series together with a written request on behalf of the Administrative Services Director to the Bond Registrar, new Underwritten 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.

(6) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Underwritten Bond may be registered and Underwritten Bonds may be exchanged, but no transfer of any such Underwritten Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Underwritten 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 Underwritten Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Underwritten Bond (or Underwritten 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 Underwritten Bond, in exchange for such surrendered and cancelled Underwritten Bond. Any Underwritten Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Underwritten Bonds of the same date, series, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be

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obligated to register the transfer of or to exchange any Underwritten Bond during the 15 days preceding any principal payment or redemption date.

(7) Bond Registrar's Ownership of Bonds. The Bond Registrar may become the Registered Owner of any Underwritten 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.

(8) Place and Medium of Payment. Both principal of and interest on the Underwritten Bonds shall be payable in lawful money of the United States of America. Interest on the Underwritten Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Underwritten 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 Underwritten Bonds are no longer held by a depository, interest on the Underwritten 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 Underwritten 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 Underwritten Bonds shall be payable upon presentation and surrender of such Underwritten Bonds by the Registered Owners at the designated office of the Bond Registrar.

If any Underwritten 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 Underwritten Bond until the Underwritten Bond is paid.

(b) *Direct Purchase Bonds*. The terms of this Section 4(b) shall apply to any Direct Purchase Bonds unless otherwise provided for in the applicable Sale Resolution.

(1) Bond Details. Any Bonds of a series may be sold as Direct Purchase Bonds.

(2) Registrar/Bond Registrar. The Administrative Services Director or the fiscal agent of the State shall act as Bond Registrar for any Direct Purchase Bonds. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Direct Purchase Bonds if transferred or exchanged in accordance with the provisions of the Direct Purchase Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance with respect to Direct Purchase Bonds.

(3) Registered Ownership. The City and the Bond Registrar may deem and treat the Registered Owner of any Direct Purchase Bond as the absolute owner for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

(4) Transfer or Exchange of Registered Ownership. Direct Purchase Bonds shall not be transferrable without the consent of the City unless (i) the Direct Purchaser's corporate name is changed and the transfer is necessary to reflect such change, (ii) the transferee is a

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successor in interest of the Direct Purchaser by means of a corporate merger, an exchange of stock, or a sale of assets, or (iii) such transfer satisfies requirements set forth in the Sale Resolution relating to such Direct Purchase Bonds.

(5) Place and Medium of Payment. Both principal of and interest on Direct Purchase Bonds shall be payable in lawful money of the United States of America. Interest on Direct Purchase Bonds shall be calculated as provided in the applicable Sale Resolution or Loan Agreement relating to such Direct Purchase Bonds. Principal and interest on Direct Purchase Bonds shall be payable by check, warrant, ACH transfer or by other means mutually acceptable to the Direct Purchaser and the City.

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

(a) *Redemption of Bonds*. The Bonds of each series shall be subject to optional and/or mandatory redemption prior to their stated maturity to the extent set forth in the related Sale Resolution.

(b) *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 Administrative Services Director plus accrued interest to the date of purchase.

Section 6. Form of Bonds. The Bonds of each series 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 City Council in the applicable Sale Resolution.

Section 7. Execution of Bonds. The Bonds of each series 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 and the applicable Sale Resolution.

Section 8. Application of Bond Proceeds; Project Fund. The Administrative Services 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

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proceeds of each series of Bonds, net of any Direct Purchaser or 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 such Bonds. Such proceeds shall be used to pay and/or reimburse the City for the costs of the Projects and, unless otherwise provided by the City, to pay costs of issuance of such Bonds.

The Administrative Services 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. Upon completion of the Projects, any remaining Bond proceeds (including interest earnings thereon) may be used for other capital projects of the City or shall be transferred to the Debt Service Fund for the allocable series of Bonds.

Section 9. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on any Tax-Exempt Bonds from the gross income of the owners of such Tax-Exempt 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 Tax-Exempt Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt 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 Projects.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the Projects 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 Projects, 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

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(f) *Registration Covenant.* The City will maintain a system for recording the ownership of each Tax-Exempt Bond that complies with the provisions of Section 149 of the Code until all Tax-Exempt 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 Tax-Exempt Bonds for at least three years after the Tax-Exempt Bonds mature or are redeemed (whichever is earlier); however, if the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds.

(i) *Bank Qualification.* In the Federal Tax Certificate executed in connection with the issuance of each series of Tax-Exempt Bonds, the City may designate such Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code for investment by financial institutions.

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 which may be one or more segregated accounts held within another fund, 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 of 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.

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The City hereby further irrevocably pledges all TBD Revenues to the portion of each series of Bonds issued to finance the Projects and related costs of issuance.

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 which, 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; Sale Resolution.

(a) *Bond Sale*. The Bonds authorized hereunder shall be sold from time to time in one or more series, any of which may be sold in a combined offering with other limited tax general obligation bonds and/or notes of the City, at the option of the Designated Representative. The Bonds of each series shall be sold pursuant to the applicable Sale Resolution adopted by the City Council.

(b) *Sale Resolution*. Consistent with Chapter 39.46 RCW, the Sale Resolution shall authorize a designated representative, which may be the Designated Representative identified in this ordinance, to accept, on behalf of the City, an offer to purchase the applicable series of Bonds, which acceptance must be consistent with the terms of this ordinance and the terms and any additional parameters set forth in the Sale Resolution. The Sale Resolution shall authorize the execution of the applicable Sale Document and shall set forth the method of sale, whether such series of Bonds shall be issued and sold as Tax-Exempt Bonds or Taxable Bonds, and the terms for such Bonds or parameters with respect to interest rate(s), maturity date(s), redemption provisions, principal maturities, and any other terms applicable to such series of Bonds. A form of Sale Resolution is attached hereto as Exhibit B and incorporated herein by this reference.

The Bonds authorized herein may be issued and sold from time to time and at any time as determined by the Council subject to the terms of the applicable Sale Resolution. To the extent of any conflict between the terms of this ordinance and a Sale Resolution, the terms of such Sale Resolution shall control with respect to that authorized series of Bonds.

Notwithstanding anything herein to the contrary, the aggregate principal (face) amount of all Bonds issued hereunder shall not exceed $42,000,000 without further action of the Council, and the authorization to issue Bonds from time to time under the terms of this ordinance shall expire on December 31, 2029. After such date, no additional Bonds shall be issued under this

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ordinance nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the City Council.

(c) *Direct Purchase*. If the Designated Representative determines that the Bonds of a series are to be sold by private placement, the Designated Representative shall select the Direct Purchaser that submits the proposal that is in the best interest of the City. Direct Purchase Bonds shall be sold to the Direct Purchaser pursuant to the terms of the applicable Sale Resolution and any related Loan Agreement.

(d) *Negotiated Bond Sale*. If the Designated Representative determines that the Bonds of a series are to be sold by negotiated public sale, the Designated Representative shall select the Underwriter that submits the proposal that is in the best interest of the City. Such Bonds shall be sold to the Underwriter pursuant to the terms of the applicable Sale Resolution and the related Bond Purchase Contract.

(e) *Competitive Sale*. If the Designated Representative determines that the Bonds of a series are to be sold at a competitive public sale, the Designated Representative shall: (1) establish the date of the public sale; (2) establish the criteria by which the successful bidder will be determined; (3) establish the criteria for a good faith deposit; (4) cause notice of the public sale to be given; and (5) provide for such other matters pertaining to the public sale as he or she deems necessary or desirable. The Designated Representative shall cause the notice of sale to be given and provide for such other matters pertaining to the public sale as he or she deems necessary or desirable. Such Bonds shall be sold to the Underwriter pursuant to the terms of the applicable Sale Resolution and the related Certificate of Award.

(f) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance and the applicable Sale Resolution and execution of the applicable Sale Document, the proper officials of the City, including the Designated Representative, the Mayor, the Administrative Services Director, 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 Direct Purchaser or 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 applicable Sale Resolution and related Sale Document. 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 such series of Bonds as provided therein.

Section 13. Preliminary and Final Official Statements. The Administrative Services Director and the City Manager are each hereby authorized to deem final the preliminary Official Statement(s) relating to any Underwritten Bonds for the purposes of the Rule. The Administrative Services Director and the City Manager are each further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement(s) relating to the issuance and sale of any Underwritten Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

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Section 14. Undertaking to Provide Ongoing Disclosure; Covenants.

(a) The City covenants to execute and deliver at the time of Closing of any Underwritten Bonds a Continuing Disclosure Certificate. The Administrative Services Director and the City Manager are each hereby authorized to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of any Underwritten Bonds with such terms and provisions as such individuals shall deem appropriate and in the best interests of the City.

(b) The City may agree to provide the Direct Purchaser certain financial or other information and agree to such additional covenants as determined to be necessary by the Designated Representative and as set forth in the applicable Sale Resolution and/or Loan Agreement and approved by the Designated Representative.

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. Payments Due on Business Days. If an interest and/or principal payment date for the Bonds is not a business day, then payment shall be made on the next business day and no interest shall accrue for the intervening period.

Section 18. 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.

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Section 19. 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 MARCH 18, 2019.

Mayor Will Hall

ATTEST:

Jessica Simulcik Smith
City Clerk

APPROVED AS TO FORM:

Pacifica Law Group LLP
Bond Counsel

Date of Publication: March 21, 2019
Effective Date: March 26, 2019

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EXHIBIT A

FORM OF BOND

[DTC LANGUAGE]

[TRANSFER RESTRICTIONS]

UNITED STATES OF AMERICA

NO. _____ $_____

STATE OF WASHINGTON

CITY OF SHORELINE

LIMITED TAX GENERAL OBLIGATION BOND, 20___[(Taxable)]

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

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Shoreline, 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 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. 853 duly passed by the City Council on March 18, 2019 and Resolution No.____ duly passed by the City Council on _____, 20__ (collectively, 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.

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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 $42,000,000 and is issued pursuant to the Bond Ordinance to provide a portion of the funds necessary to pay the costs of certain transportation improvements and to pay costs of issuance.

The bonds of this issue are subject to [prepayment/redemption prior to their stated maturities] as provided in the [Bond Purchase Contract/Certificate of Award/Loan Agreement].

The City has irrevocably covenanted with the owner of this bond that it shall include in its annual budget and levy taxes annually, within and a part of the tax levy permitted to the City without a vote of the electorate, upon all the taxable property in the City in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond when due. The full faith, credit and resources of the City are irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The City has further irrevocably pledged all TBD Revenues to the portion of the Bonds allocable to the Projects.

The pledge of tax levies for payment of principal of and interest on the bonds 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 Ordinance.

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, 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 Shoreline, 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 SHORELINE, WASHINGTON

By ___/s/ manual or facsimile_____
Mayor

ATTEST:

_____/s/ manual or facsimile_____
City Clerk

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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 Bonds, 20___, of the City of Shoreline, Washington, dated _____, 20___.

WASHINGTON STATE FISCAL AGENT,
as Bond Registrar

By _____

[FOR DIRECT PURCHASE BONDS]

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This Bond is the Limited Tax General Obligation Bonds, 20__, of the City of Shoreline, Washington, dated _____, 20____, described in the within-mentioned Bond Ordinance.

_____
[Administrative Services Director],
as Bond Registrar

REGISTRATION CERTIFICATE

This Bond is registered in the name of the Registered Owner on the books of the City, in the office of the Administrative Services Director of the City, as to both principal and interest. All payments of principal of and interest on this Bond shall be made by the City as provided in the Bond Ordinance.

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Date of Registration	Name and Address of Registered Owner
_____ __, 20___	

PAYMENT SCHEDULE

Principal and interest on this Bond shall be payable as set forth in the following schedule:

Date	Principal	Interest	Total Payment

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EXHIBIT B

FORM OF SALE RESOLUTION

CITY OF SHORELINE, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BONDS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON, APPROVING THE SALE OF THE CITY'S LIMITED TAX GENERAL OBLIGATION BONDS, [20___] IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $[_____] TO PROVIDE FUNDS FOR THE PURPOSE OF FINANCING THE COSTS OF CARRYING OUT CERTAIN TRANSPORTATION IMPROVEMENT PROJECTS AND TO PAY COSTS OF ISSUING THE BONDS; DELEGATING CERTAIN AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND PROVIDING FOR OTHER MATTERS RELATED THERETO, ALL IN ACCORDANCE WITH ORDINANCE NO. 853 OF THE CITY.

WHEREAS, the City Council (the "Council") of the City of Shoreline, Washington (the "City") by Ordinance No. 853 passed on March 18, 2019 (the "Bond Ordinance"), authorized the issuance and sale of one or more series of limited tax general obligation bonds of the City in the aggregate principal amount of not to exceed $42,000,000 (the "Bonds") for the purpose of providing funds to finance costs related to transportation improvement projects (as defined in the Bond Ordinance, the "Projects") and to pay costs of issuing each series of Bonds; and

WHEREAS, the terms of each series of Bonds shall be consistent with the Bond Ordinance and the provisions of and additional parameters set forth in a sale resolution to be considered and approved by the Council in connection with each series of Bonds; and

WHEREAS, after due consideration the Council has determined that it is in the best interest of the City to authorize the issuance and sale of limited tax general obligation bond[s] (the ["20__ Bonds"]) under the terms of the Bond Ordinance and this resolution to pay a portion of the costs of the Projects; and

WHEREAS, this Council wishes to delegate authority to the City Manager (the "Designated Representative"), for a limited time, to approve the interest rates, maturity dates, denominations, redemption terms and other terms of the [20__ Bonds] within the parameters set by this resolution;

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BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON:

Section 1. Definitions. Except as otherwise defined herein, capitalized terms used in this resolution have the meanings set forth in the Bond Ordinance. As used herein, the following terms shall have the following meanings:

Bond Ordinance means Ordinance No. 853 of the City passed on March 18, 2019, as it may be amended, replaced and/or supplemented from time to time.

[20__ Bonds] mean the Limited Tax General Obligation Bond[s], 20__ authorized to be issued in the aggregate principal amount of not to exceed $_____ under the terms of this resolution and the Bond Ordinance.

Section 2. Authorization of Issuance and Sale of the [20__ Bonds]. The Issuance of the [20__ Bonds], designated as the "City of Shoreline, Washington Limited Tax General Obligation Bonds, 20__," in the aggregate principal amount of not to exceed $[_____], dated as of their date of delivery, is hereby approved. The [20__ 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 commencing as provided in the Sale Document; and shall mature on the dates and in the principal amounts set forth in the Sale Document, as approved and executed by the Designated Representative pursuant to this resolution. The [20__ Bonds] shall be sold as Direct Purchase Bonds or Underwritten Bonds.

[Section 3. Redemption.]

(a) *Redemption of Bonds*. The [20__ Bonds] shall be subject to mandatory redemption to the extent, if any, as set forth in the applicable Sale Document and as approved by the Designated Representative pursuant to Section 4 of this resolution. The [20__ Bonds] shall be subject to optional redemption and/or prepayment on the dates, at the prices and under the terms set forth in the applicable Sale Document approved by the Designated Representative pursuant to Section 4.

(b) *Purchase of Bonds*. The City reserves the right to purchase any or all of the [20__ Bonds] offered to the City at any time at any price acceptable to the City plus accrued interest to the date of purchase.

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

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Registrar shall treat each Underwritten Bond as representing such number of separate Underwritten Bonds each of the denomination of $5,000 as is obtained by dividing the actual principal amount of such Underwritten Bond by $5,000. In the event that only a portion of the principal sum of a Underwritten Bond is redeemed, upon surrender of such Underwritten 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 Underwritten Bond or Bonds of like series, maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption or Prepayment.*

(1) Official Notice. Notice of any prepayment of Direct Purchase Bonds shall be provided by the City to the Direct Purchaser as provided in the applicable Sale Document.

For so long as the Underwritten Bonds of a series are held by a depository, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Underwritten 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 Underwritten Bonds to be redeemed, official notice of any such redemption 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 Underwritten 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 Underwritten Bonds of such series 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, (D) any conditions to redemption; (E) that (unless such notice is conditional) on the redemption date the redemption price will become due and payable upon each such Underwritten 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 Underwritten 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, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Underwritten Bonds or portions of Underwritten 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 Underwritten 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 Underwritten Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

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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 Underwritten Bonds or portions of Underwritten Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and, if the Bond Registrar then holds sufficient funds to pay such Underwritten Bonds at the redemption price, then from and after such date such Underwritten Bonds or portions of Underwritten Bonds shall cease to bear interest. Upon surrender of such Underwritten Bonds for redemption in accordance with said notice, such Underwritten 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 Underwritten Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

If 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 Underwritten Bonds being redeemed; (B) the date of issue of the Underwritten Bonds as originally issued; (C) the rate of interest borne by each Underwritten Bond being redeemed; (D) the maturity date of each Underwritten Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Underwritten 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 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 Underwritten Bonds.

The foregoing notice provisions of this Section 3, 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.

[Section 4. Acceptance of Offer/Authorization of Sale Document.]

(a) *Bond Sale*. The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to determine the method of sale for the [20__ Bonds], and to approve the final interest rates, maturity dates, redemption terms and principal maturities for the [20__ Bonds]. The Designated Representative is hereby authorized to approve the issuance of the [20__ Bonds] and to approve whether the [20__ Bonds] shall be sold in a private placement to a Direct Purchaser or to an Underwriter through a competitive public sale or a negotiated sale, as set forth in the Bond Ordinance.

(b) *Sale Parameters*. The Designated Representative is hereby authorized to approve the method of sale and the final interest rates, aggregate principal amount, principal maturities, denomination(s), and redemption rights for the [20__ Bonds] in the manner provided hereafter so long as:

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(1) the aggregate principal (face) amount of the [20__ Bonds] does not exceed $_____,

(2) the final maturity date for the [20__ Bonds] is no later than _____,

(3) the true interest cost for the [20__ Bonds] does not exceed ____%,

(4) the [20__ Bonds] are sold (in the aggregate) at a price not less than 98%; and

(5) all other terms of the [20__ Bonds] are otherwise in compliance with the terms of the Bond Ordinance and this resolution.

Subject to the terms and conditions set forth in this section and the Bond Ordinance, the Designated Representative is hereby authorized to execute the applicable Sale Document for the [20__ Bonds]. Following the execution of the applicable Sale Document, the Designated Representative shall provide a report to the Council describing the final terms of the [20__ Bonds] approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representative by this Section 4 shall expire _____ after the effective date of this resolution. If a Sale Document for the [20__ Bonds] has not been executed by such date, the authorization for the issuance of such series of [20__ Bonds] shall be rescinded, and such [20__ Bonds] shall not be issued nor their sale approved unless such [20__ Bonds] shall have been re-authorized by ordinance of the Council.

(c) *Delivery of Bonds; Documentation.* The proper officials of the City, including the Mayor, Administrative Services Director, City Clerk and City Manager, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the [20__ Bonds] to the purchaser thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the [20__ Bonds] in accordance with the terms of the applicable Sale Document. Such documents may include, but are not limited to, documents related to a bond insurance policy delivered by a bond insurer to insure the payment when due of the principal of and interest on all or a portion the [20__ Bonds] as provided therein, if such insurance is determined by the Designated Representative to be in the best interest of the City.

(g) *Preliminary and Final Official Statements.* The Administrative Services Director and the City Manager are each hereby authorized to deem final the preliminary Official Statement(s) relating to any Underwritten Bonds for the purposes of the Rule. The Administrative Services Director and the City Manager are each further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement(s) relating to the issuance and sale of any Underwritten Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

Section 5. Further Authority. The City Officials, their agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the [20__ Bonds] and for the proper use and application of the proceeds of such sale.

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Section 6. Severability. The covenants contained in this resolution shall constitute a contract between the City and the owners of each and every [20__ Bond]. If any one or more of the covenants or agreements provided in this resolution 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 resolution and shall in no way affect the validity of the other provisions of this resolution or of the [20__ Bonds].

Section 7. Effective Date. This resolution shall be effective after its passage as provided by law.

PASSED BY THE CITY COUNCIL ON _____, 20__.

_____
Mayor

ATTEST:

_____
City Clerk

Ordinance No. 853, Exhibit B

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CERTIFICATE

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

1. The attached copy of Ordinance No. 853 (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 March 18, 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; that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

3. That Ordinance No. 853 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 18th day of March, 2019.

_____

City Clerk