

CITY OF LAKEWOOD, WASHINGTON

ORDINANCE NO. 723

AN ORDINANCE OF THE CITY OF LAKEWOOD, WASHINGTON, AUTHORIZING THE ISSUANCE OF ITS LOCAL IMPROVEMENT DISTRICT NO. 1109 (PANATTONI WOODBROOK DEVELOPMENT) BOND IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$922,757.02 TO FINANCE AND/OR REIMBURSE THE CITY FOR COSTS OF CERTAIN IMPROVEMENTS WITHIN LOCAL IMPROVEMENT DISTRICT NO. 1109 (PANATTONI WOODBROOK DEVELOPMENT); DELEGATING THE AUTHORITY TO SELECT THE INITIAL PURCHASER OF THE BOND; AND DELEGATING THE AUTHORITY TO APPROVE THE FINAL TERMS OF THE BOND.

Passed November 18, 2019

PREPARED BY:
PACIFICA LAW GROUP LLP
Seattle, Washington

CITY OF LAKEWOOD
ORDINANCE NO. 723
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* This Table of Contents is provided for convenience only and is not a part of this ordinance.

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A. The City Council of the City of Lakewood, Washington (the "City"), previously created Local Improvement District No. 1109 (Panattoni Woodbrook Development) ("LID No. 1109") for various local improvement purposes; and

B. The Council now desires to authorize the issuance of a local improvement district bond in the principal amount not to exceed \$922,757.02 (the "Bond") to finance and/or reimburse the City for the costs of certain improvements in LID No. 1109, to make a deposit into the Guaranty Fund, if any is required, and to pay costs of issuance of the Bond; and

C. The Council wishes to delegate authority to the Assistant City Manager for Administrative Services (the "Designated Representative"), for a limited time, to select the purchaser of the Bond (the "Purchaser") and to approve the principal amount, the interest rate, the final maturity date, and redemption terms for the Bond within the parameters set by this ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON DO ORDAIN as follows:

Section 1. Definitions and Interpretation of Terms.

(a) *Definitions.* As used in this ordinance, the following words shall have the following meanings:

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

Assessments mean the assessments levied pursuant to the LID Ordinance and not prepaid either during the legal prepayment period without interest or otherwise on or prior to January 2, 2020 for LID No. 1109.

Bond means the City of Lakewood, Washington, Local Improvement District No. 1109 Bond, 2020 authorized to be issued by the City pursuant to this ordinance.

Bond Account means the "City of Lakewood Local Improvement District No. 1109 Bond Redemption Fund" authorized to be created pursuant to Section 8 of this ordinance.

Bond Register means the registration records for the Bond maintained by the Bond Registrar.

Bond Registrar means the fiscal agency of the state of Washington, currently U.S. Bank, N.A.

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

City Council or *Council* means the City Council of the City as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

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

Designated Representative means the Administrative Services Director, or her designee.

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.

Guaranty Fund means the Local Improvement District Guaranty Fund of the City authorized and maintained pursuant to chapter 35.54 RCW.

Interest Rate means the rate of interest determined pursuant to Section 11 of this ordinance as the same may be adjusted pursuant to the Proposal.

LID Fund means the Local Improvement District 1109 (Panattoni Woodbrook Development) Fund.

LID No. 1109 means Local Improvement District No. 1109 created pursuant to the LID Ordinance.

LID Ordinance means Ordinance No. 671 approved by the Council on June 19, 2017 authorizing the creation of LID No. 1109.

Permitted Investments means any investment permissible for the investment of public funds under Washington law, but only to the extent that the same are acquired at Fair Market Value.

Project means the local improvements completed pursuant to the LID Ordinance.

Proposal means the proposal letter submitted to the City by the Purchaser and approved by the Designated Representative.

Purchaser means the initial purchaser of the Bond, as selected by the Designated Representative.

Registered Owner means the person in whose name the Bond is registered on the Bond Register.

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

Securities Act means the Securities Act of 1933 as the same may be amended from time to time.

(b) *Interpretation.* In this ordinance, unless the context otherwise requires:

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

(2) Words of any gender shall mean and include correlative words of any other gender and words importing the singular number shall mean and include the plural number and vice versa;

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

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

(5) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Local Improvement District No. 1109. The 30-day period for making cash payment of assessments without interest in the following local improvement district (“LID No. 1109”) has expired, and the City now desires to finance and/or reimburse itself for improvements made in such local improvement district from proceeds of the Bond authorized in Section 3 below:

LID No.	LID Formation Ordinance		Confirmed Assessment Roll Amount	Assessment Balance After 30- day Prepayment Period
	No.	Date		
1109	671	June 19, 2017	\$940,137.70	\$940,137.70

Section 3. Authorization of the Bond. For the purpose of financing and/or reimbursing the City for the costs of certain improvements, making a deposit into the Guaranty Fund, if any, and paying costs of issuance of the Bond, the City is hereby authorized to issue and sell the Bond in the principal amount of not to exceed \$922,757.02; provided, such final principal amount of the Bond may not exceed the total amount on the assessment roll of LID No. 1109 remaining uncollected after the expiration of the 30-day interest-free prepayment period for assessments on such assessment roll and remaining outstanding as of January 2, 2020.

The Bond shall be designated “City of Lakewood, Washington, Local Improvement District No. 1109 Bond, 2020” with additional designation as set forth as approved by the Administrative Services Director.

The Bond shall be dated as of its date of delivery, shall be fully registered as to both principal and interest, shall be in one denomination, and shall mature on the date set forth in the Proposal as approved by the Designated Representative. The Bond shall bear interest from its dated date or the most recent date to which interest has been paid at the Interest Rate. Interest on the principal amount of the Bond shall be calculated per annum on a 30/360 basis, or as otherwise provided in the Bond. Interest on the Bond shall be payable annually on the dates set forth in the Proposal as approved by the Designated Representative (each, an “Interest Payment Date”).

The Bond is an obligation only of the Bond Account and the Guaranty Fund and is not a general obligation of the City.

Section 4. Registration, Exchange and Payments.

(a) *Registrar/Bond Registrar/Paying Agent.* U.S. Bank, N.A., as fiscal agency of the state of Washington, is hereby appointed to act as transfer agent, paying agent and registrar for the Bond (the “Bond Registrar”).

(b) *Registered Ownership.* The Bond Registrar shall keep, or cause to be kept, at the office of the Administrative Services Director, sufficient records for the registration and transfer of the Bond.

The City and the Bond Registrar may deem and treat the Registered Owner of the 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. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this ordinance to serve as the City's paying agent for the Bond and to carry out all of the Bond Registrar's powers and duties under this ordinance.

(c) *Transfer or Exchange of Registered Ownership.* The Bond shall not be transferable without the consent of the City unless (i) the Purchaser's corporate name is changed and the transfer is necessary to reflect such change; (ii) the transferee is a successor in interest of the Purchaser by means of a corporate merger, an exchange of stock, or a sale of assets; or (iii) the transferee is a "qualified institutional buyer" as defined under Rule 144A promulgated under the Securities Act or an "accredited investor" as defined in Sections 501(a)(1) through (3) of Regulation D promulgated under the Securities Act, and such transferee executes a purchaser letter substantially in the form attached hereto as Exhibit B. Every Bond presented or surrendered for transfer or exchange shall contain, or be accompanied by, all necessary endorsements for transfer. Any transfer of the Bond which fails to comply with this provision shall be null and void.

(d) *Registration Covenant.* The City covenants that, until the Bond has been surrendered and canceled, it will maintain a system for recording the ownership of the Bond that complies with the provisions of Section 149 of the Code.

(e) *Place and Medium of Payment.* Both principal of and interest on the Bond shall be payable in lawful money of the United States of America without surrender or presentation, by wire transfer or Automated Clearinghouse (ACH) transfer if requested by the owner of the Bond. Notwithstanding the foregoing, upon final payment of all principal and interest thereon, the Bond shall be submitted to the Bond Registrar for cancellation and surrender.

The Bond Register shall be maintained by the Bond Registrar, and shall contain the name and mailing address of the registered owner of the Bond or nominee of such registered owner.

Section 5. Form of Bond. The Bond shall be in substantially the form set forth at Exhibit A.

Section 6. Execution of Bond. The Bond shall be executed on behalf of the City with the manual or facsimile signature of the Mayor, and shall be attested by the manual or facsimile signature of the Clerk.

The executed Bond shall be delivered to the Bond Registrar for authentication. The Bond shall be numbered R-1 and with any additional designation as the Bond Registrar deems necessary for purposes of identification. Only a bond that bears a Certificate of Registration substantially in the form set forth herein and 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 Bond so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance. Such Bond bearing the Certificate of Authentication shall be delivered to the Purchaser as set forth in Section 11.

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

Section 7. Application of Bond Proceeds. Proceeds of the Bond and prepaid assessments shall be applied as follows:

(a) An amount up to 10% of the principal amount of the Bond may be deposited into the Guaranty Fund, as directed by the Administrative Services Director; and

(b) The balance of the Bond proceeds, prepaid assessments and installments of assessments and interest received on or prior to January 2, 2020 shall be deposited into the LID Fund to finance and/or reimburse the City for costs of the improvements constructed in LID No. 1109, and to pay all expenses incidental thereto and to the issuance of the Bond.

The City may invest funds in the LID Fund in any Permitted Investment and the investment earnings shall be retained therein and applied to the purposes of the LID Fund.

Section 8. Bond Account. There is created and established in the office of the Administrative Services Director a special account within the LID Fund to be known and designated as the "City of Lakewood Local Improvement District No. 1109 Bond Redemption Fund" (the "Bond Account"). The Bond Account shall be a trust fund and shall be drawn upon only for the payment of the principal of and interest on the Bond. All money presently on hand representing collections pertaining to installments of Assessments and interest thereon in LID No. 1109 shall be transferred to and deposited in the Bond Account, and all collections pertaining to Assessments on the assessment roll of such local improvement district when hereafter received shall be deposited in the Bond Account to redeem the Bond. The Bond shall be an obligation only of the Bond Account and the Guaranty Fund and is not a general obligation of the City.

The City hereby covenants and agrees to foreclose assessment liens on all delinquent Assessments at the earliest opportunity available under state law and ordinances of the City, to pursue those foreclosure actions diligently, and to deposit promptly into the Bond Account or the Guaranty Fund, as applicable, the sale proceeds and all other payments received as a result of such foreclosure actions.

The City may invest funds in the Bond Account in any Permitted Investment and the investment earnings shall be retained therein and applied to the purposes of the Bond Account.

Section 9. Pledge of Assessment Payments. Assessments collected in LID No. 1109, together with interest and penalties, if any, are pledged to the payment of the Bond which is payable

solely out of the Bond Account and the Guaranty Fund in the manner provided by law. The Bond is not a general obligation of the City.

Section 10. Prepayment and Redemption. If the Bond is prepaid in accordance with this Section 10, interest shall cease to accrue on the date the Purchaser receives such prepayment.

The City reserves the right to redeem the Bond, in whole or in part, prior to its stated date of maturity on any Interest Payment Date, and shall call the Bond on an Interest Payment Date for redemption whenever there shall be sufficient money in the Bond Account to pay the Bond so called over and above the amount required for the payment of the interest payable on that Interest Payment Date on the Bond. The Bond shall be subject to scheduled redemptions to the extent, if any, set forth in the Proposal and as approved by the Designated Representative pursuant to Section 11 of this ordinance.

Section 11. Sale of the Bond.

(a) The Council hereby determines that it is in the best interest of the City to delegate to the Designated Representative for a limited time the authority to select the initial Purchaser of the Bond and to approve the final maturity date, redemption terms (including whether to have scheduled redemptions), and Interest Rate for the Bond, as set forth below. The Designated Representative shall solicit proposals, and shall select the Purchaser that submits the proposal that is in the best interest of the City. The Bond shall be sold to the Purchaser pursuant to the terms of this ordinance and the Proposal.

Subject to the terms and conditions set forth in this Section 11, the Designated Representative is hereby authorized to accept and execute, if necessary, the Proposal from the Purchaser, to approve the final maturity date, redemption terms (including whether to have scheduled redemptions), and Interest Rate for the Bond, and to agree to any other terms, conditions and covenants that are in the best interest of the City and in accordance with this ordinance so long as:

- (1) the principal amount of the Bond does not exceed \$922,757.02;
- (2) the final maturity date of the Bond is no later than 03/01/2035;
- (3) the Interest Rate for the Bond does not exceed 6.00%; and

(4) the Purchaser executes and delivers to the City a Purchaser Letter dated the date of issuance of the Bond in substantially the form set forth in Exhibit A attached hereto.

Following the sale of the Bond, the Designated Representative shall provide a report to the Council, describing the Purchaser and final terms of the Bond approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representative by this Section 11 shall expire 180 days after the effective date of this ordinance. If a Proposal has not been accepted within 180 days after the effective date of this ordinance, the authorization for the issuance of the Bond shall be rescinded, and the Bond shall not be issued nor its sale approved unless such Bond shall have been re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bond 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.

(b) Upon the passage and approval of this ordinance, the proper officials of the City, including the Designated Representative, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bond to the Purchaser thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Bond.

Section 12. Ongoing Disclosure; Covenants.

(a) *Ongoing Disclosure.* The Bond is exempt from ongoing disclosure requirements of the Rule.

(b) *Tax Covenants.* The City will take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the owners of the Bond 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 the Bond, including but not limited to the following:

- a. Private Activity Bond Limitation. The City will assure that the proceeds of the Bond are not so used as to cause the Bond 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 Project. The City will not sell or otherwise transfer or dispose of (i) any personal property components of the Project 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 Project, unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on the Bond 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 Bond 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 Bond.
- e. No Arbitrage. The City will not take, or permit or suffer to be taken by the City or otherwise, any action with respect to the proceeds of the Bond that, 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 Bond would have caused the 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 the Bond that complies with the provisions of Section 149 of the Code until the Bond has 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 Bond for at least three years after the Bond matures or is redeemed (whichever is earlier); however, if the Bond is 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 Bond.
- h. Compliance with Tax Certificate. The City will comply with the provisions of the Tax Certificate with respect to the Bond, which are incorporated herein as if fully set forth herein. In the event of any conflict between this Section and the Tax Certificate, the provisions of the Tax Certificate will prevail.
- i. Survival. The covenants of this Section will survive payment in full or defeasance of the Bond.

(c) *Financial Reporting Covenants*. So long as the Bond is outstanding, the City hereby covenants and agrees as follows:

- (1) To provide the Purchaser copies of the City's audited financial statements promptly after such statements become available; and
- (2) To provide the Purchaser financial or other information as may be reasonably requested in writing from time to time.

Section 13. Interest Rate on Installments and Delinquent Payments. The interest rate on the installments of Assessments in LID No. 1109 may be established by the Administrative Services Director at a rate per annum not to exceed the Interest Rate plus 0.50 percent. The interest rate on delinquent payments shall equal the not to exceed Interest Rate plus 5.00 percent.

Section 14. Lost, Stolen or Destroyed Bond. In case the Bond shall be lost, stolen or destroyed while in the Registered Owner's possession, the Bond Registrar may at the request of the Registered Owner execute and deliver a new Bond of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond

Registrar in connection therewith and upon its filing with the City written certification that such Bond was actually lost, stolen or destroyed and of its ownership thereof. In the case the Bond shall be lost, stolen, or destroyed while in the Registered Owner's possession, the Registered Owner may elect upon final payment of principal and interest of the Bond to surrender a photocopy of the Bond for cancellation at the office of the Bond Registrar together with written certification that such Bond was actually lost, stolen or destroyed and of its ownership thereof.

Section 15. 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 Bond. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 16. Effective Date of Ordinance. This ordinance shall take effect and be in force five days after its passage, approval, and publication as provided by law.

PASSED by the City Council this 18th day of November, 2019.

By Don Anderson
Don Anderson, Mayor

ATTEST

Briana Schumacher
Briana Schumacher, City Clerk

APPROVED AS TO FORM:

PACIFICA LAW GROUP LLP

Stacey Cawthra
Bond Counsel

PASSED: 18th of November, 2019

APPROVED: 18th of November, 2019

PUBLISHED: 21st of November, 2019

Exhibit A

UNITED STATES OF AMERICA

NO. R-1

\$ _____

STATE OF WASHINGTON
CITY OF LAKEWOOD
LOCAL IMPROVEMENT DISTRICT NO. 1109 BOND, 2020

INTEREST RATE: _____ %
MATURITY DATE: _____
REGISTERED OWNER: _____
PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

RCW 35.45.070 provides, in part, as follows:

Neither the holder nor owner of any bond, interest coupon, or warrant issued against a local improvement fund shall have any claim therefor against the city or town by which it is issued, except for payment from the special assessments made for the improvement for which the bond or warrant was issued and except also for payment from the local improvement guaranty fund of the city or town as to bonds issued after the creation of a local improvement guaranty fund of the city or town. The city or town shall not be liable to the holder or owner of any bond, interest coupon, or warrant for any loss to the local improvement guaranty fund occurring in the lawful operation thereof.

The City of Lakewood, Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above from the City's Local Improvement District No. 1109 Bond Redemption Fund (the "Bond Account") created by Ordinance No. _____ (the "Bond Ordinance"), the Principal Amount indicated above and to pay interest thereon from _____ on _____, 20____, and on each _____ thereafter to maturity or earlier redemption (each, an "Interest Payment Date"). This bond shall bear interest at the fixed rate stated above (the "Interest Rate"). Interest on this bond shall accrue from its dated date until paid and shall be computed per annum on the principal amount outstanding on a 30/360 basis.

This bond is issued pursuant to the Bond Ordinance to provide a portion of the funds necessary (a) to pay costs of improvements Local Improvement District No. 1109 ("LID No. 1109"), (b) to fund the Guaranty Fund, if any deposit is required, and (b) to pay costs of issuance for the bond.

This bond may be redeemed on any Interest Payment Date if sufficient assessment payments are available in the Bond Account over and above the amount necessary to pay interest currently due on the outstanding principal amount of this bond.

This bond is not a general obligation of the City. This bond is payable solely from the Bond Account and from the City's Local Improvement Guaranty Fund. The City has irrevocably obligated and bound itself to pay into the Bond Account all assessments levied within LID No. 1109 and received after the legal prepayment period or otherwise not collected on or before [January 2], 2020.

The City hereby covenants and agrees with the owner of this bond that it will keep and perform all the covenants of this bond and of the Bond Ordinance to be by it kept and performed. Reference is

hereby made to the Bond Ordinance for the definitions of defined terms used herein. Reference to the Bond Ordinance and any and all modifications and amendments thereto is made for a description of the nature and extent of the security for this bond, the funds pledged, and the terms and conditions upon which this bond is issued.

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 the Bond Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond exist, have happened, been done and performed and that the issuance of this bond 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 Lakewood, Washington, has caused this bond to be executed by the manual or facsimile signature of the Mayor of the City Council and attested by the manual or facsimile signature of the Clerk, as of this ____ day of _____, 2020.

[SEAL]

CITY OF LAKEWOOD, WASHINGTON

By _____ /s/ _____
Mayor

ATTEST:

_____/s/_____
City Clerk

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the City, in the office of U.S. Bank, N.A., as bond registrar (the "Bond Registrar"), as to both principal and interest, as noted in the registration blank below. All payments of principal of and interest on this Bond shall be made by the City with full acquittance by the Bond Registrar's wire transfer, made payable to the last Registered Owner as shown hereon and on the registration books of the Bond Registrar at his/her/its address noted hereon and on the registration books of the Bond Registrar.

Date of Registration	Name and Address of Registered Owner	Signature of Bond Registrar
_____, 2020	_____	_____ Bond Registrar

[insert scheduled redemption table]

Exhibit B

[Form of Purchaser's Letter]

City of Lakewood
Lakewood, Washington

RE: City of Lakewood, Washington, Local Improvement District No. 1109 Bond, 2020 (the "Bond")

Ladies and Gentlemen:

The undersigned, _____ (the "Purchaser"), hereby acknowledges receipt of the above-referenced Bond dated _____, 2020, originally issued in the principal amount of \$ _____. The undersigned acknowledges that the Bond was issued pursuant to Bond Ordinance No. ___ of the City of Lakewood (the "City") adopted by the City Council on [November 18, 2019] (the "Bond Ordinance"). Capitalized terms used in this letter have the meanings given such terms in the Bond Ordinance.

In connection with the acquisition of the Bond by the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

1. The Purchaser is a "qualified institutional buyer" as defined under Rule 144A promulgated under the Securities Act of 1933 (the "Securities Act") or an "accredited investor" as defined in Sections 501(a)(1) through (3) of Regulation D promulgated under the Securities Act.

2. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of governmental obligations, to be able to evaluate the risks and merits of the loan represented by its purchase of the Bond, and its net worth and available assets are such that it is able to bear the economic risk of its purchase of the Bond.

3. The Purchaser understands that the Bond is a special fund obligation of the City, payable solely out of the City of Lakewood Local Improvement District No. 1109 Bond Redemption Fund (the "Bond Account"), to be funded from collections of local improvement district assessments levied against the benefited properties located within the boundaries of Local Improvement District No. 1109 ("LID No. 1109") and the City's Local Improvement Guaranty Fund. The Purchaser further understands that the Bond does not constitute an obligation of the State of Washington or any political subdivision thereof other than the City, and the full faith and credit of the City has not been pledged to the payment of the Bond. The Bond is not a general obligation of the City.

4. The Purchaser understands that the Bond may be redeemed on _____ 1 of any year if sufficient assessment payments are available in the Bond Account for such purpose, in such amounts as are available in the Bond Account in excess of the amount necessary to pay interest currently due on the unpaid principal portion of the Bond. The Purchaser acknowledges that the principal amount of the Bond to be redeemed and paid each year is only an estimate.

5. The Purchaser understands that no official statement, prospectus, offering circular or other offering statement containing material information with respect to the City or the Bond is being

issued, that the Bond is unrated, and that, with due diligence, it has made its own inquiry and analysis with respect to the City, the Bond and the security therefor, and other material factors affecting the security for and payment of the Bond, and is relying solely on such inquiry and analysis in its purchase of the Bond.

6. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals and organizations concerning the City, the use of proceeds of the Bond, and the Bond and the security therefor so that, as a reasonable investor, the Purchaser has been able to make its decision to purchase the Bond.

7. The Purchaser acknowledges that it is purchasing the Bond for investment for its own account and not with a present view toward resale or the distribution thereof, in that it does not now intend to resell or otherwise dispose of all or any part of its interests in the Bond. The Purchaser acknowledges that the Bond shall not be transferable without the consent of the City unless (i) the Purchaser's corporate name is changed and the transfer is necessary to reflect such change; (ii) the transferee is a successor in interest of the Purchaser by means of a corporate merger, an exchange of stock, or a sale of assets; or (iii) the transferee is a "qualified institutional buyer" as defined under Rule 144A promulgated under the Securities Act or an "accredited investor" as defined in Sections 501(a)(1) through (3) of Regulation D promulgated under the Securities Act, and such transferee executes a purchaser's letter substantially similar to this letter. The Purchaser also acknowledges that any transfer of the Bond which fails to comply with this provision and the transfer limitations on the Bond contained in the Bond Ordinance shall be null and void.

8. The Purchaser understands that the Bond is an exempted security under the Securities Act and that registration is not legally required as of the date hereof; and further understands that the Bond (a) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating agency and (d) will be issued only in one denominations of \$ _____, which may not be readily marketable.

9. The Purchaser has had the opportunity to consult with and be advised by legal counsel as to the significance of this letter and it has satisfied itself that the Bond is a lawful investment for it under all applicable laws.

Very truly yours,

[PURCHASER]

By: _____
Authorized Signatory

CERTIFICATE

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

1. That the attached ordinance numbered 1723 (herein called the "Ordinance") is a true and correct copy of an ordinance of the City, as finally adopted at a regular meeting of the City Council held on the [18th] day of [November], 2019, and duly recorded in my office.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of November, 2019.

CITY OF LAKEWOOD, WASHINGTON

Briana Schumacher
City Clerk