

**BAINBRIDGE ISLAND METROPOLITAN
PARK & RECREATION DISTRICT**

KITSAP COUNTY, WASHINGTON

RESOLUTION NO. 2015-12

A RESOLUTION of the Board of Park Commissioners of Bainbridge Island Metropolitan Park & Recreation District, Kitsap County, Washington, relating to contracting indebtedness; authorizing the issuance, sale and delivery of not to exceed \$5,900,000 aggregate principal amount of unlimited tax general obligation bonds to finance the acquisition of certain land for parks and related improvements, and to pay the costs of issuance and sale of the bonds; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the District's designated representative to approve the Sale Terms of the sale of the bonds; and providing for other related matters.

Adopted June 18, 2015

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**The cover page, table of contents and section headings of this resolution are for convenience of reference only, and shall not be used to resolve any question of interpretation of this resolution.*

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BE IT RESOLVED by the Board of Park Commissioners of Bainbridge Island Metropolitan Park & Recreation District, Kitsap County, Washington, as follows:

Section 1. Findings and Determinations. The District takes note of the following facts and makes the following findings and determinations. Capitalized terms have the meanings given in Section 2.

(a) **Voter Authorization of Bonds.** At an election held on February 10, 2015, pursuant to Resolution No. 2014-26 (as reenacted by Resolution No. 2014-31 and renumbered by Resolution 2015-01), the requisite proportion of the District's qualified voters approved Proposition No. 1, authorizing the issuance of not to exceed \$5,900,000 principal amount of bonds for the purpose of providing funds necessary to carry out the Acquisitions (as defined below), and the collection of excess property taxes in amounts sufficient to pay the principal of and interest on those bonds.

(b) **Description of the Project.** The District is in need of funds to finance the Acquisitions, which generally consists of the acquisition of approximately 23 acres of land, commonly known Sakai Family Property, and to make related improvements to access to the property for use as a park, which is a capital purpose only and does not include the replacement of equipment. The total expected cost of the Acquisitions is more than \$5,900,000, which is expected to be made up of proceeds of the Bonds and other available money of the District.

(c) **The Bonds.** Based on the foregoing, the Board finds that it is in the best interests of the District and its taxpayers to issue and sell the Bonds as set forth herein, and as approved by the District's Designated Representative consistent with this resolution.

Section 2. Definitions. As used in this resolution, the following capitalized terms shall have the following meanings:

(a) **“Acquisitions”** means the acquisition of approximately 23 acres of land located on Madison Avenue North (commonly referred to as the Sakai family property), and the development, design and construction of improved public access and other related park improvements. The term “land” includes all real property and all appurtenant improvements, structures and interests therein. The cost of all necessary architectural, engineering, legal and other consulting services, inspection and testing, administrative expenses, site acquisitions or improvement, demolition, on and off-site utilities, related improvements, payments for fiscal and legal expenses; printing, advertising, establishing and funding accounts; necessary and related planning, consulting, inspection and testing costs; administrative expenses; and other similar activities or purposes incurred in connection with the Acquisitions and related improvements are a part of the costs of the capital Acquisitions.

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

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

(d) **“Board”** means the Board of Park Commissioners of Bainbridge Island Metropolitan Park & Recreation District.

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

(f) **“Bond Counsel”** means the firm of Foster Pepper PLLC, its successor, or any other attorney or firm of attorneys selected by the District with a nationally recognized standing as bond counsel in the field of municipal finance.

(g) **“Bond Fund”** means the special fund of the District created for the payment of the principal of and interest on the Bonds.

(h) **“Bond Purchase Contract”** means an offer to purchase a Series of the Bonds, setting forth certain terms and conditions of the issuance, sale and delivery of those Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the District, if consistent with this resolution.

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

(j) **“Bond Registrar”** means the Fiscal Agent, or any successor bond registrar appointed by the Treasurer.

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

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

(m) “**Designated Representative**” means the officer of the District appointed in Section 4 of this resolution to serve as the District’s designated representative in accordance with RCW 39.46.040(2).

(n) “**District**” means Bainbridge Island Metropolitan Park & Recreation District, Kitsap County, Washington, a municipal corporation duly organized and existing under the laws of the State.

(o) “**Executive Director**” means the Executive Director of the District, or any other District official who succeeds to the duties now delegated to that office, or the designee of such officer.

(p) “**Finance Officer**” means the Finance Officer of the District, or any other District official who succeeds to the duties now delegated to that office, or the designee of such officer.

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

(r) “**Government Obligations**” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

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

(t) “**Letter of Representations**” means the Blanket Issuer Letter of Representations between the District and DTC, dated December 13, 2007, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

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

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

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

(x) “**Project Fund**” means the fund or account of the District designated by the District Finance Manager to be used to carry out the Acquisitions.

(y) “**Purchaser**” means Martin Nelson & Company of Seattle, Washington, selected to serve as underwriter in a negotiated sale of the Bonds.

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

(aa) **“Record Date”** means the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 9.

(bb) **“Registered Owner”** means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the District utilizes the book-entry only system for the Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

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

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

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

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

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

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

(ii) **“System of Registration”** means the system of registration for the District’s bonds and other obligations set forth in Resolution No. 2007-13 of the District.

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

(kk) **“Treasurer”** means the Treasurer of Kitsap County, Washington, as *ex officio* Treasurer of the District, or any successor Treasurer who may hereafter be designated in accordance with applicable law.

(ll) **“Undertaking”** means the undertaking to provide continuing disclosure entered into pursuant to Section 15 of this resolution.

Section 3. Authorization of Bonds. The District is authorized to borrow money on the credit of the District and issue negotiable unlimited tax general obligation bonds evidencing indebtedness in one or more Series in aggregate principal amount of not to exceed \$5,900,000 to

provide funds necessary to carry out the Acquisitions and to pay the costs of issuance and sale of the Bonds. The proceeds of the Bonds allocated to paying the cost of the Acquisitions shall be deposited as set forth in Section 8 of this resolution and shall be used to carry out the Acquisitions, or a portion of the Acquisitions, in such order of time as the Board determines is advisable and practicable. The Board may modify details of the Acquisitions as it finds necessary or advisable. The economic life of the property acquired or improved is expected to exceed the life of the Bonds.

Section 4. Description of Bonds; Appointment of Designated Representative. The Executive Director is appointed as the Designated Representative of the District and is authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the District, and to approve the Sale Terms of each Series of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this resolution and incorporated by this reference.

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

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

(b) **Bond Registrar; Duties.** The Fiscal Agent is appointed as initial Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the District at all times. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the District's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this resolution and the System of Registration. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) **Bond Register; Transfer and Exchange.** The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner. A Bond surrendered to the Bond Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same Series, interest rate and maturity. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

(d) **Securities Depository; Book-Entry Only Form.** If a Bond is to be issued in book-entry form, DTC shall be appointed as initial Securities Depository and each such Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by

the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the District; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the District, the District may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the District does not appoint a substitute Securities Depository, or (ii) the District terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this resolution. Neither the District nor the Bond Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the District nor the Bond Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 6. Form and Execution of Bonds.

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

(b) **Authentication.** Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: "Certificate Of Authentication. This Bond is one of the fully registered Bainbridge Island Metropolitan Park & Recreation District, Kitsap County, Washington, Unlimited Tax General Obligation Bonds, 2015, described in the Bond Resolution." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

Section 7. Payment of Bonds. Principal of and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and interest on each Bond registered in the name of the Securities Depository is payable in the manner set forth in the Letter of Representations. Interest on each Bond not registered in the name of the Securities Depository is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the District is not required to make electronic

transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 8. Funds and Accounts; Deposit of Proceeds.

(a) **Bond Fund.** The Bond Fund is a special Fund of the District designated for the sole purpose of paying principal of and interest on the Bonds and other obligations of the District. Bond proceeds in excess of the amounts needed to pay the costs of the Acquisitions and the costs of issuance, if any, shall be deposited into the Bond Fund. All amounts allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bonds. The principal of and interest on the Bonds shall be paid out of the Bond Fund. Until needed for that purpose, the District may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that Fund.

(b) **Project Fund.** Proceeds received from the sale and delivery of the Bonds shall be deposited into the Project Fund and used to pay the costs of the Acquisitions and costs of issuance of the Bonds. Until needed to pay such costs, the District may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the Project Fund and used for the purposes of that Fund, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn from the Project Fund and used for those tax or rebate purposes.

Section 9. Redemption Provisions and Purchase of Bonds.

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

(b) **Mandatory Redemption.** Each Bond that is designated as a Term Bond in the Bond Purchase Contract, consistent with the parameters set forth in Exhibit A and except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Contract. If a Term Bond is redeemed under the optional redemption provisions, defeased or purchased by the District and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The District shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

(c) **Selection of Bonds for Redemption; Partial Redemption.** If fewer than all of the outstanding Bonds are to be redeemed at the option of the District, the District shall select the Series and maturities to be redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are to be redeemed, the Securities Depository shall select Bonds registered in the name of

the Securities Depository to be redeemed in accordance with the Letter of Representations, and the Bond Registrar shall select all other Bonds to be redeemed randomly in such manner as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) **Notice of Redemption.** Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption of each other Bond, unless waived by the Registered Owner, shall be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the Finance Officer shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

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

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

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

Section 10. Failure To Pay Bonds. If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the District shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 11. Pledge of Taxes. The Bonds constitute a general indebtedness of the District and are payable from tax revenues of the District and such other money as is lawfully

available and pledged by the District for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the District irrevocably pledges that it shall, in the manner provided by law without limitation as to rate or amount, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the District are pledged irrevocably for the prompt payment of the principal of and interest on the Bonds and such pledge shall be enforceable in mandamus against the District.

Section 12. Tax Covenants; Designation of Bonds as “Qualified Tax Exempt Obligations.”

(a) **Preservation of Tax Exemption for Interest on Bonds.** The District covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the District treated as proceeds of the Bonds that will cause interest on the Bonds to be included in gross income for federal income tax purposes. The District also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements.

(b) **Post-Issuance Compliance.** The Finance Officer is authorized and directed to adopt and implement the District’s written procedures to facilitate compliance by the District with the covenants in this resolution and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bonds from being included in gross income for federal tax purposes.

(c) **Designation of Bonds as “Qualified Tax-Exempt Obligations.”** The Designated Representative is authorized to designate any Series of the Bonds as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code, if the Series does not constitute “private activity bonds” within the meaning of Section 141 of the Code; the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the District and any entity subordinate to the District (including any entity that the District controls, that derives its authority to issue tax-exempt obligations from the District, or that issues tax-exempt obligations on behalf of the District) will issue during the calendar year in which the Series is issued will not exceed \$10,000,000; and the amount of tax-exempt obligations, including the Series, designated by the District as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Series is issued does not exceed \$10,000,000.

Section 13. Refunding or Defeasance of the Bonds. The District may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the “defeased Bonds”); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the District sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bonds in accordance with

their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this resolution and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the District may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bonds to any lawful purpose. Unless otherwise specified by the District in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this resolution for the redemption of Bonds.

Section 14. Sale and Delivery of the Bonds.

(a) **Manner of Sale of Bonds; Delivery of Bonds.** The Designated Representative is authorized to sell each Series of the Bonds by negotiated sale and to negotiate the Sale Terms, taking into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the District. The Bond Purchase Contract for each Series of the Bonds shall set forth the Sale Terms. The Designated Representative is authorized to execute the Bond Purchase Contract on behalf of the District, so long as the terms provided therein are consistent with the terms of this resolution.

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

Section 15. Official Statement; Continuing Disclosure.

(a) **Preliminary Official Statement Deemed Final.** The Designated Representative shall review and, if acceptable to him or her, approve the preliminary Official Statement prepared in connection with each sale of a Series of the Bonds to the public. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The District approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has been approved by the Designated Representative and been deemed final, if applicable, in accordance with this subsection.

(b) **Approval of Final Official Statement.** The District approves the preparation of a final Official Statement for each Series of the Bonds to be sold to the public in the form of the preliminary Official Statement that has been approved and deemed final in accordance with subsection (a), with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes the Designated Representative to execute and deliver such final Official Statement to the Purchaser if required under Rule 15c2-12. The District authorizes and approves the distribution by the Purchaser of the final Official Statement so executed and delivered to purchasers and potential purchasers of a Series of the Bonds.

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

Section 16. Supplemental and Amendatory Resolutions. The District may supplement or amend this resolution for any one or more of the following purposes without the consent of any Owners of the Bonds:

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

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

Section 17. General Authorization and Ratification. The Designated Representative of the District is authorized to take such actions and to execute such documents as in his judgment may be necessary or desirable to carry out the transactions contemplated in connection with this resolution, and to do everything necessary for the prompt delivery of each Series of the Bonds to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this resolution in furtherance of the purposes described in this resolution and not inconsistent with the terms of this resolution are ratified and confirmed in all respects.

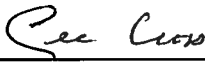
Section 18. Severability. The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

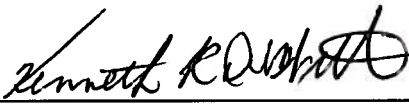
Section 19. Effective Date of Resolution. This resolution shall take effect and be in force from and after its passage.

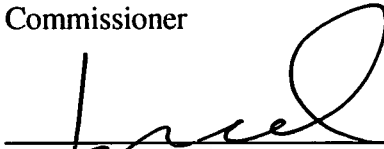
ADOPTED by the Board of Park Commissioners of Bainbridge Island Metropolitan Park & Recreation District, Kitsap County, Washington, at an open public meeting thereof, this 18th day of June, 2015, the following Commissioners being present and voting in favor of this action:


Chair and Commissioner

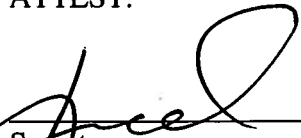

Commissioner


Commissioner


Commissioner


Commissioner

ATTEST:


Secretary

APPROVED AS TO FORM:


Bond Counsel

EXHIBIT A
DESCRIPTION OF THE BONDS

- (a) Principal Amount: The Bonds may be issued in one or more Series and shall not exceed the aggregate principal amount of \$5,900,000.
- (b) Date or Dates. Each Bond shall be dated its Issue Date, which date may not be later than one year after the effective date of this resolution.
- (c) Denominations, Name, etc. The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.
- (d) Interest Rate(s). Each Bond shall bear interest at a fixed rate per annum (computed on the basis of a 360-day year of twelve 30-day months) from the Issue Date or from the most recent date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds. No rate of interest for any Bond may exceed 5.25%, and the true interest cost to the District for each Series of the Bonds may not exceed 4.50%.
- (e) Payment Dates. Interest shall be payable semiannually on dates acceptable to the Designated Representative, commencing no later than 18 months following the Issue Date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity or in mandatory redemption installments on dates acceptable to the Designated Representative.
- (f) Final Maturity. Each Series shall mature no later than the date that is 20 years after the Issue Date of that Series.
- (g) Redemption Rights. The Designated Representative may approve in the Bond Purchase Contract provisions for the optional and mandatory redemption of Bonds, subject to the following:

(1) Optional Redemption. Any Bond may be designated as being (A) subject to redemption at the option of the District prior to its maturity date on the dates and at the prices set forth in the Bond Purchase Contract; or (B) not subject to redemption prior to its maturity date. If a Bond is subject to optional redemption prior to its maturity, it must be subject to such redemption on one or more dates occurring not more than 10½ years after the Issue Date.

(2) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts set forth in the Bond Purchase Contract.

(h) Price. The purchase price for each Series of the Bonds may not be less than 95% or more than 118% of the stated principal amount of that Series.

(i) Other Terms and Conditions. (1) A Series of the Bonds may not be issued if it would cause the indebtedness of the District to exceed the District's legal debt capacity on the Issue Date.

(2) The Designated Representative may determine whether it is in the District's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as he may determine are in the best interests of the District, consistent with this resolution.

[Form of]
UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

**Bainbridge Island Metropolitan Park & Recreation District
Kitsap County, Washington
Unlimited Tax General Obligation Bonds, 2015**

Bainbridge Island Metropolitan Park & Recreation District, Kitsap County, Washington (the “District”), makes the following written Undertaking for the benefit of holders of the above-referenced bonds (the “Bonds”), for the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Resolution No. 2015-12 of the District (the “Bond Resolution”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The District undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

- (i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b) (“annual financial information”). If unaudited financial statements are provided in order to meet the deadline provided in paragraph (b), then audited financial statements will be provided if and when they are prepared and available.
- (ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

- (iii) Timely notice of a failure by the District to provide required annual financial information on or before the date specified in paragraph (b).
- (b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the District undertakes to provide in paragraph (a):
 - (i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State such as the District, as such principles may be changed from time to time, which statements may be unaudited; (2) principal amount of general obligation bonds outstanding at the end of the applicable fiscal year; (3) assessed valuation for that fiscal year; and (4) property tax levy amounts and rates for that fiscal year;
 - (ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the District (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the District's fiscal year ending December 31, 2014; and
 - (iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.
- (c) Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The District will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.
- (d) Beneficiaries. This Undertaking shall inure to the benefit of the District and the holder of each Bond, and shall not inure to the benefit of or create any rights in any other person.
- (e) Termination of Undertaking. The District's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the District's obligations under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the District to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of Bond Counsel delivered to the District, and the District provides timely notice of such termination to the MSRB.
- (f) Remedy for Failure to Comply with Undertaking. As soon as practicable after the District learns of any failure to comply with this Undertaking, the District will proceed with due diligence to cause such noncompliance to be corrected. No failure by the District or other obligated person to comply with this Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any holder of a Bond shall be to take action to compel the District or other obligated

person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

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

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

CERTIFICATION

I, the undersigned, Secretary of the Board of Park Commissioners of Bainbridge Island Metropolitan Park & Recreation District, Kitsap County, Washington (the "District"), hereby certify as follows:

1. The attached copy of Resolution No. 2015-12 (the "Resolution") is a full, true and correct copy of a resolution duly passed at a regular meeting of the Board of Park Commissioners of the District held at the regular meeting place thereof on June 18, 2015, as that resolution appears on the minute book of the District. The Resolution is now in full force and effect.

2. A quorum of the members of the Board of Park Commissioners was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Resolution.

Dated: June 18, 2015.

BAINBRIDGE ISLAND METROPOLITAN
PARK & RECREATION DISTRICT, KITSAP
COUNTY, WASHINGTON



Secretary, Board of Park Commissioners