

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL _____

AN ORDINANCE relating to contracting indebtedness; amending Ordinance 121651, as amended by Ordinance 122286, to conform Ordinance 121651 to reflect changes recently made by the City to update its standard form of general obligation bond ordinances; and ratifying and confirming certain prior acts.

WHEREAS, by Ordinance 121651 the City provided for the issuance and sale of limited tax general obligation bonds and unlimited tax general obligation bonds, in one or more series, for the purpose of paying all or part of the cost of refunding certain of the City’s outstanding limited tax general obligation bonds and unlimited tax general obligation bonds, and the costs of issuance of those bonds; and

WHEREAS, by Ordinance 122286, the City provided for the amendment of the definition of “Refundable Bonds” and the amendment of Section 2 of Ordinance 121651; and

WHEREAS, the City has recently updated the standard form of its general obligation bond ordinances and desires to conform Ordinance 121651 to reflect those changes; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Amendment to Ordinance 121651. Each section of Ordinance 121651, as amended by Ordinance 122286 (the “Ordinance”), is amended and restated as set forth in Sections 2 through 30 of this amendatory ordinance. Additions are double underlined and deletions are enclosed in double parentheses and struck through. Section references in the amended text are made with reference to the Ordinance as amended and restated by this ordinance. With respect to any Bonds authorized by the Ordinance, which are outstanding as of the effective date of this amendatory ordinance, the amendments contained herein shall be of no force or effect and the provisions of the Ordinance prior to the effective date of this amendatory ordinance shall continue in effect with respect to those outstanding Bonds.

Section 2. Amendment to Section 1 of the Ordinance. Section 1 of Ordinance 121651, as amended by Ordinance 122286, is amended and restated as follows:

1 **Section 1. Definitions.** As used in this ordinance, the following
2 ~~((words))~~capitalized terms shall have the following meanings~~((hereinafter set~~
3 ~~forth))~~:

4 **“Acquired Obligations”** means ~~((those))~~Government Obligations
5 maturing or having guaranteed redemption prices at the option of the holder at
6 such time or times as may be required to provide funds sufficient to carry out the
7 Refunding Plan, and satisfying the requirements of the Refunded Bond
8 Legislation that authorized the Refunded Bonds included in that Refunding Plan.
9 Acquired Obligations may include, but are not limited to, United States Treasury
10 Certificates of Indebtedness, Notes, and Bonds – State and Local Government
11 Series, and other direct, noncallable obligations of the United States of America
12 ~~((purchased to accomplish the refunding of the Refunded Bonds)).~~

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

15 **“Beneficial Owner”** means, with regard to a Bond, the owner of any
16 beneficial interest in that Bond.

17 **“Bond Counsel”** means a lawyer or a firm of lawyers, selected by the
18 City, of nationally recognized standing in matters pertaining to bonds issued by
19 states and their political subdivisions.

20 **“Bond Fund”** means the City’s General Bond Interest and Redemption
21 Fund, previously created by Ordinance ((122121))112112 and established and to
22 be used for the payment of the principal of, premium, if any, and interest on the
23 Bonds.

24 **“Bond Purchase Contract”** means a written offer to purchase a Series of
25 the Bonds, which offer has been accepted by the City in accordance with this

1 ordinance. In the case of a competitive sale, the official notice of sale, the
2 Purchaser’s bid and the award by the City shall comprise the offer and the award
3 by the City in accordance with this ordinance shall be deemed the acceptance of
4 that offer for purposes of this ordinance.

5 **“Bond Register”** means the books or records maintained by the Bond
6 Registrar for the purpose of ~~((registration of the Bonds))~~identifying ownership of
7 each Bond.

8 **“Bond Registrar” or “Registrar”** means~~((, unless provided otherwise in~~
9 ~~the Bond Resolution,))~~ the ~~((fiscal agent))~~Fiscal Agent of the State of Washington
10 (unless the Bond Resolution provides for a different Bond Registrar with respect
11 to a particular Series of the Bonds), or any successor bond registrar selected in
12 accordance with the Registration Ordinance~~((by the City, whose duties include~~
13 ~~the registration and authentication of the Bonds, maintenance of the Bond~~
14 ~~Register, effecting transfer of ownership of the Bonds, and paying the principal~~
15 ~~of, premium, if any, and interest on the Bonds))~~.

16 **“Bond Resolution”** means ~~((the))~~a resolution ~~((or resolutions))~~ of the City
17 Council adopted pursuant to this ordinance ~~((to))~~approving the Bond Sale Terms
18 and taking other actions consistent with this ordinance~~((specify certain additional~~
19 ~~provisions of each series of the Bonds and their sale))~~.

20 **“Bond Sale Terms”** means the terms and conditions for the sale of a
21 Series of the Bonds including the amount, date or dates, denominations, interest
22 rate or rates (or mechanism for determining interest rate or rates), payment dates,
23 final maturity, redemption rights, price, and other terms or covenants set forth in
24 Section 4 of this ordinance.

1 **“Bonds”** means(~~(, collectively,)~~) the LTGO Refunding Bonds and the
2 UTGO Refunding Bonds, issued (~~(in series from time to time)~~)pursuant to this
3 ordinance.

4 **“City”** means The City of Seattle, Washington, a municipal corporation
5 duly organized and existing under the laws of the State of Washington.

6 **“City Council”** means the City Council of the City, as duly and regularly
7 constituted from time to time.

8 (~~“Closing Date” means the date on which a series of Bonds is delivered~~
9 ~~to the initial purchaser or purchasers thereof upon payment in full therefor.~~)

10 **“Code”** means the Internal Revenue Code of 1986, (~~(as amended,)~~) or any
11 successor thereto, (~~(and all applicable)~~)as it has been and may be amended from
12 time to time, and regulations thereunder.

13 **“Director of Finance”** means the (~~(director)~~)Director of the Finance
14 Division of the Department of Finance and Administrative Services of the City,
15 (~~(and)~~)or any ((successor))other officer who succeeds to substantially (~~(the same~~
16 ~~duties))~~all of the responsibilities of that office.

17 **“DTC”** means The Depository Trust Company, New York, New York.

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

20 **“Government Obligations”** (~~(means direct obligations of, or obligations~~
21 ~~the principal of and interest on which are unconditionally guaranteed by the~~
22 ~~United States Government))~~has the meaning given in RCW 39.53.010, as now in
23 effect or as may hereafter be amended.

1 **“Issue Date”** means, with respect to a Bond, the date, as determined by
2 the Director of Finance, on which that Bond is issued and delivered to the
3 Purchaser in exchange for its purchase price.

4 **“Letter of Representations”** means(~~(, for each series of Bonds, the Letter~~
5 ~~of Representations relating to the Bonds to be delivered by the City to DTC,~~
6 ~~which letter shall be on file with the Director of Finance))~~ the Blanket Issuer
7 Letter of Representations between the City and DTC dated October 4, 2006, as it
8 may be amended from time to time, or an agreement with a substitute or successor
9 Securities Depository.

10 **“LTGO Refundable Bonds”** means (~~(all or a portion of the)~~)those
11 outstanding limited tax general obligation bonds of the City listed in Exhibit A
12 hereto, and all(~~(or a portion of)~~) other limited tax general obligation bonds
13 (~~(issued by)~~)of the City ((in the future-))that ((have been))the City has designated
14 as Refundable Bonds(~~(in the ordinance authorizing their issuance))~~).

15 **“LTGO Refunded Bonds”** means (~~(all or that portion of the)~~)those
16 LTGO Refundable Bonds (~~(included)~~)identified in a Refunding Plan (~~(and~~
17 ~~refunded pursuant to)~~)in accordance with this ordinance.

18 **“LTGO Refunding Bonds”** means (~~(the)~~)all limited tax general
19 obligation refunding bonds issued pursuant to this ordinance.

20 **“MSRB”** means the Municipal Securities Rulemaking Board.

21 **“Owner”** means, without distinction, the Registered Owner and the
22 Beneficial Owner of a Bond.

23 **“Purchaser”** means the entity or entities who have been selected in
24 accordance with this ordinance to serve as underwriter, purchaser or successful
25 bidder in a sale of any Series of the Bonds.

1 **“Rating Agency”** means any nationally recognized rating agency then
2 maintaining a rating on a Series of the Bonds at the request of the City.

3 **“Record Date”** means, unless otherwise defined in the Bond Resolution,
4 in the case of each interest or principal payment or redemption date, the Bond
5 Registrar’s close of business on the 15th day of the month preceding the interest
6 or principal payment ~~((or redemption-))~~date. With regard to redemption of a Bond
7 prior to its maturity, the Record Date shall mean the Bond Registrar’s close of
8 business on the day prior to the date on which the Bond Registrar sends the notice
9 of redemption.

10 **“Refundable Bonds”** means the LTGO Refundable Bonds and the UTGO
11 Refundable Bonds.

12 **“Refunded Bond Legislation”** means the ordinances and resolutions ~~((of~~
13 ~~the City))~~(including any amendatory or supplemental ordinances and resolutions,
14 pursuant to which Refunded Bonds were issued.

15 **“Refunded Bonds”** means the LTGO Refunded Bonds and UTGO
16 Refunded Bonds.

17 **“Refunding Plan”** means~~((, with respect to the issuance of each series))~~
18 the plan approved in a Bond Resolution to issue a Series of the Bonds, ((the
19 refunding of all or a portion of the Refunded Bonds through the issuance of such
20 series, as will more particularly be described in the Bond Resolution))and to apply
21 the proceeds of the sale of such Series and any other available money included in
22 the plan, to redeem, or to defease and redeem, those Refundable Bonds identified
23 in the plan.

24 **“Refunding Trust Agreement”** means, with respect to each
25 ~~((series))~~Series of Bonds, a refunding trust or escrow agreement, dated as of the

1 Issue Date of such Series, between the City and a Refunding Trustee(~~(, dated as of~~
2 ~~the Closing Date of such series,))~~ and providing for the ((safekeeping))irrevocable
3 deposit of ~~((certain))~~ Bond proceeds and ~~((the refunding of all or a portion of the~~
4 ~~Refundable Bonds))~~ other available money of the City, to be used to carry out a
5 Refunding Plan.

6 **“Refunding Trustee”** means either the Director of Finance, or a financial
7 institution selected by the Director of Finance to serve as refunding trustee ~~((for~~
8 ~~each series of Bonds, the Director of Finance, or the trustee))~~ or escrow agent ~~((;~~
9 ~~or any successor trustee or escrow agent, designated by the Director of Finance))~~
10 under a Refunding Trust Agreement.

11 **“Registered Owner”** means, with regard to a Bond, the person
12 ~~((shown))~~ in whose name that Bond is registered on the Bond Register. For so long
13 ~~as the ((owner of one or more Bonds))~~ City uses a book-entry only system under
14 the Letter of Representations, the Registered Owner shall mean the Securities
15 Depository.

16 **“Registration Ordinance”** means City Ordinance 111724 establishing a
17 system of registration for the City’s bonds and other obligations pursuant to
18 Seattle Municipal Code Chapter 5.10, as that chapter now exists or may hereafter
19 be amended.

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

22 **“SEC”** means the United States Securities and Exchange Commission.

23 **“Securities Depository”** means ~~((any one of the following registered~~
24 ~~securities depositories which has been designated by the City: (i) DTC; (ii)~~
25 ~~Midwest Securities Trust Company, Chicago, Illinois; (iii) Philadelphia~~

1 ~~Depository Trust Company, Philadelphia, Pennsylvania; or (iv) such other~~
2 ~~securities depositories as the City may designate in a certificate of the City~~
3 ~~delivered to the Bond Registrar))DTC, any successor thereto, any substitute~~
4 ~~securities depository selected by the City, or the nominee of any of the foregoing.~~
5 Any successor or substitute Securities Depository must be qualified under
6 applicable laws and regulations to provide the services proposed to be provided
7 by it.

8 “Series of the Bonds” or “Series” means a series of the Bonds issued
9 pursuant to this ordinance.

10 “Tax Credit Subsidy Bond” means any Bond that is designated by the
11 City as a tax credit bond pursuant to the Code, and which is further designated as
12 a “qualified bond” under Section 6431 or similar provision of the Code, and with
13 respect to which the City is eligible to receive a tax credit subsidy payment.

14 “Tax Credit Subsidy Payment” means a payment by the federal
15 government with respect to a Tax Credit Subsidy Bond.

16 “Tax-Exempt Bond” means any Bond, the interest on which is intended
17 on the Issue Date to be excluded from gross income for federal income tax
18 purposes.

19 “Term ((Bonds))Bond” means any ((Bonds identified as such in the
20 Bond Resolution authorizing the issuance thereof, which Bond Resolution
21 requires that such bonds be purchased, redeemed, or paid prior to maturity in a
22 schedule established thereby))Bond that is issued subject to mandatory
23 redemption prior to its maturity in periodic mandatory redemption payments in
24 accordance with Section 7(b) of this ordinance.

1 “Undertaking” means the undertaking to provide continuing disclosure
2 entered into pursuant to Section 14(c) of this ordinance, in substantially the form
3 attached as Exhibit B.

4 “UTGO Refundable Bonds” means ((all or a portion of the))those
5 outstanding unlimited tax general obligation bonds of the City listed in Exhibit A
6 hereto, and all other unlimited tax general obligation bonds of the City that the
7 City has designated as Refundable Bonds.

8 “UTGO Refunded Bonds” means ((all or that portion of the))those
9 UTGO Refundable Bonds ((included))identified in a Refunding Plan ((and
10 refunded pursuant to))in accordance with this ordinance.

11 “UTGO Refunding Bonds” means ((the))all unlimited tax general
12 obligation refunding bonds issued pursuant to this ordinance.

13 **Section 3. Amendment to Section 2 of the Ordinance.** Section 2 of Ordinance
14 121651, as amended by Ordinance 122286, is amended and restated as follows:

15 **Section 2. Authorization ((and Description))of Bonds.** The City is
16 authorized to borrow money on the credit of the City and issue general obligation
17 Bonds evidencing that indebtedness in an aggregate principal amount not to
18 exceed the amounts stated in Section 4 of this ordinance to carry out one or more
19 Refunding Plans, including paying the administrative costs of carrying out each
20 such Refunding Plan; to pay the costs of issuance of the Bonds; and for other City
21 purposes approved by ordinance. The Bonds shall be designated limited or
22 unlimited tax general obligation bonds, as appropriate, and shall be numbered
23 separately and shall have any name, year and series or other label as deemed
24 necessary or appropriate by the Director of Finance.

1 ~~((For the purpose of providing all or part of the funds with which to pay~~
2 ~~the cost of refunding, defeasing, or refunding and defeasing, the LTGO Refunded~~
3 ~~Bonds and to pay all or part of the costs of issuing and selling the LTGO~~
4 ~~Refunding Bonds, the City is authorized to borrow money on the credit of the~~
5 ~~City and issue LTGO Refunding Bonds evidencing that indebtedness. The~~
6 ~~maximum principal amount of any series of LTGO Refunding Bonds shall not~~
7 ~~exceed 125% of the then outstanding principal amount of the Refundable Bonds~~
8 ~~refunded by that series of LTGO Bonds.))~~

9 ~~((For the purpose of providing all or part of the funds with which to pay~~
10 ~~the cost of refunding, or refunding and defeasing, the UTGO Refunded Bonds and~~
11 ~~to pay all or part of the costs of issuing and selling the UTGO Refunding Bonds,~~
12 ~~the City is authorized to borrow money on the credit of the City and issue UTGO~~
13 ~~Refunding Bonds evidencing that indebtedness in the maximum principal amount,~~
14 ~~unless otherwise permitted by RCW 39.53.090, of not to exceed the principal~~
15 ~~amount of the UTGO Refunded Bonds.))~~

16 ~~((The Bonds may be issued in one or more series; may be combined with~~
17 ~~other general obligation bonds authorized separately; shall have such year and~~
18 ~~series or other designation as determined by the Director of Finance or as~~
19 ~~specified by the Bond Resolution consistent with the provisions of this ordinance;~~
20 ~~shall be dated as specified by the Bond Resolution; shall be in the denomination~~
21 ~~of \$5,000 or any integral multiple thereof within a single maturity or such other~~
22 ~~denomination within a maturity as specified by the Bond Resolution; shall be~~
23 ~~numbered separately, in the manner and with any additional designation as the~~
24 ~~Bond Registrar deems necessary for the purpose of identification; shall bear~~
25 ~~interest payable on the dates as specified by the Bond Resolution, at such rate or~~
26

1 ~~rates as specified and approved by the Bond Resolution, except that the net~~
2 ~~interest cost shall not exceed a weighted average rate of 8% per annum; and shall~~
3 ~~mature on the dates and in years and amounts as specified by the Bond~~
4 ~~Resolution. All or some of the Bonds may be Term Bonds, as specified by the~~
5 ~~Bond Resolution. Unless otherwise permitted by RCW 39.53.090, (i) the various~~
6 ~~annual maturities of Bonds issued to refund UTGO Refunded Bonds shall not~~
7 ~~extend over a longer period of time than those UTGO Refunded Bonds, and (ii)~~
8 ~~the final maturity of any series of Bonds shall not exceed 30 years from the date~~
9 ~~of issuance.))~~

10 **Section 4. Amendment to Section 3 of the Ordinance.** Section 3 of
11 Ordinance 121651 is amended and restated as follows:

12 **Section 3. ((Bond Resolution))Manner of Sale of Bonds. At least 10**
13 **days before the date selected by the Director of Finance for the sale of a Series of**
14 **the Bonds pursuant to this ordinance, the Director of Finance shall notify the**
15 **President of the City Council, in writing, of the Director of Finance's**
16 **determination that the issuance and sale of the Series to carry out the associated**
17 **Refunding Plan is consistent with the then-current financial policies of the City.**
18 **The notice shall set forth the reasons for the Director of Finance's determination.**
19 **Upon giving such notice, the Director of Finance may provide for the sale of each**
20 **such Series by public sale or by a negotiated sale, limited offering or private**
21 **placement with one or more Purchasers chosen through a selection process**
22 **acceptable to the Director of Finance. The City Council's adoption of the Bond**
23 **Resolution shall be conclusive evidence that proper notice was provided to the**
24 **President of the City Council.**

1 The Director of Finance is authorized to specify a date and time of sale of
2 and a date and time for delivery of each Series of the Bonds; to give notice of that
3 sale; to determine any bid parameters or other bid requirements and criteria for
4 determining the award of the bid; to provide for the use of an electronic bidding
5 mechanism; and to specify other matters in his or her determination necessary,
6 appropriate, or desirable to carry out the sale of each Series of the Bonds. Each
7 Series of the Bonds must be sold on Bond Sale Terms in accordance with Section
8 4 of this ordinance.

9 ~~((The City Council may adopt the Bond Resolution and in that resolution~~
10 ~~may provide for the matters described in this ordinance and such other matters~~
11 ~~that the City Council deems necessary, appropriate, or desirable to carry out the~~
12 ~~purposes of this ordinance.))~~

13 ~~((The Bond Resolution may provide for bond insurance, and may provide~~
14 ~~conditions or covenants relating thereto, including additional terms, conditions,~~
15 ~~and covenants relating to the Bonds that are required by the bond insurer, and are~~
16 ~~consistent with the provisions of this ordinance, including but not limited to~~
17 ~~restrictions on investments and requirements of notice to and consent of the bond~~
18 ~~insurer. The Bond Resolution may approve and authorize the execution and~~
19 ~~delivery on behalf of the City of any contracts and other documents consistent~~
20 ~~with the provisions of this ordinance for which the City's approval is necessary or~~
21 ~~to which the City is a party and that are related or incidental to the issuance and~~
22 ~~sale of the Bonds or to the establishment of the interest rate or rates on the Bonds,~~
23 ~~including but not limited to agreements with bond insurers, underwriters, fiscal~~
24 ~~agencies and the Bond Registrar. The Mayor and the Director of Finance are each~~
25 ~~separately authorized to execute and deliver, on behalf of the City, any contracts~~

1 ~~and other documents consistent with the provisions of this ordinance for which~~
2 ~~the City's approval is necessary or to which the City is a party, and that are~~
3 ~~related or incidental to the issuance and sale of the Bonds.))~~

4 ~~((The Bond Resolution shall identify the Refunded Bonds to be refunded~~
5 ~~by each series of Bonds, shall establish the terms and conditions upon which the~~
6 ~~Refunded Bonds are to be refunded, and shall confirm the Director of Finance as,~~
7 ~~or the Director of Finance's appointment of, the Refunding Trustee. The City~~
8 ~~Council may determine and specify by the Bond Resolution the amount, if any,~~
9 ~~from the proceeds of or accrued interest on the Bonds to be deposited into~~
10 ~~specified funds, subfunds, accounts, and subaccounts. In the absence of such a~~
11 ~~determination and specification in the Bond Resolution, the Director of Finance~~
12 ~~may make such determination and specification.))~~

13 **Section 5. Amendment to Section 4 of the Ordinance.** Section 4 of
14 Ordinance 121651 is amended and restated as follows:

15 **Section 4. ~~((Allocation of the Bonds to the Refunded Bonds.))~~ Bond**
16 **Sale Terms; Bond Resolution.** The Director of Finance is appointed to serve as
17 the City's designated representative in connection with the issuance and sale of
18 the Bonds in accordance with RCW 39.46.040(2) and this ordinance. The Director
19 of Finance is authorized to accept, on behalf of the City, an offer to purchase the
20 Bonds on Bond Sale Terms consistent with the parameters set forth in this section.
21 No such acceptance shall be effective until adoption of a Bond Resolution
22 approving the Bond Sale Terms. Once adopted the Bond Resolution shall be
23 deemed a part of this ordinance as if set forth herein.

24 **(a) Maximum Principal Amount.** The Bonds may be issued in one or
25 more Series and may be combined with other general obligation bonds authorized

1 separately. The aggregate principal amount of the Bonds shall not exceed the
2 following:

3 (i) LTGO Refunding Bonds. The aggregate principal amount of the
4 LTGO Refunding Bonds allocated to each Refunding Plan shall not
5 exceed 125% of the stated principal amount of those Refundable
6 Bonds selected for refunding in that Refunding Plan.

7 (ii) UTGO Refunding Bonds. The aggregate principal amount of the
8 UTGO Refunding Bonds allocated to each Refunding Plan shall not
9 exceed the amount permitted by RCW 39.53.090, as it may be
10 amended from time to time.

11 (b) Date or Dates. Each Bond shall be dated its Issue Date, which shall
12 be determined by the Director of Finance.

13 (c) Denominations. The Bonds shall be issued in Authorized
14 Denominations.

15 (d) Interest Rate(s); Payment Dates. Each Bond shall bear interest from
16 the Issue Date or from the most recent date for which interest has been paid or
17 duly provided for, whichever is later, and shall be payable on dates determined by
18 the Director of Finance. One or more rates of interest shall be established for each
19 maturity of each Series of the Bonds, which rate or rates may be fixed or variable.
20 Fixed interest rates shall be computed on the basis of a 360-day year of twelve 30-
21 day months and the net interest cost shall not exceed a weighted average rate of
22 10% per annum. Principal payments shall commence on a date and shall be
23 payable at maturity or in mandatory redemption installments on dates determined
24 by the Director of Finance.

25 (e) Final Maturity. The final maturity of any Series of Bonds shall be
26 determined by the Director of Finance, consistent with RCW 39.53.090, as it may
27 be amended.

1 **(f) Redemption Rights.** The Bond Sale Terms may include provisions for
2 the optional and mandatory redemption of Bonds determined by the Director of
3 Finance, subject to the following:

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

11 **(ii) Mandatory Redemption.** Any Bond may be designated as a Term
12 Bond, subject to mandatory redemption prior to its maturity, consistent
13 with Section 7(b) of this ordinance.

14 **(g) Price.** The purchase price for each Series of the Bonds shall be
15 acceptable to the Director of Finance.

16 **(h) Other Terms and Conditions.**

17 **(i) A Series of the Bonds may not be issued unless the Bond Resolution**
18 with respect to that Series sets forth a Refunding Plan and includes the
19 findings that:

20 **(A)** The Refunding Plan (1) will pay or discharge the City's
21 obligations with respect to Refundable Bonds that are in arrears
22 or about to become due, and for which sufficient funds are not
23 available; (2) is necessary or in the best interest of the City to
24 modify debt service requirements, sources of payment
25 covenants or other terms of the Refunded Bonds; or (3) will
26 effect a savings to the City, giving consideration to the fixed
27 maturities of the Series to be issued and of the Refunded
28 Bonds, the costs of issuance of that Series and the known
earned income from the investment of the sale proceeds and
other money of the City used in the Refunding Plan; and

(B) the irrevocable deposit of money and securities with the
Refunding Trustee in accordance with the Refunding Plan will
discharge and satisfy the obligations of the City as to the
Refunded Bonds, including all pledges, charges, trusts,

1 covenants and agreements under the Refunded Bond
2 Legislation, and immediately upon such deposit, the Refunded
3 Bonds will no longer be deemed to be outstanding under the
4 Refunded Bond Legislation.

5 (ii) The Bond Sale Terms for any Series may provide for bond insurance
6 or other credit enhancement, or for interest rate swaps, caps, floors or
7 other similar hedging devices and to that end may accept such
8 additional terms, conditions and covenants as may be necessary or
9 desirable, including but not limited to restrictions on investment of
10 Bond proceeds or pledged funds, and requirements to give notice to or
11 obtain the consent of a bond insurer or a counterparty to a swap, cap,
12 floor or other hedging device.

13 (iii) The Bond Sale Terms for each Series of the Bonds may include such
14 additional terms and covenants relating to federal tax consequences of
15 the designation of that Series as Tax-Exempt Bonds or Tax Credit
16 Subsidy Bonds (or any other similar designation or qualification under
17 the Code) as the Director of Finance deems necessary or appropriate.

18 ~~((a) Allocation. The City Council shall, by the Bond Resolution,~~
19 ~~allocate the series of Bonds to the various series of the Refunded Bonds.))~~

20 ~~((b) Bonds Available for Additional Advance Refunding.~~
21 ~~Notwithstanding any allocation set forth in the preceding subsection (a) of this~~
22 ~~Section ~~((4))~~⁵, if any of the Refunded Bonds are available for additional advance~~
23 ~~refunding under Section 149(d) of the Code (“Future Advance Refunding~~
24 ~~Candidates”), the portion of Bonds maturing or subject to mandatory redemption~~
25 ~~in various years shall be allocated to Future Advance Refunding Candidates in~~
26 ~~accordance with Section 149(d) of the Code. Such allocation shall be reflected in~~
27 ~~schedules attached to the Bond Resolution. The allocation described in the~~
28 ~~preceding sentence will be made pursuant to the Code. The City may alter such~~
~~allocation in connection with an additional advance refunding of portions of the~~
~~Bonds if the City obtains an opinion of Bond Counsel that such alteration will not~~
~~adversely affect the federal income tax treatment of interest on the Bonds or any~~

1 additional bonds of the City. If and when the additional advance refunding occurs,
2 the Bonds available for that refunding shall be picked by lot within each maturity
3 to be refunded.))

4 **Section 6. Amendment to Section 5 of the Ordinance.** Section 5 of
5 Ordinance 121651 is amended and restated as follows:

6 **Section 5. Bond Registrar; Registration and Transfer ((or
7 Exchange))of Bonds.**

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

10 **(b) Bond Registrar; Transfer and Exchange of Bonds.** The Bond
11 Registrar shall keep or cause to be kept, sufficient books for the registration and
12 transfer of the Bonds, which shall be open to inspection by the City at all times.
13 The Bond Register shall contain the name and mailing address of the Registered
14 Owner of each Bond and the principal amount and number of each of the Bonds
15 held by each Registered Owner.

16 The Bond Registrar is authorized, on behalf of the City, to authenticate
17 and deliver Bonds transferred or exchanged in accordance with the provisions of
18 the Bonds and this ordinance, to serve as the City's paying agent for the Bonds
19 and to carry out all of the Bond Registrar's powers and duties under this
20 ordinance and the City's Registration Ordinance.

21 The Bond Registrar shall be responsible for its representations contained
22 in the Bond Registrar's certificate of authentication on the Bonds. The Bond
23 Registrar may become either a Registered or Beneficial Owner of Bonds with the
24 same rights it would have if it were not the Bond Registrar and, to the extent
25 permitted by law, may act as depository for and permit any of its officers or
26

1 directors to act as members of, or in any other capacity with respect to, any
2 committee formed to protect the rights of Beneficial Owners.

3 Bonds surrendered to the Bond Registrar may be exchanged for Bonds in
4 any (~~authorized denomination~~) Authorized Denomination of an equal aggregate
5 principal amount and of the same (~~series~~) Series, interest rate(~~(;)~~) and maturity.
6 Bonds may be transferred only if endorsed in the manner provided thereon and
7 surrendered to the Bond Registrar. Any exchange or transfer shall be without cost
8 to the (~~Registered~~) Owner or transferee. The Bond Registrar shall not be
9 obligated to exchange or transfer any Bond during the period between the Record
10 Date and the corresponding interest payment or redemption date.

11 (c) Securities Depository; Book-Entry Form. The Bonds initially shall
12 be registered in the name of the Securities Depository. The Bonds so registered
13 shall be held fully immobilized in book-entry form by the Securities Depository in
14 accordance with the provisions of the Letter of Representations. Neither the City
15 nor the Bond Registrar shall have any responsibility or obligation to participants
16 of the Securities Depository or the persons for whom they act as nominees with
17 respect to the Bonds regarding accuracy of any records maintained by the
18 Securities Depository or its participants of any amount in respect of principal of
19 or interest on the Bonds, or any notice which is permitted or required to be given
20 to Registered Owners and/or Beneficial Owners hereunder (except such notice as
21 is required to be given by the Bond Registrar to the Securities Depository).
22 Registered ownership of a Bond initially held in book-entry form, or any portion
23 thereof, may not be transferred except: (i) to any successor Securities Depository;
24 (ii) to any substitute Securities Depository appointed by the City or such
25
26
27
28

1 substitute Securities Depository's successor; or (iii) to any person if the Bond is
2 no longer held in book-entry form.

3 Upon the resignation of the Securities Depository from its functions as
4 depository, or upon a City determination to discontinue services of the Securities
5 Depository, the City may appoint a substitute Securities Depository. If (i) the
6 Securities Depository resigns from its functions as depository, and no substitute
7 Securities Depository can be obtained, or (ii) the City determines that the Bonds
8 are to be in certificated form, then ownership of Bonds may be transferred to any
9 person as provided herein and the Bonds no longer shall be held in book-entry
10 form.

11 ~~((The City may appoint an initial Securities Depository in the Bond~~
12 ~~Resolution. For so long as DTC is the Securities Depository for the Bonds, DTC~~
13 ~~or its nominee shall be deemed to be the Registered Owner of the Bonds for all~~
14 ~~purposes hereunder, and all references in this ordinance or the Bond Resolution to~~
15 ~~the Registered Owners of the Bonds shall mean DTC or its nominee and shall not~~
16 ~~mean the owners of any beneficial interests in the Bonds. Payments of principal~~
17 ~~of, premium, if any, and interest on all outstanding Bonds registered in the name~~
18 ~~of DTC, its nominee, or its registered assign, shall be made as provided in the~~
19 ~~relevant Letter of Representations.))~~

20 ~~((Bonds executed and delivered in fully immobilized form shall be~~
21 ~~executed and delivered in the form of one fully registered immobilized certificate~~
22 ~~for each series and maturity of the Bonds representing the aggregate principal~~
23 ~~amount of the Bonds of that series and maturity, which Bonds shall (except as~~
24 ~~provided below for the discontinuation or substitution of Securities Depository)~~
25 ~~be registered in the name of the Securities Depository or its nominee. For so long~~

1 ~~as DTC serves as Securities Depository for the Bonds, the Bonds shall be~~
2 ~~registered in the name of Cede & Co., as nominee of DTC; however, if DTC shall~~
3 ~~request that the Bonds be registered in the name of a different nominee, the Bond~~
4 ~~Registrar shall exchange all or any portion of the Bonds for an equal aggregate~~
5 ~~principal amount of Bonds registered in the name of such other nominee or~~
6 ~~nominees of DTC. No person other than DTC or its nominee shall be entitled to~~
7 ~~receive from the City or the Bond Registrar any Bond or any other evidence of~~
8 ~~ownership of the Bonds, or any right to receive any payment in respect thereof,~~
9 ~~unless DTC or its nominee shall transfer record ownership of all or any portion of~~
10 ~~the Bonds on the Bond Register, in connection with discontinuing the book entry~~
11 ~~system as provided below or otherwise.))~~

12 ~~((For so long as the Bonds are registered in the name of DTC or any~~
13 ~~nominee thereof, all payments of the principal of, premium, if any, or interest on~~
14 ~~the Bonds shall be made to DTC or its nominee in immediately available funds on~~
15 ~~the dates provided for such payments under this ordinance and the Bond~~
16 ~~Resolution and at such times and in the manner provided in the relevant Letter of~~
17 ~~Representations. Each such payment to DTC or its nominee shall be valid and~~
18 ~~effective to fully discharge all liability of the City or the Bond Registrar with~~
19 ~~respect to the principal of, premium, if any, or interest on the Bonds to the extent~~
20 ~~of the sum or sums so paid. In the event of the redemption of less than all of the~~
21 ~~Bonds of any series and maturity, the Bond Registrar shall not require surrender~~
22 ~~by DTC or its nominee of the Bonds so redeemed, and DTC or its nominee may~~
23 ~~retain such Bonds and make an appropriate notation thereon as to the amount of~~
24 ~~such partial redemption. DTC shall deliver to the Bond Registrar, upon request, a~~
25 ~~written confirmation of such partial redemption. The records maintained by the~~

1 ~~Bond Registrar shall be conclusive as to the amount of the Bonds of such series~~
2 ~~and maturity that have been redeemed.))~~

3 ~~((All transfers of beneficial ownership interests in Bonds registered in the~~
4 ~~name of DTC or any nominee thereof shall be effected by the procedures of~~
5 ~~DTC's participants and/or indirect participants for recording and transferring the~~
6 ~~ownership of beneficial interests.))~~

7 ~~((The City and the Bond Registrar may treat DTC or any nominee thereof~~
8 ~~as the sole and exclusive Registered Owner of the Bonds registered in such name~~
9 ~~for the purposes of payment of the principal of, premium, if any, or interest on~~
10 ~~those Bonds, selecting Bonds or portions thereof to be redeemed, giving any~~
11 ~~notice permitted or required to be given to Registered Owners of Bonds under this~~
12 ~~ordinance or the Bond Resolution, registering the transfer of Bonds, obtaining any~~
13 ~~consent or other action to be taken by Registered Owners of Bonds, and for all~~
14 ~~other purposes whatsoever; and the City and the Bond Registrar shall not be~~
15 ~~affected by any notice to the contrary. The City and the Bond Registrar shall not~~
16 ~~have any responsibility or obligation to any direct or indirect DTC participant,~~
17 ~~any person claiming a beneficial ownership interest in the Bonds under or through~~
18 ~~DTC or any such direct or indirect participant, or any other person which is not~~
19 ~~shown on the Bond Register as being a Registered Owner of Bonds, with respect~~
20 ~~to: (i) the Bonds; (ii) any records maintained by DTC or any such direct or~~
21 ~~indirect participant; (iii) the payment by DTC or any such direct or indirect~~
22 ~~participant of any principal of, premium, if any, or interest on the Bonds; (iv) any~~
23 ~~notice which is permitted or required to be given to Registered Owners of Bonds~~
24 ~~under this ordinance or the Bond Resolution; (v) the selection by DTC or any~~
25 ~~direct or indirect DTC participant of any person to receive payment in the event of~~

1 ~~the City. In each of such events (unless, in the case described in clause (i) above,~~
2 ~~the City appoints a successor Securities Depository), the Bonds shall be delivered~~
3 ~~in registered certificate form to such persons, and in such maturities and principal~~
4 ~~amounts, as may be designated by DTC, but without any liability on the part of~~
5 ~~the City or the Bond Registrar for the accuracy of such designation. Whenever~~
6 ~~DTC requests the City and the Bond Registrar to do so, and for so long as clause~~
7 ~~(ii) above does not apply, the City and the Bond Registrar shall cooperate with~~
8 ~~DTC in taking appropriate action after reasonable notice to arrange for another~~
9 ~~Securities Depository to maintain custody of certificates evidencing the Bonds.))~~

10 **Section 7. Amendment to Section 6 of the Ordinance.** Section 6 of
11 Ordinance 121651 is deleted in its entirety.

12 ~~((Section 6. Mutilated, Lost, Stolen and Destroyed Bonds. In case any~~
13 ~~Bonds shall become mutilated or be destroyed, stolen, or lost, the City may, if not~~
14 ~~then prohibited or otherwise required by law, cause to be executed and delivered a~~
15 ~~new Bond of like amount, series, interest rate, maturity date, and tenor in~~
16 ~~exchange and substitution for and upon cancellation of such mutilated Bonds, or~~
17 ~~in lieu of and in substitution for such destroyed, stolen, or lost Bonds, upon~~
18 ~~payment by the Registered Owner thereof of the reasonable expenses and charges~~
19 ~~of the City and the Bond Registrar in connection therewith, and in the case of a~~
20 ~~Bond destroyed, stolen, or lost, the filing with the Bond Registrar of evidence~~
21 ~~satisfactory to the City that such Bond was destroyed, stolen, or lost, and of the~~
22 ~~ownership thereof, and furnishing the City and the Bond Registrar with indemnity~~
23 ~~satisfactory to each of them. If the mutilated, destroyed, stolen, or lost Bond~~
24 ~~already has matured or been called for redemption in accordance with its terms, it~~
25 ~~shall not be necessary to issue a new Bond prior to payment.))~~

1 **Section 8. Amendment to Section 7 of the Ordinance.** Section 7 of
2 Ordinance 121651 is renumbered as Section 6 and is amended and restated as follows:

3 **Section ~~((7))~~6. Payment of Bonds.** Principal of, premium, if any, and
4 interest on the Bonds shall be payable in lawful money of the United States of
5 America. ~~((Interest on the Bonds shall be paid by checks, drafts, or warrants of
6 the Bond Registrar, or, if requested in writing prior to the Record Date by the
7 Registered Owner of \$1,000,000 or more in principal amount of Bonds of a series,
8 by wire, mailed or transferred))~~Principal of and interest on each Bond registered
9 in the name of the Securities Depository is payable in the manner set forth in the
10 Letter of Representations. Interest on each Bond not registered in the name of the
11 Securities Depository is payable by electronic transfer on the interest payment
12 date, or by check or draft of the Bond Registrar mailed on the interest payment
13 date to the Registered Owner~~((s of the Bonds as those Registered Owners and
14 their))~~ at the address~~((es and accounts))~~ appearing on the Bond Register on the
15 Record Date~~((or other record date established in the Bond Resolution).~~
16 ~~Principal of and premium, if any, on the Bonds shall be payable at maturity or on
17 such date as may be specified for prior redemption))~~ However, the City is not
18 required to make electronic transfers except pursuant to a request by a Registered
19 Owner in writing received at least ten days prior to the Record Date and at the
20 sole expense of the Registered Owner. Principal of each Bond not registered in
21 the name of the Securities Depository is payable upon presentation and surrender
22 of the Bond~~((s))~~ by the Registered Owner~~((s at the principal corporate trust office
23 or offices of))~~ to the Bond Registrar. ~~((Notwithstanding the foregoing, payment of
24 any Bonds registered in the name of DTC or its nominee shall be made in
25
26
27
28~~

1 ~~accordance with the relevant Letter of Representations.))~~ The Bonds are not
2 subject to acceleration under any circumstances.

3 **Section 9. Amendment to Section 8 of the Ordinance.** Section 8 of
4 Ordinance 121651 is renumbered as Section 7 and amended and restated as follows:

5 **Section ~~((8))~~7. Redemption and ~~((Open Market))~~ Purchase of Bonds.**

6 (a) **Optional Redemption.** All or some of the Bonds may be subject to
7 redemption prior to their stated maturity dates at the option of the City at the
8 times and on the terms ~~((set forth in the Bond Resolution))~~approved in accordance
9 with Section 4 of this ordinance.

10 (b) **Mandatory Redemption.** ~~((The City shall redeem any Term Bonds,~~
11 ~~if))~~If not redeemed ~~((under the optional redemption provisions set forth in the~~
12 ~~Bond Resolution or purchased in the open market under the provisions set forth~~
13 ~~below, by lot (or in such other manner as the Bond Registrar shall determine) at~~
14 ~~par))~~or purchased at the City's option prior to maturity, Term Bonds (if any) shall
15 be redeemed, at a price equal to the principal amount thereof to be redeemed plus
16 accrued interest; on the dates and in the years and principal amounts as set forth in
17 the Bond Resolution. If the City redeems ~~((Term Bonds under the optional~~
18 ~~redemption provisions set forth in the Bond Resolution--))~~or purchases Term
19 Bonds ~~((in the open market as set forth below))~~at the City's option prior to
20 maturity, the Term Bonds so redeemed or purchased (irrespective of their
21 redemption or purchase prices) shall be credited at the par amount thereof against
22 the remaining mandatory redemption requirements ~~((in a manner to be--))~~as
23 determined by the Director of Finance. In the absence of a determination by the
24 Director of Finance or other direction in the Bond Resolution, credit shall be
25 allocated ~~((or, if no such determination is made,--))~~ on a pro-rata basis.

1 (c) Selection of Bonds for Redemption; Partial Redemption.

2 ~~((Whenever less than all of the Bonds of a single maturity of a series are to be~~
3 ~~redeemed, the Bond Registrar shall select the Bonds or portions thereof to be~~
4 ~~redeemed from the Bonds of that maturity by lot, or in such other manner as the~~
5 ~~Bond Registrar shall determine, except that, for so long as the Bonds are))~~If fewer
6 than all of the outstanding Bonds are to be redeemed at the option of the City, the
7 Director of Finance shall select the Series and maturity or maturities to be
8 redeemed. If fewer than all of the outstanding Bonds of a maturity of a Series are
9 to be redeemed, the Securities Depository shall select Bonds registered in the
10 name of ~~((DTC or its nominee, DTC shall select the Bonds or portions~~
11 ~~thereof))~~the Securities Depository to be redeemed in accordance with the
12 ~~((relevant-))~~Letter of Representations~~((.-In no event shall any Bond be outstanding~~
13 ~~in a principal amount that is not an authorized denomination.~~

14 ~~Portions of the principal amount of any Bond, in integral amounts of~~
15 ~~(\$5,000)), and the Bond Registrar shall select all other Bonds to be redeemed~~
16 ~~randomly in such manner as the Bond Registrar shall determine. All or a portion~~
17 ~~of the principal amount of any Bond that is to be redeemed may be redeemed((;~~
18 ~~unless otherwise provided in the Bond Resolution))~~in any Authorized
19 Denomination. If less than all of the outstanding principal amount of any Bond is
20 redeemed, upon surrender of that Bond ((at the principal offices of))to the Bond
21 Registrar, there shall be issued to the Registered Owner, without charge~~((~~
22 ~~therefor))~~, a new Bond (or Bonds, at the option of the Registered Owner) of the
23 same ~~((series))~~Series, maturity~~((;))~~ and interest rate in any ~~((of the denominations~~
24 ~~authorized by the Bond Resolution))~~Authorized Denomination in the aggregate
25 ~~((total))~~principal amount ~~((remaining unredeemed))~~to remain outstanding.

1 **(d) (~~Open Market~~)Purchase.** The City reserves the right and option to
2 purchase any or all of the Bonds (~~in the open market~~) at any time at any price
3 acceptable to the City plus accrued interest to the date of purchase.

4 **(e) Bonds to be Canceled.** All Bonds purchased or redeemed under this
5 (~~Section~~)section shall be canceled.

6 **Section 10. Amendment to Section 9 of the Ordinance.** Section 9 of
7 Ordinance 121651 is renumbered as Section 8 and amended and restated as follows:

8 **Section ~~(9)~~8. Notice of Redemption.** The City shall cause notice of
9 any intended redemption of Bonds to be given not less than (~~30~~)20 nor more
10 than 60 days prior to the date fixed for redemption by first-class mail, postage
11 prepaid, to the Registered Owner of any Bond to be redeemed at the address
12 appearing on the Bond Register (~~at the time the Bond Registrar prepares the~~
13 ~~notice~~)on the Record Date, and the requirements of this sentence shall be deemed
14 to have been fulfilled when notice has been mailed as so provided, whether or not
15 it is actually received by the Registered Owner of any Bond. Interest on Bonds
16 called for redemption shall cease to accrue on the date fixed for redemption unless
17 the Bond or Bonds called are not redeemed when presented pursuant to the call.
18 (~~In addition, the redemption notice shall be mailed by the Bond Registrar within~~
19 ~~the same period, postage prepaid, to Moody's Investors Service, Inc., and~~
20 ~~Standard & Poor's Ratings Services, a Division of The McGraw Hill Companies,~~
21 ~~Inc., at their offices in New York, New York, or their successors, to any bond~~
22 ~~insurer for the Bonds, and to such other persons and with such additional~~
23 ~~information as the Director of Finance shall determine or as specified in the Bond~~
24 ~~Resolution, but none of these additional mailings shall be a condition precedent to~~
25 ~~the redemption of Bonds.~~)

1 ~~((Section 12. Bond Registrar. The Bond Registrar shall keep, or cause~~
2 ~~to be kept, at its principal corporate trust office, sufficient books for the~~
3 ~~registration and transfer of the Bonds, which shall be open to inspection by the~~
4 ~~City at all times. The Bond Registrar is authorized, on behalf of the City, to~~
5 ~~authenticate and deliver Bonds transferred or exchanged in accordance with the~~
6 ~~provisions of the Bonds and this ordinance, to serve as the City's paying agent for~~
7 ~~the Bonds, and to carry out all of the Bond Registrar's powers and duties under~~
8 ~~this ordinance and Seattle Municipal Code Chapter 5.10 establishing a system of~~
9 ~~registration for the City's bonds and obligations, as that chapter now exists or may~~
10 ~~hereafter be amended. The City reserves the right in its discretion to appoint~~
11 ~~special paying agents, registrars, or trustees in connection with the payment of~~
12 ~~some or all of the principal of, premium, if any, or interest on the Bonds. If a new~~
13 ~~Bond Registrar is appointed by the City, notice of the name and address of the~~
14 ~~new Bond Registrar shall be mailed to the Registered Owners of the Bonds~~
15 ~~appearing on the Bond Register at the time the Bond Registrar prepares the notice.~~
16 ~~The notice may be mailed together with the next interest payment due on the~~
17 ~~Bonds, but, to the extent practicable, shall be mailed no later than the Record Date~~
18 ~~for any principal payment or redemption date of any Bond.~~

19 ~~The Bond Registrar shall be responsible for its representations contained~~
20 ~~in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond~~
21 ~~Registrar may become the Registered Owner of Bonds with the same rights it~~
22 ~~would have if it were not the Bond Registrar and, to the extent permitted by law,~~
23 ~~may act as depository for and permit any of its officers or directors to act as~~
24 ~~members of, or in any other capacity with respect to, any committee formed to~~
25 ~~protect the rights of the Registered Owners of the Bonds.))~~

1 **Section 14. Amendment to Section 13 of the Ordinance.** Section 13 of
2 Ordinance 121651 is renumbered as Section 11, and amended and restated as follows:

3 **Section ~~((13))~~11. Pledge of Taxes.** For so long as any of the LTGO
4 Refunding Bonds ~~((is))~~are outstanding, the City irrevocably pledges to include in
5 its budget and levy taxes annually within the constitutional and statutory tax
6 limitations provided by law without a vote of the electors of the City on all of the
7 taxable property within the City in an amount sufficient, together with other
8 money legally available and to be used therefor, to pay when due the principal of
9 and interest on the LTGO Refunding Bonds, and the full faith, credit, and
10 resources of the City are pledged irrevocably for the annual levy and collection of
11 those taxes and the prompt payment of that principal and interest.

12 For so long as any of the UTGO Refunding Bonds ~~((is))~~are outstanding,
13 the City irrevocably pledges to include in its budget and levy taxes annually
14 without limitation as to rate or amount on all of the taxable property within the
15 City in an amount sufficient, together with other money legally available and to
16 be used therefor, to pay when due the principal of and interest on the UTGO
17 Refunding Bonds, and the full faith, credit, and resources of the City are pledged
18 irrevocably for the annual levy and collection of those taxes and the prompt
19 payment of that principal and interest.

20 **Section 15. Amendment to Section 14 of the Ordinance.** Section 14 of
21 Ordinance 121651 is renumbered as Section 13, and amended and restated as follows:

22 **Section ~~((14))~~13. ~~((Preservation of Tax Exemption for Interest~~**
23 **en))Provisions Relating to Certain Federal Tax Consequences of the Bonds.**

24 **(a) Tax-Exempt Bonds.** The City covenants that it will take all actions,
25 consistent with the terms of ~~((the))~~any Series of Tax-Exempt Bonds, this
26

1 ordinance, and the Bond Resolution, reasonably within its power and necessary to
2 prevent interest on ~~((the))~~those Tax-Exempt Bonds ~~((issued as tax exempt~~
3 ~~obligations))~~ from being included in gross income for federal income tax purposes,
4 and the City will neither take any action nor make or permit any use of proceeds
5 of ~~((the))~~such Tax-Exempt Bonds or other funds of the City treated as gross
6 proceeds of the Tax-Exempt Bonds at any time during the term of the Tax-
7 Exempt Bonds which will cause interest on the Tax-Exempt Bonds to be included
8 in gross income for federal income tax purposes. ~~((The City has not been notified~~
9 ~~of any listing or proposed listing by the Internal Revenue Service to the effect that~~
10 ~~it is a bond issuer whose arbitrage certifications may not be relied upon.))~~ The
11 City also covenants that it will, to the extent the arbitrage rebate requirement of
12 Section 148 of the Code is applicable to any Tax-Exempt Bonds, take all actions
13 necessary to comply (or to be treated as having complied) with that requirement
14 in connection with the Tax-Exempt Bonds, including the calculation and payment
15 of any penalties that the City has elected to pay as an alternative to calculating
16 rebatable arbitrage, and the payment of any other penalties if required under
17 Section 148 of the Code to prevent interest on such Tax-Exempt Bonds from
18 being included in gross income for federal income tax purposes.

19 **(b) Tax-Credit Subsidy Bonds or other Taxable Bonds.** The Director
20 of Finance may, without further action by the Council, make provision in the
21 Bonds or other written document for such additional covenants of the City as may
22 be necessary or appropriate in order for the City to receive from the United States
23 Treasury the applicable federal credit payments in respect of any Series of the
24 Bonds issued as Tax Credit Subsidy Bonds or otherwise become and remain
25 eligible for tax benefits under the Code.

1 disclosure for the benefit of holders of ~~((the))~~those Bonds ~~((certain annual~~
2 ~~financial information and operating data of the type included in the final official~~
3 ~~statement for those Bonds, if any, as well as disclosure of certain material events~~
4 ~~respecting the Bonds, in the manner and to the extent required by United States~~
5 ~~Securities and Exchange Commission Rule 15c2-12. The particular terms of any~~
6 ~~such undertaking shall be set forth in the Bond Resolution))~~in substantially the
7 form attached as Exhibit B.

8 **Section 17. Amendment to Section 16 of the Ordinance.** Section 16 of
9 Ordinance 121651 is renumbered as Section 12, and amended and restated as follows:

10 **Section ~~((16))~~12. Refunding or Defeasance of the Bonds.** The Bonds
11 are hereby designated “Refundable Bonds” for purposes of this ordinance, as it
12 may be amended from time to time. The City may issue refunding
13 ~~((obligations))~~bonds pursuant to the laws of the State ~~((of Washington-))~~or use
14 money available from any other lawful source to pay when due the principal of,
15 premium, if any, and interest on ~~((the Bonds))~~any Bond, or ~~((any))~~portion thereof,
16 included in a refunding or defeasance plan, and to redeem and retire, release,
17 refund, or defease those Bonds (the “defeased Bonds”) and to pay the costs of
18 such refunding or defeasance. ~~((Unless otherwise provided in the Bond~~
19 ~~Resolution, if money and/or government obligations (as that term is defined in~~
20 ~~RCW 39.53.010, as it now exists or may hereafter be amended))~~If money and/or
21 Government Obligations maturing at a time or times and in an amount sufficient,
22 together with known earned income from the investment thereof, to redeem and
23 retire, release, refund, or defease the defeased Bonds in accordance with their
24 terms, are set aside in a special trust fund or escrow account irrevocably pledged
25 to ~~((that))~~such redemption, retirement, or defeasance (the “trust account”), then all
26

1 right and interest of the owners of the defeased Bonds in the covenants of this
2 ordinance and in the funds and accounts pledged to the payment of ~~((the))~~such
3 defeased Bonds, other than the right to receive the funds ~~((in the trust account))~~so
4 set aside and pledged, thereafter shall cease and become void. Such owners
5 thereafter shall have the right to receive payment of the principal of ~~((, premium, if~~
6 ~~any,))~~ and interest or redemption price on the defeased Bonds from the trust
7 account. ~~((The City shall include in the refunding or defeasance plan such~~
8 ~~provisions as the City deems necessary for the random selection of any defeased~~
9 ~~Bonds that constitute less than all of a particular maturity of the Bonds, for notice~~
10 ~~of the defeasance to be given to the Registered Owners of the defeased Bonds,~~
11 ~~and to such other persons as the City shall determine, and for any required~~
12 ~~replacement of Bonds for defeased Bonds.))~~ After ~~((the))~~ establishing and fully
13 funding ~~((of))~~ such a trust account, the defeased Bonds shall be deemed as no
14 longer ~~((be deemed))~~ outstanding, and the ~~((City))~~ Director of Finance then may
15 apply any money in any other fund or account established for the payment or
16 redemption of the defeased Bonds to any lawful purposes ~~((as it shall determine))~~.
17 Notice of refunding or defeasance shall be given, and selection of Bonds for any
18 partial refunding or defeasance shall be conducted, in the manner set forth in this
19 ordinance for the redemption of Bonds.

20 **Section 18. Amendment to Section 17 of the Ordinance.** Section 17 of
21 Ordinance 121651 is deleted in its entirety:

22 ~~((Section 17. Manner of Sale of Bonds. At least 30 days before the City~~
23 ~~Council adopts a Bond Resolution for a series of Bonds, the Director of Finance~~
24 ~~shall notify the President of the City Council, in writing, of the Director of~~
25 ~~Finance's expectation that the issuance of the series of Bonds will achieve a net~~

1 ~~present value savings of at least 5 percent of the total par amount of the~~
2 ~~Refundable Bonds to be refunded by that Series. The notice shall explain the~~
3 ~~reasons for the Director of Finance's expectation. Upon giving such notice, the~~
4 ~~Director of Finance may provide for the sale of that series of Bonds (or any~~
5 ~~portion thereof) by public sale or by a negotiated sale with the successful~~
6 ~~underwriter or other financial institution chosen through a selection process~~
7 ~~acceptable to the Director of Finance, including the evaluation of responses to a~~
8 ~~request for proposals. The City Council's adoption of the Bond Resolution shall~~
9 ~~be conclusive evidence that proper notice was provided to the President of the~~
10 ~~City Council. The Director of Finance is authorized to specify a date and time of~~
11 ~~sale of the Bonds, to give notice of that sale, to determine any bid requirements~~
12 ~~and criteria for determining the award of the bid, to provide for the use of an~~
13 ~~electronic bidding mechanism, and to specify other matters in his or her~~
14 ~~determination necessary, appropriate, or desirable to carry out the sale of the~~
15 ~~Bonds. The terms of that sale shall be consistent with this ordinance and the Bond~~
16 ~~Resolution and shall be confirmed by the Bond Resolution. The Bonds shall be~~
17 ~~delivered to the purchasers as provided in the Bond Resolution immediately upon~~
18 ~~payment to the City of the purchase price plus accrued interest, if any, to the~~
19 ~~Closing Date in immediately available federal funds in Seattle, Washington, at the~~
20 ~~City's expense or at another time or place upon which the Director of Finance and~~
21 ~~the purchaser may mutually agree at the purchaser's expense.))~~

22 ~~((CUSIP numbers will be printed on the Bonds if requested by the~~
23 ~~purchasers, but neither failure to print CUSIP numbers on any Bond nor error~~
24 ~~with respect thereto shall constitute cause for a failure or refusal by the purchasers~~
25 ~~to accept delivery of and pay for the Bonds in accordance with the purchase offer.~~

1 ~~All expenses in relation to the printing of CUSIP numbers on the Bonds shall be~~
2 ~~paid by the City, but the fee of the CUSIP Service Bureau for the assignment of~~
3 ~~those numbers shall be the responsibility of and shall be paid by the purchasers.))~~

4 ~~((The City will cause the Bonds to be typed, printed, photocopied, or~~
5 ~~lithographed, sealed, and executed and will furnish the approving legal opinion of~~
6 ~~nationally recognized bond counsel to the City regarding the Bonds, the opinion~~
7 ~~also being printed on each Bond unless the Bond is typed or photocopied.))~~

8 **Section 19. Amendment to Section 18 of the Ordinance.** Section 18 of
9 Ordinance 121651 is deleted in its entirety:

10 ~~((Section 18. Temporary Bonds. Pending the printing, execution, and~~
11 ~~delivery to the purchasers of definitive Bonds, the City may cause to be executed~~
12 ~~and delivered to the purchasers a single temporary Bond for each series in the~~
13 ~~total principal amount of the Bonds of that series. Each temporary Bond shall bear~~
14 ~~the same date of issuance, interest rates, principal payment dates, and terms and~~
15 ~~covenants as the definitive Bonds, shall be issued as a fully registered Bond in the~~
16 ~~name of the purchasers or their nominees, and shall be in such form as is~~
17 ~~acceptable to the purchasers. Each temporary Bond shall be exchanged for the~~
18 ~~relevant definitive Bonds as soon as they are printed, executed, and available for~~
19 ~~delivery.))~~

20 **Section 20. Amendment to Section 19 of the Ordinance.** Section 19 of
21 Ordinance 121651 is renumbered as Section 15, and amended and restated as follows:

22 **Section ((19))15. ((Bond Fund;))Deposit and Use of Proceeds.** ~~((There~~
23 ~~previously has been created and established in the City Treasury the Bond Fund.))~~
24 Unless provided otherwise in the Bond Resolution, the principal proceeds and
25 premium, if any received from the sale of each Series of the Bonds, in the amount

1 necessary to carry out the Refunding Plan (including payment of costs of issuance
2 and administrative costs of carrying out the refunding) approved in connection
3 with such Series, shall be deposited with the Refunding Trustee and used in
4 accordance with the provisions of Section 16 of this ordinance to discharge the
5 obligations of the City relating to the Refunded Bonds. The Director of Finance
6 may incur, account for and use the principal proceeds, accrued interest (if any)
7 and any premium to pay for, non-cash costs of issuance that are not included as
8 part of the bond proceeds and premium, including but not limited to any
9 underwriters' discount.

10 To the extent not necessary to carry out the Refunding Plan, any
11 ((A))accrued interest ((~~on the Bonds~~))and net premium received from the sale
12 ((and delivery))of a Series of the Bonds((, if any, together with any net premium
13 received from the sale and delivery of the Bonds that is not necessary to carry out
14 the Refunding Plan,)) shall be paid ((~~or allocated~~)) into the Bond Fund prior to the
15 first debt service payment date with respect to ((~~those Bonds~~)) that Series. Unless
16 otherwise directed in the Bond Resolution, the Director of Finance shall
17 determine the amount, if any, from such proceeds, accrued interest or premium to
18 be deposited into specified funds, subfunds, accounts and subaccounts. Any such
19 proceeds, accrued interest or premium remaining after the costs of issuance and
20 the administrative costs of the Refunding Plan have been paid (or after the City
21 Council has determined that the expenditure of such amounts for those purposes is
22 no longer necessary or appropriate), the Director of Finance use any remaining
23 proceeds of a Series of the Bonds, including interest earnings thereon, to pay
24 principal of and interest on that Series of the Bonds or for any other purposes
25 approved by ordinance.

1 ~~((All taxes collected for and allocated to the payment of the principal of~~
2 ~~and interest on the Bonds shall be deposited in the Bond Fund.))~~

3 ~~((Principal proceeds of the Bonds shall be deposited with the Refunding~~
4 ~~Trustee and used in accordance with the provisions of Section 20(b).))~~

5 **Section 21. Amendment to Section 20 of the Ordinance.** Section 20 of
6 Ordinance 121651 is renumbered as Section 16, and amended and restated as follows:

7 **Section ~~((20))16. ~~((Execution of))The Refunding Plan.~~~~**

8 **(a) Approval of Refunding Plan; Appointment of Refunding Trustee.**

9 The Bond Resolution shall approve a Refunding Plan for each Series of the
10 Bonds, which shall provide for the issuance of the Series of Bonds, shall identify
11 the Refundable Bonds to be refunded, shall allocate the Bonds among the various
12 Refunded Bonds, shall describe the method for carrying out the refunding of the
13 Refunded Bonds, and shall appoint the Refunding Trustee. The Refunding Plan
14 shall be carried out, and proceeds of the Bonds shall be applied, in accordance
15 with this ordinance, the respective Refunded Bond Legislation, the Bond
16 Resolution and the laws of the State. ~~((The Director Finance may serve as, or~~
17 ~~appoint separately, the Refunding Trustee for each series of Bonds, which service~~
18 ~~or appointment shall be confirmed by the Bond Resolution.))~~

19 **(b) ~~((Use of Bond Proceeds;))Acquisition ~~((and Substitution))of~~~~**
20 **Acquired Obligations.** ~~((For each series of Bonds, sufficient proceeds of the sale~~
21 ~~of the Bonds, together with other money of the City, if any, required by the~~
22 ~~Refunding Plan, shall be deposited immediately upon the receipt thereof with the~~
23 ~~Refunding Trustee and used to discharge the obligations of the City relating to the~~
24 ~~Refunded Bonds to be refunded therewith under the respective Refunded Bond~~
25 ~~Legislation by providing for the payment of the amounts required to be paid by~~

1 ~~the Refunding Plan. The Refunding Plan shall be carried out, and proceeds of the~~
2 ~~Bonds shall be applied, in accordance with this ordinance, the respective~~
3 ~~Refunded Bond Legislation, the Bond Resolution and the laws of the State.)) To~~
4 the extent practicable, ~~((such obligations shall be discharged fully by))~~the
5 Refunding Plan shall provide for the Refunding Trustee's
6 ~~((simultaneous))~~purchase of the Acquired Obligations, bearing such interest and
7 maturing as to principal and interest in such amounts and at such times so as to
8 provide, together with a beginning cash balance, if necessary, for the payment of
9 the amounts required to be paid by the Refunding Plan. The Acquired Obligations
10 shall be listed and more particularly described in a schedule attached to the
11 Refunding Trust Agreement, but are subject to substitution as set forth in
12 subsection (c) below.

13 ~~((Prior to the purchase of any such Acquired Obligations, the City~~
14 ~~reserves the right to substitute other Government Obligations for any of the~~
15 ~~Acquired Obligations and to use any savings created thereby for any lawful City~~
16 ~~purpose if, (i) in the opinion of Bond Counsel, the interest on the Bonds and the~~
17 ~~Refunded Bonds issued as tax exempt obligations will remain excluded from~~
18 ~~gross income for federal income tax purposes under Sections 103, 148 and 149(d)~~
19 ~~of the Code, and (ii) such substitution shall not impair the timely payment of the~~
20 ~~amounts required to be paid by the Refunding Plan, as verified by a nationally~~
21 ~~recognized firm of independent certified public accountants.))~~

22 (c) Substitution of Acquired Obligations. ~~((After the purchase of the~~
23 ~~Acquired Obligations by the Refunding Trustee, the))~~ The City reserves the right
24 at any time to substitute ~~((therefor))~~cash or Government Obligations for the
25 Acquired Obligations~~((subject to the conditions that such money or securities held~~

1 ~~by the Refunding Trustee shall be sufficient to carry out the Refunding Plan, that~~
2 ~~such substitution will not cause the Bonds or the Refunded Bonds to be arbitrage~~
3 ~~bonds within the meaning of Section 148 of the Code and regulations thereunder~~
4 ~~in effect on the date of such substitution and applicable to obligations issued on~~
5 ~~the issue date of the Bonds, and that the City obtain (i))~~ if the City obtains a
6 verification by a nationally recognized independent certified public accounting
7 firm reasonably acceptable to the Refunding Trustee confirming that the payments
8 of principal of and interest on the substitute Government Obligations, if paid
9 when due, ((and any other money))together with the cash to be held by the
10 Refunding Trustee, will be sufficient to carry out the Refunding Plan, (and (ii))
11 If the applicable Series of the Bonds (or the Refunded Bonds) were issued as Tax-
12 Exempt Bonds, then prior to such substitution, the City must also obtain an
13 opinion from Bond Counsel to the effect that the disposition and substitution or
14 purchase of such securities((, under the statutes, rules and regulations then in
15 force and applicable to the Bonds,)) will not cause the interest on the applicable
16 Series of the Bonds (or of the Refunded Bonds) issued as Tax-Exempt Bonds to
17 be included in gross income for federal income tax purposes and that such
18 disposition and substitution or purchase is in compliance with the statutes and
19 regulations applicable to the Series of the Bonds. Any surplus money resulting
20 from the sale, transfer, other disposition or redemption of the Acquired
21 Obligations and the substitutions therefor shall be released from the trust estate
22 and may be used for any lawful City purpose.

23 ~~((c) Administration of Refunding Plan))~~ (d) Refunding Trust
24 Agreement. In connection with each Series of the Bonds, the Director of Finance
25 is authorized to execute a Refunding Trust Agreement with a Refunding Trustee,
26

1 setting forth the duties, obligations and responsibilities of the Refunding Trustee
2 in connection with carrying out the Refunding Plan. Each Refunding Trust
3 Agreement shall, among other things, authorize and direct the((The)) Refunding
4 Trustee ~~((is authorized and directed))~~ to use the money deposited with it to
5 purchase the Acquired Obligations (or substitute obligations) and to apply such
6 money along with the maturing principal of and interest on such obligations to
7 make the payments required to be made by the Refunding Plan ~~((from the~~
8 ~~Acquired Obligations (or substitute obligations) and money deposited with the~~
9 ~~Refunding Trustee pursuant to this ordinance. All Acquired Obligations (or~~
10 ~~substitute obligations) and the))~~. The money deposited with the Refunding
11 Trustee, including the Acquired Obligations and any ~~((income~~
12 ~~therefrom))~~investment earnings, shall be held irrevocably, invested and applied in
13 accordance with the provisions of the respective Refunded Bond Legislation, this
14 ordinance, the Bond Resolution, chapter 39.53 RCW and other applicable
15 ~~((statutes of the))State ((of Washington and the Refunding Trust Agreement. All))~~
16 law. All administrative costs (including without limitation, all necessary and
17 proper fees, compensation and expenses of the Refunding Trustee and all other
18 costs incidental to the setting up of the escrow to accomplish the ~~((refunding of~~
19 ~~the Refunded Bonds))~~Refunding Plan and costs ~~((related to the))~~of issuance ~~((and~~
20 ~~delivery of the Bonds, including bond printing, verification fees, Bond Counsel's~~
21 ~~fees and other related expenses,))~~may, in the discretion of the Director of Finance,
22 be paid out of the ~~((proceeds of the Bonds))~~amounts deposited with the Refunding
23 Trustee or other available money of the City.

24 ~~**((d)) Authorization for Refunding Trust Agreement.** To carry out the~~
25 ~~Refunding Plan provided for by this ordinance, the Director of Finance is~~

1 ~~authorized and directed to execute and deliver to the Refunding Trustee, in~~
2 ~~connection with each series of Bonds, a Refunding Trust Agreement substantially~~
3 ~~in the form approved by the Bond Resolution setting forth the duties, obligations~~
4 ~~and responsibilities of the Refunding Trustee in connection with the payment,~~
5 ~~redemption and retirement of the Refunded Bonds as provided herein and in the~~
6 ~~Bond Resolution and stating that the provisions for payment of the fees,~~
7 ~~compensation and expenses of such Refunding Trustee set forth therein are~~
8 ~~satisfactory to it. Prior to executing the Refunding Trust Agreement, the Director~~
9 ~~of Finance is authorized to make such changes therein which do not change the~~
10 ~~substance and purpose thereof or which assure that the escrow provided therein~~
11 ~~and the Bonds are in compliance with the requirements of federal law governing~~
12 ~~the exclusion of interest on the Bonds from gross income for federal income tax~~
13 ~~purposes.))~~

14 **Section 22. Amendment to Section 21 of the Ordinance.** Section 21 of
15 Ordinance 121651 is renumbered as Section 17, and amended and restated as follows:

16 **Section ~~((21))~~17. Redemption of the Refunded Bonds.** ~~((As a part of~~
17 ~~the Refunding Plan, the))~~The City may in the Bond Resolution call, or authorize
18 the Director of Finance to call, the Refunded Bonds for redemption. Such call for
19 redemption of the Refunded Bonds shall ~~((specify))~~identify the Refunded Bonds,
20 call dates and redemption prices (expressed as a percentage of ~~((par))~~the stated
21 principal amount, plus accrued interest), and shall be irrevocable after the
22 ~~((delivery to the initial purchaser))~~Issue Date of the applicable ~~((series))~~Series of
23 the Bonds. The dates on which the Refunded Bonds are to be called for
24 redemption shall be, in the judgment of the Director of Finance, the earliest
25 practical dates on which those bonds may be called for redemption. The proper
26

1 City officials are authorized and directed to give or cause to be given such notices
2 as required, at the times and in the manner required pursuant to the
3 ~~((respective))~~ Refunded Bond Legislation, in order to ~~((effect the defeasance and~~
4 ~~redemption prior to maturity of the Refunded Bonds))~~ carry out the Refunding
5 Plan.

6 **Section 23. Amendment to Section 22 of the Ordinance.** Section 22 of
7 Ordinance 121651 is deleted in its entirety:

8 ~~((Section 22. City Findings with Respect to Refunding. In the Bond~~
9 ~~Resolution, if a Bond Resolution is adopted, the City shall find and determine that~~
10 ~~the issuance and sale of the Bonds at the time the Bond Resolution is adopted will~~
11 ~~effect a savings to the City. In making such finding and determination, the City~~
12 ~~shall give consideration to the fixed maturities of the Bonds and the Refunded~~
13 ~~Bonds, the costs of issuance and sale of the Bonds, and the known earned income~~
14 ~~from the investment of the proceeds of the issuance and sale of the Bonds and~~
15 ~~other money of the City used in the Refunding Plan pending payment and~~
16 ~~redemption of the Refunded Bonds.))~~

17 ~~((In the Bond Resolution, if a Bond Resolution is adopted, the City shall~~
18 ~~further find and determine that the money to be deposited with the Refunding~~
19 ~~Trustee in accordance with this ordinance and the Bond Resolution will discharge~~
20 ~~and satisfy the obligations of the City with respect to the Refunded Bonds under~~
21 ~~the respective Refunded Bond Legislation, and, if applicable, that the pledges,~~
22 ~~charges, trusts, covenants, and agreements of the City therein made or provided~~
23 ~~for as to the Refunded Bonds shall be discharged, and, if applicable, that the~~
24 ~~Refunded Bonds shall no longer be deemed to be outstanding under the respective~~

1 ~~Refunded Bond Legislation immediately upon the irrevocable deposit of such~~
2 ~~money with the Refunding Trustee.))~~

3 **Section 24. Amendment to Section 23 of the Ordinance.** Section 23 of
4 Ordinance 121651 is renumbered as Section 18, and amended and restated as follows:

5 **Section ~~((23))~~18. General Authorization.** ~~((The))~~In addition to the
6 specific authorizations in this ordinance, the Mayor and the Director of Finance
7 and each of the other appropriate officers of the City are each authorized and
8 directed to do everything as in ~~((their))~~his or her judgment may be necessary,
9 appropriate, or desirable in order to carry out the terms and provisions of, and
10 complete the transactions contemplated by, this ordinance. In particular, and
11 without limitation ~~the foregoing:((-))~~

12 (a) the Director of Finance may, in his or her discretion and without
13 further action by the City Council, (i) issue requests for proposals for
14 underwriting or financing facilities and execute engagement letters with
15 underwriters, bond insurers or other financial institutions based on responses to
16 such requests, (ii) ~~((comply with any continuing disclosure requirements~~
17 ~~applicable to the Bonds, and (iii))~~change the Bond Registrar or Securities
18 Depository for the Bonds; and (iii) take such actions on behalf of the City as are
19 necessary or appropriate for the City to designate, qualify or maintain the tax-
20 exempt treatment with respect to any Series issued as Tax-Exempt Bonds, to
21 receive from the United States Treasury the applicable federal credit payments in
22 respect of any Series issued as Tax-Credit Subsidy Bonds and to otherwise
23 receive any other federal tax benefits relating to the Bonds that are available to the
24 City; and

1 (b) each of the Mayor and the Director of Finance is separately authorized
2 to execute and deliver (i) any and all contracts or other documents as are
3 consistent with this ordinance and for which the City's approval is necessary or to
4 which the City is a party (including but not limited to agreements with escrow
5 agents, refunding trustees, liquidity or credit support providers, bond insurers,
6 remarketing agents, underwriters, lenders, fiscal agents, counterparties to interest
7 rate swap, cap, floor, or similar agreements, custodians, and the Bond Registrar);
8 and (ii) such other contracts or documents incidental to the issuance and sale of a
9 Series of the Bonds; the establishment of the initial interest rate or rates on a
10 Bond; or the tender, purchase, remarketing, or redemption of a Bond, as may in
11 his or her judgment be necessary or appropriate.

12 **Section 25. Amendment to Section 24 of the Ordinance.** Section 24 of
13 Ordinance 121651 is renumbered as Section 19 and restated as follows:

14 **Section ((24))19. Severability.** The provisions of this ordinance are
15 declared to be separate and severable. If a court of competent jurisdiction, all
16 appeals having been exhausted or all appeal periods having run, finds any
17 provision of this ordinance to be invalid or unenforceable as to any person or
18 circumstance, such offending provision shall, if feasible, be deemed to be
19 modified to be within the limits of enforceability or validity. However, if the
20 offending provision cannot be so modified, it shall be null and void with respect
21 to the particular person or circumstance, and all other provisions of this ordinance
22 in all other respects, and the offending provision with respect to all other persons
23 and all other circumstances, shall remain valid and enforceable.

24 **Section 26. Amendment to Section 25 of the Ordinance.** Section 25 of
25 Ordinance 121651 is renumbered as Section 20, and amended and restated as follows:

1 **Section ~~((25))~~20. Ratification of Prior Acts.** Any action taken
2 consistent with the authority of this ordinance, after its passage but prior to the
3 effective date(~~(of this ordinance, including, if applicable, but not limited to~~
4 ~~issuing requests for proposals for financing or underwriting services, executing~~
5 ~~engagement letters for financing or underwriting services based on responses to~~
6 ~~such requests, giving notices of the sale of Bonds, executing contracts or other~~
7 ~~documents, making fund transfers, and paying warrants)), is ratified, approved,~~
8 and confirmed.

9 **Section 27. Amendment to Section 26 of the Ordinance.** Section 26 of
10 Ordinance 121651 is renumbered as Section 21 and restated as follows.

11 **Section ~~((26))~~21. Headings.** The section headings in this ordinance are
12 used for convenience only and shall not constitute a substantive portion of this
13 ordinance.

14 **Section 28. Amendment to Section 27 of the Ordinance.** Section 27 of
15 Ordinance 121651 is renumbered as Section 22 and amended and restated as follows:

16 **Section ~~((27))~~22. Effective Date.** This ordinance shall take effect and be
17 in force 30 days (~~(from and))~~after its approval by the Mayor, but if not approved
18 and returned by the Mayor within (~~(40))~~ten days after presentation, it shall take
19 effect as provided by Seattle Municipal Code Section 1.04.020.

20 **Section 29. Exhibits.** Exhibit A to the Ordinance is replaced in its entirety, as set forth
21 in Exhibit A to this amendatory ordinance. A new Exhibit B is added to the Ordinance, as set
22 forth in Exhibit B to this amendatory ordinance.

23 **Section 30. Restatement of Ordinance.** Attached as Exhibit C is a restated
24 Ordinance that incorporates all of the amendments set forth in this amendatory ordinance. The
25 restated Ordinance attached as Exhibit C, and the section numberings used therein, may be
26

1 cited and used for all purposes as the definitive version of Ordinance 121651, as amended by
2 Ordinance 122286 and this ordinance.

3 **Section 31. Severability.** The provisions of this ordinance are declared to be separate
4 and severable. If a court of competent jurisdiction, all appeals having been exhausted or all
5 appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable
6 as to any person or circumstance, such offending provision shall, if feasible, be deemed to be
7 modified to be within the limits of enforceability or validity. However, if the offending
8 provision cannot be so modified, it shall be null and void with respect to the particular person
9 or circumstance, and all other provisions of this ordinance in all other respects, and the
10 offending provision with respect to all other persons and all other circumstances, shall remain
11 valid and enforceable.

12 **Section 32. Ratification of Prior Acts.** Any action taken consistent with the authority
13 of this ordinance, after its passage but prior to the effective date, is ratified, approved and
14 confirmed.

15 **Section 33. Section Headings.** The section headings in this ordinance are used for
16 convenience only and shall not constitute a substantive portion of this ordinance.

17 **Section 34. Effective Date.** This ordinance shall take effect and be in force 30 days
18 after its approval by the Mayor, but if not approved and returned by the Mayor within ten days
19 after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

1 Passed by the City Council the ____ day of _____, 2013, and signed by me in
2 open session in authentication of its passage this ____ day of _____, 2013.

3
4 _____
5 President _____ of the City Council

6
7 Approved by me this ____ day of _____, 2013.

8
9 _____
10 Michael McGinn, Mayor

11
12 Filed by me this ____ day of _____, 2013.

13
14 _____
15 Monica Martinez Simmons, City Clerk

16 (Seal)

17 Attachments:

18 Exhibit A Clean: Amended and Restated List of Refundable Bonds

19 Exhibit A: Amended and Restated List of Refundable Bonds (with strikethroughs and
20 insertions)

21 Exhibit B Clean: Form of Continuing Disclosure Undertaking

22 Exhibit B: Form of Continuing Disclosure Undertaking (with strikethroughs and insertions)

23 Exhibit C: Amended and Restated Ordinance 121651, as amended by Ordinance 122286 and
24 this ordinance (without strikethroughs and insertions)

EXHIBIT A

LTGO REFUNDABLE BONDS

Issue Name*	Dated Date	Original Par Amount	Outstanding Balance 6/15/2013	Bond Legislation
LTGO Bonds, 1998, Series E (Deferred Interest)	11/12/1998	\$85,500,000	\$4,019,133.20	Ord 119155 Res 29858 Res 29861
LTGO Refunding Bonds, 2004	5/24/2004	\$91,805,000	\$6,830,000	Ord 121414 Res 30675

UTGO REFUNDABLE BONDS

Issue Name*	Dated Date	Original Par Amount	Outstanding Balance 6/15/2013	Bond Legislation
UTGO Refunding Bonds, 1998, Series A	3/15/1998	\$53,865,000	\$1,030,000	Ord 118824 Res 29708

* LTGO – Limited Tax General Obligation Bonds
UTGO – Unlimited Tax General Obligation Bonds

EXHIBIT A

LTGO REFUNDABLE BONDS

Issue Name*	Dated Date	Original Par Amount	Outstanding Balance ((6/30/04)) 6/15/2013	Bond Legislation
((LTGO Refunding Bonds, 1993 (Fire)))	((2/01/1993))	(((\$ 785,000))	(((\$ 150,000))	((Ord 115111 Res 28688))
((LTGO Bonds, 1994))	((6/01/1994))	((15,850,000))	((125,000))	((Ord 117138 Res 28931))
((LTGO Bonds, 1995))	((12/01/1995))	((28,670,000))	((15,145,000))	((Ord 117901 Res 29261))
((LTGO Bonds, 1996, T A (Tax Exempt)))	((7/01/1996))	((97,740,000))	((8,330,000))	((Ord 117738, 118161, 118162, 118108, 118184 Res 29394))
((LTGO Bonds, 1996, Series C (Taxable Adjustable)))	((8/28/1996))	((57,520,000))	((5,595,000))	((Ord 117738, 118161, 118108, 118184 Res 29421))
((LTGO Bonds, 1996, Series D (Tax Exempt Adjustable)))	((10/06/1999 2/05/2003))	((51,925,000))	((51,925,000))	((Ord 117738, 118161, 118108, 118184 Res 29421))
((LTGO Bonds, 1997, Series A))	((2/01/1997))	((26,670,000))	((17,735,000))	((Ord 118423 Res 29522))
((LTGO Bonds, 1997, Series B))	((10/01/1997))	((7,725,000))	((1,235,000))	((Ord 118695 Res 29641))
((LTGO Refunding Bonds, 1998, Series B))	((3/15/1998))	((43,710,000))	((22,010,000))	((Ord 118824 Res 29708))
((LTGO Bonds, 1998, Series C))	((8/01/1998))	((6,210,000))	((1,140,000))	((Ord 118695 Res 29807))
LTGO Bonds, 1998, Series E (Deferred Interest)	11/12/1998	21,735,000	((15,986,056.50)) \$4,019,133.20	Ord 119155 Res 29858, 29861
((LTGO Bonds, 1998, Series F))	((11/01/1998))	((60,805,000))	((60,805,000))	((Ord 119155 Res 29858, 29861))
((LTGO Bonds, 1999, Series B (Various Purposes)))	((10/01/1999))	((85,500,000))	((70,075,000))	((Ord 118528, 119084, 119630 Res 30056))
((LTGO Bonds, 2001 (Various Purposes)))	((8/01/2001))	((129,670,000))	((117,935,000))	((Ord 119630, 120169, 120398 Res 30381))

Issue Name*	Dated Date	Original Par Amount	Outstanding Balance ((6/30/04) 6/15/2013	Bond Legislation
((LTGO Improvement and Refunding Bonds, 2002))	((1/01/2002))	((125,510,000))	((119,930,000))	((Ord 120646 Res 30438))
((LTGO Improvement and Refunding Bonds, 2002B))	((9/01/2002))	((64,560,000))	((62,760,000))	((Ord 120894 Res 30538))
((LTGO Improvement and Refunding Bonds, 2003))	((2/01/2003))	((60,855,000))	((60,855,000))	((Ord 120979 Res 30571))
LTGO Refunding Bonds, 2004	5/24/2004	91,805,000	((91,805,000)) 6,830,000	Ord 121414 Res 30675

*LTGO – Limited Tax General Obligation

UTGO REFUNDABLE BONDS

Issue Name*	Dated Date	Original Par Amount	Outstanding Balance ((6/30/04) 6/15/2013	Bond Legislation
((UTGO Bonds, 1968 (Fire Protection Facilities Stations and Shop), Series 1, and Sewer Improvement, Series 1))	((10/01/1968))	((8,700,000))	((2,095,000))	((Ord 96925, 96926 Res 21640))
UTGO Refunding Bonds, 1998, Series A	3/15/1998	53,865,000	((25,940,000)) \$1,030,000	Ord 118824 Res 29708
((UTGO Bonds, 1999, Series A (Library Facilities)))	((7/01/1999))	((100,000,000))	((86,875,000))	((Ord 119185 Res 29986))
((UTGO Improvement and Refunding Bonds, 2002))	((9/26/2002))	((117,025,000))	((110,080,000))	((Ord 119185, 120895 Res 30527, 30538))

*UTGO - Unlimited Tax General Obligation

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT B

FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

The City of Seattle, Washington (the “City”) makes the following written Undertaking for the benefit of the Owners of the City’s [Limited/Unlimited] Tax General Obligation Refunding Bonds, [Year/Series Designation] (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 [Ordinance ___ and Resolution ___] (together, the “Bond Legislation”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The City 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 subsection (b) of this section (“annual financial information”);

(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; (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 City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City 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 City to provide required annual financial information on or before the date specified in subsection (b) of this section.

1 (b) Type of Annual Financial Information Undertaken to be Provided. The annual
financial information that the City undertakes to provide in subsection (a) of this section:

2 (i) Shall consist of (1) annual financial statements of the City prepared in
3 accordance with generally accepted accounting principles applicable to governmental units
4 (except as otherwise noted herein), as such principles may be changed from time to time and as
5 permitted by State law, which financial statements will not be audited, except, that if and when
6 audited financial statements are otherwise prepared and available to the City they will be
7 provided; (2) a statement of authorized, issued and outstanding general obligation debt of the
City; (3) the assessed value of the property within the City subject to ad valorem taxation; and
(4) ad valorem tax levy rates and amounts and percentages of taxes collected;

8 (ii) Shall be provided not later than the last day of the ninth month after the
9 end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal
year may be changed as required or permitted by State law, commencing with the City's fiscal
year ending [December 31, 20__]; and

10 (iii) May be provided in a single or multiple documents, and may be
11 incorporated by specific reference to documents available to the public on the Internet website
12 of the MSRB or filed with the SEC.

13 (c) Amendment of Undertaking. The Undertaking is subject to amendment after the
14 primary offering of the Bonds without the consent of any holder of any Bond, or of any broker,
15 dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB,
under the circumstances and in the manner permitted by Rule 15c2-12. The City will give
16 notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking
17 and a brief statement of the reasons for the amendment. If the amendment changes the type of
18 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.

19 (d) Beneficiaries. The Undertaking evidenced by this section shall inure to the
20 benefit of the City and any Beneficial Owner of Bonds, and shall not inure to the benefit of or
create any rights in any other person.

21 (e) Termination of Undertaking. The City's obligations under this Undertaking
22 shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the
23 outstanding Bonds. In addition, the City's obligations under this Undertaking shall terminate if
24 those provisions of Rule 15c2-12 which require the City to comply with this Undertaking
25 become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion
26 of nationally recognized bond counsel or other counsel familiar with federal securities laws
delivered to the City, and the City provides timely notice of such termination to the MSRB.

1 (f) Remedy for Failure to Comply with Undertaking. As soon as practicable after
2 the City learns of any failure to comply with the Undertaking, the City will proceed with due
3 diligence to cause such noncompliance to be corrected. No failure by the City or other
4 obligated person to comply with the Undertaking shall constitute a default in respect of the
5 Bonds. The sole remedy of any Owner of a Bond shall be to take such actions as that Owner
6 deems necessary, including seeking an order of specific performance from an appropriate
7 court, to compel the City or other obligated person to comply with the Undertaking.

8 (g) Designation of Official Responsible to Administer Undertaking. The Director
9 of Finance of the City (or such other officer of the City who may in the future perform the
10 duties of that office) or his or her designee is the person designated, in accordance with the
11 Bond Legislation, to carry out the Undertaking of the City in respect of the Bonds set forth in
12 this section and in accordance with Rule 15c2-12, including, without limitation, the following
13 actions:

14 (i) Preparing and filing the annual financial information undertaken to be
15 provided;

16 (ii) Determining whether any event specified in subsection (a) has occurred,
17 assessing its materiality, where necessary, with respect to the Bonds, and preparing and
18 disseminating any required notice of its occurrence;

19 (iii) Determining whether any person other than the City is an “obligated
20 person” within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from
21 such person an undertaking to provide any annual financial information and notice of listed
22 events for that person in accordance with Rule 15c2-12;

23 (iv) Selecting, engaging and compensating designated agents and
24 consultants, including but not limited to financial advisors and legal counsel, to assist and
25 advise the City in carrying out the Undertaking; and

26 (v) Effecting any necessary amendment of the Undertaking.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT B
FORM OF UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

The City of Seattle, Washington (the “City”) makes the following written Undertaking for the benefit of the Owners of the City’s [Limited/Unlimited] Tax General Obligation Refunding Bonds, [Year/Series Designation] (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 [Ordinance ____ and Resolution ____] (together, the “Bond Legislation”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The City 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 subsection (b) of this section (“annual financial information”);

(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; (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 City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City 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 City to provide required annual financial information on or before the date specified in subsection (b) of this section.

1 (b) Type of Annual Financial Information Undertaken to be Provided. The annual
2 financial information that the City undertakes to provide in subsection (a) of this section:

3 (i) Shall consist of (1) annual financial statements of the City prepared in
4 accordance with generally accepted accounting principles applicable to governmental units
5 (except as otherwise noted herein), as such principles may be changed from time to time and as
6 permitted by State law, which financial statements will not be audited, except, that if and when
7 audited financial statements are otherwise prepared and available to the City they will be
8 provided; (2) a statement of authorized, issued and outstanding general obligation debt of the
9 City; (3) the assessed value of the property within the City subject to ad valorem taxation; and
10 (4) ad valorem tax levy rates and amounts and percentages of taxes collected;

11 (ii) Shall be provided not later than the last day of the ninth month after the
12 end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal
13 year may be changed as required or permitted by State law, commencing with the City's fiscal
14 year ending [December 31, 20]; and

15 (iii) May be provided in a single or multiple documents, and may be
16 incorporated by specific reference to documents available to the public on the Internet website
17 of the MSRB or filed with the SEC.

18 (c) Amendment of Undertaking. The Undertaking is subject to amendment after the
19 primary offering of the Bonds without the consent of any holder of any Bond, or of any broker,
20 dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB,
21 under the circumstances and in the manner permitted by Rule 15c2-12. The City will give
22 notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking
23 and a brief statement of the reasons for the amendment. If the amendment changes the type of
24 annual financial information to be provided, the annual financial information containing the
25 amended financial information will include a narrative explanation of the effect of that change
26 on the type of information to be provided.

27 (d) Beneficiaries. The Undertaking evidenced by this section shall inure to the
28 benefit of the City and any Beneficial Owner of Bonds, and shall not inure to the benefit of or
create any rights in any other person.

(e) Termination of Undertaking. The City's obligations under this Undertaking
shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the
outstanding Bonds. In addition, the City's obligations under this Undertaking shall terminate if
those provisions of Rule 15c2-12 which require the City to comply with this Undertaking
become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion
of nationally recognized bond counsel or other counsel familiar with federal securities laws
delivered to the City, and the City provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Undertaking. As soon as practicable after
the City learns of any failure to comply with the Undertaking, the City will proceed with due

1 diligence to cause such noncompliance to be corrected. No failure by the City or other
2 obligated person to comply with the Undertaking shall constitute a default in respect of the
3 Bonds. The sole remedy of any Owner of a Bond shall be to take such actions as that Owner
4 deems necessary, including seeking an order of specific performance from an appropriate
5 court, to compel the City or other obligated person to comply with the Undertaking.

6 (g) Designation of Official Responsible to Administer Undertaking. The Director
7 of Finance of the City (or such other officer of the City who may in the future perform the
8 duties of that office) or his or her designee is the person designated, in accordance with the
9 Bond Legislation, to carry out the Undertaking of the City in respect of the Bonds set forth in
10 this section and in accordance with Rule 15c2-12, including, without limitation, the following
11 actions:

12 (i) Preparing and filing the annual financial information undertaken to be
13 provided;

14 (ii) Determining whether any event specified in subsection (a) has occurred,
15 assessing its materiality, where necessary, with respect to the Bonds, and preparing and
16 disseminating any required notice of its occurrence;

17 (iii) Determining whether any person other than the City is an “obligated
18 person” within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from
19 such person an undertaking to provide any annual financial information and notice of listed
20 events for that person in accordance with Rule 15c2-12;

21 (iv) Selecting, engaging and compensating designated agents and
22 consultants, including but not limited to financial advisors and legal counsel, to assist and
23 advise the City in carrying out the Undertaking; and

24 (v) Effecting any necessary amendment of the Undertaking.

EXHIBIT C

**AMENDED AND RESTATED
ORDINANCE 121651
(as amended by Ordinance 122286 and Ordinance _____)**

Section 1. Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings:

“Acquired Obligations” means Government Obligations maturing or having guaranteed redemption prices at the option of the holder at such time or times as may be required to provide funds sufficient to carry out the Refunding Plan, and satisfying the requirements of the Refunded Bond Legislation that authorized the Refunded Bonds included in that Refunding Plan. Acquired Obligations may include, but are not limited to, United States Treasury Certificates of Indebtedness, Notes, and Bonds – State and Local Government Series, and other direct, noncallable obligations of the United States of America .

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

“Beneficial Owner” means, with regard to a Bond, the owner of any beneficial interest in that Bond.

“Bond Counsel” means a lawyer or a firm of lawyers, selected by the City, of nationally recognized standing in matters pertaining to bonds issued by states and their political subdivisions.

“Bond Fund” means the City’s General Bond Interest and Redemption Fund, previously created by Ordinance 112112 and established and to be used for the payment of the principal of, premium, if any, and interest on the Bonds.

“Bond Purchase Contract” means a written offer to purchase a Series of the Bonds, which offer has been accepted by the City in accordance with this

ordinance. In the case of a competitive sale, the official notice of sale, the Purchaser's bid and the award by the City shall comprise the offer and the award by the City in accordance with this ordinance shall be deemed the acceptance of that offer for purposes of this ordinance.

"Bond Register" means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

"Bond Registrar" or **"Registrar"** means the Fiscal Agent of the State of Washington (unless the Bond Resolution provides for a different Bond Registrar with respect to a particular Series of the Bonds), or any successor bond registrar selected in accordance with the Registration Ordinance.

"Bond Resolution" means a resolution of the City Council adopted pursuant to this ordinance approving the Bond Sale Terms and taking other actions consistent with this ordinance.

"Bond 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 set forth in Section 4 of this ordinance.

"Bonds" means the LTGO Refunding Bonds and the UTGO Refunding Bonds, issued pursuant to this ordinance.

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

"City Council" means the City Council of the City, as duly and regularly constituted from time to time.

“**Code**” means the Internal Revenue Code of 1986, or any successor thereto, as it has been and may be amended from time to time, and regulations thereunder.

“**Director of Finance**” means the Director of the Finance Division of the Department of Finance and Administrative Services of the City, or any other officer who succeeds to substantially all of the responsibilities of that office.

“**DTC**” means The Depository Trust Company, New York, New York.

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

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

“**Issue Date**” means, with respect to a Bond, the date, as determined by the Director of Finance, on which that Bond is issued and delivered to the Purchaser in exchange for its purchase price.

“**Letter of Representations**” means the Blanket Issuer Letter of Representations between the City and DTC dated October 4, 2006, as it may be amended from time to time, or an agreement with a substitute or successor Securities Depository.

“**LTGO Refundable Bonds**” means those outstanding limited tax general obligation bonds of the City listed in Exhibit A hereto, and all other limited tax general obligation bonds of the City that the City has designated as Refundable Bonds.

“**LTGO Refunded Bonds**” means those LTGO Refundable Bonds identified in a Refunding Plan in accordance with this ordinance.

“**LTGO Refunding Bonds**” means all limited tax general obligation refunding bonds issued pursuant to this ordinance.

“MSRB” means the Municipal Securities Rulemaking Board.

“Owner” means, without distinction, the Registered Owner and the Beneficial Owner of a Bond.

“Purchaser” means the entity or entities who have been selected in accordance with this ordinance to serve as underwriter, purchaser or successful bidder in a sale of any Series of the Bonds.

“Rating Agency” means any nationally recognized rating agency then maintaining a rating on a Series of the Bonds at the request of the City.

“Record Date” means, unless otherwise defined in the Bond Resolution, in the case of each interest or principal payment or redemption date, the Bond Registrar’s close of business on the 15th day of the month preceding the interest or principal payment date. With regard to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the day prior to the date on which the Bond Registrar sends the notice of redemption.

“Refundable Bonds” means the LTGO Refundable Bonds and the UTGO Refundable Bonds.

“Refunded Bond Legislation” means the ordinances and resolutions (including any amendatory or supplemental ordinances and resolutions, pursuant to which Refunded Bonds were issued.

“Refunded Bonds” means the LTGO Refunded Bonds and UTGO Refunded Bonds.

“Refunding Plan” means the plan approved in a Bond Resolution to issue a Series of the Bonds, and to apply the proceeds of the sale of such Series and any other available money included in the plan, to redeem, or to defease and redeem, those Refundable Bonds identified in the plan.

“Refunding Trust Agreement” means, with respect to each Series of Bonds, a refunding trust or escrow agreement, dated as of the Issue Date of such Series, between the City and a Refunding Trustee and providing for the irrevocable deposit of Bond proceeds and other available money of the City, to be used to carry out a Refunding Plan.

“Refunding Trustee” means either the Director of Finance, or a financial institution selected by the Director of Finance to serve as refunding trustee or escrow agent under a Refunding Trust Agreement.

“Registered Owner” means, with regard to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the City uses a book-entry only system under the Letter of Representations, the Registered Owner shall mean the Securities Depository.

“Registration Ordinance” means City Ordinance 111724 establishing a system of registration for the City’s bonds and other obligations pursuant to Seattle Municipal Code Chapter 5.10, as that chapter now exists or may hereafter be amended.

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

“SEC” means the United States Securities and Exchange Commission.

“Securities Depository” means DTC, any successor thereto, any substitute securities depository selected by the City, or the nominee of any of the foregoing. Any successor or substitute Securities Depository must be qualified under applicable laws and regulations to provide the services proposed to be provided by it.

“Series of the Bonds” or **“Series”** means a series of the Bonds issued pursuant to this ordinance.

“Tax Credit Subsidy Bond” means any Bond that is designated by the City as a tax credit bond pursuant to the Code, and which is further designated as a “qualified bond” under Section 6431 or similar provision of the Code, and with respect to which the City is eligible to receive a tax credit subsidy payment.

“Tax Credit Subsidy Payment” means a payment by the federal government with respect to a Tax Credit Subsidy Bond.

“Tax-Exempt Bond” means any Bond, the interest on which is intended on the Issue Date to be excluded from gross income for federal income tax purposes.

“Term Bond” means any Bond that is issued subject to mandatory redemption prior to its maturity in periodic mandatory redemption payments in accordance with Section 7(b) of this ordinance.

“Undertaking” means the undertaking to provide continuing disclosure entered into pursuant to Section 14(c) of this ordinance, in substantially the form attached as Exhibit B.

“UTGO Refundable Bonds” means those outstanding unlimited tax general obligation bonds of the City listed in Exhibit A hereto, and all other unlimited tax general obligation bonds of the City that the City has designated as Refundable Bonds.

“UTGO Refunded Bonds” means those UTGO Refundable Bonds identified in a Refunding Plan in accordance with this ordinance.

“UTGO Refunding Bonds” means all unlimited tax general obligation refunding bonds issued pursuant to this ordinance.

Section 2. Authorization of Bonds. The City is authorized to borrow money on the credit of the City and issue general obligation Bonds evidencing that indebtedness in an aggregate principal amount not to exceed the amounts

stated in Section 4 of this ordinance to carry out one or more Refunding Plans, including paying the administrative costs of carrying out each such Refunding Plan; to pay the costs of issuance of the Bonds; and for other City purposes approved by ordinance. The Bonds shall be designated limited or unlimited tax general obligation bonds, as appropriate, and shall be numbered separately and shall have any name, year and series or other label as deemed necessary or appropriate by the Director of Finance.

Section 3. Manner of Sale of Bonds. At least 10 days before the date selected by the Director of Finance for the sale of a Series of the Bonds pursuant to this ordinance, the Director of Finance shall notify the President of the City Council, in writing, of the Director of Finance's determination that the issuance and sale of the Series to carry out the associated Refunding Plan is consistent with the then-current financial policies of the City. The notice shall set forth the reasons for the Director of Finance's determination. Upon giving such notice, the Director of Finance may provide for the sale of each such Series by public sale or by a negotiated sale, limited offering or private placement with one or more Purchasers chosen through a selection process acceptable to the Director of Finance. The City Council's adoption of the Bond Resolution shall be conclusive evidence that proper notice was provided to the President of the City Council.

The Director of Finance is authorized to specify a date and time of sale of and a date and time for delivery of each Series of the Bonds; to give notice of that sale; to determine any bid parameters or other bid requirements and criteria for determining the award of the bid; to provide for the use of an electronic bidding mechanism; and to specify other matters in his or her determination necessary, appropriate, or desirable to carry out the sale of each Series of the Bonds. Each

Series of the Bonds must be sold on Bond Sale Terms in accordance with Section 4 of this ordinance.

Section 4. Bond Sale Terms; Bond Resolution. The Director of Finance is appointed to serve as the City's designated representative in connection with the issuance and sale of the Bonds in accordance with RCW 39.46.040(2) and this ordinance. The Director of Finance is authorized to accept, on behalf of the City, an offer to purchase the Bonds on Bond Sale Terms consistent with the parameters set forth in this section. No such acceptance shall be effective until adoption of a Bond Resolution approving the Bond Sale Terms. Once adopted the Bond Resolution shall be deemed a part of this ordinance as if set forth herein.

(a) Maximum Principal Amount. The Bonds may be issued in one or more Series and may be combined with other general obligation bonds authorized separately. The aggregate principal amount of the Bonds shall not exceed the following:

- (i) LTGO Refunding Bonds.** The aggregate principal amount of the LTGO Refunding Bonds allocated to each Refunding Plan shall not exceed 125% of the stated principal amount of those Refundable Bonds selected for refunding in that Refunding Plan.
- (ii) UTGO Refunding Bonds.** The aggregate principal amount of the UTGO Refunding Bonds allocated to each Refunding Plan shall not exceed the amount permitted by RCW 39.53.090, as it may be amended from time to time.

(b) Date or Dates. Each Bond shall be dated its Issue Date, which shall be determined by the Director of Finance.

(c) Denominations. The Bonds shall be issued in Authorized Denominations.

(d) Interest Rate(s); Payment Dates. Each Bond shall bear interest from the Issue Date or from the most recent date for which interest has been paid or

duly provided for, whichever is later, and shall be payable on dates determined by the Director of Finance. One or more rates of interest shall be established for each maturity of each Series of the Bonds, which rate or rates may be fixed or variable. Fixed interest rates shall be computed on the basis of a 360-day year of twelve 30-day months and the net interest cost shall not exceed a weighted average rate of 10% per annum. Principal payments shall commence on a date and shall be payable at maturity or in mandatory redemption installments on dates determined by the Director of Finance.

(e) **Final Maturity.** The final maturity of any Series of Bonds shall be determined by the Director of Finance, consistent with RCW 39.53.090, as it may be amended.

(f) **Redemption Rights.** The Bond Sale Terms may include provisions for the optional and mandatory redemption of Bonds determined by the Director of Finance, subject to the following:

(i) **Optional Redemption.** Any Bond may be designated as being (A) subject to redemption at the option of the City prior to its maturity date on the dates and at the redemption 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.

(ii) **Mandatory Redemption.** Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity, consistent with Section 7(b) of this ordinance.

(g) **Price.** The purchase price for each Series of the Bonds shall be acceptable to the Director of Finance.

(h) **Other Terms and Conditions.**

(i) A Series of the Bonds may not be issued unless the Bond Resolution with respect to that Series sets forth a Refunding Plan and includes the findings that:

- (A) The Refunding Plan (1) will pay or discharge the City's obligations with respect to Refundable Bonds that are in arrears or about to become due, and for which sufficient funds are not available; (2) is necessary or in the best interest of the City to modify debt service requirements, sources of payment covenants or other terms of the Refunded Bonds; or (3) will effect a savings to the City, giving consideration to the fixed maturities of the Series to be issued and of the Refunded Bonds, the costs of issuance of that Series and the known earned income from the investment of the sale proceeds and other money of the City used in the Refunding Plan; and
 - (B) the irrevocable deposit of money and securities with the Refunding Trustee in accordance with the Refunding Plan will discharge and satisfy the obligations of the City as to the Refunded Bonds, including all pledges, charges, trusts, covenants and agreements under the Refunded Bond Legislation, and immediately upon such deposit, the Refunded Bonds will no longer be deemed to be outstanding under the Refunded Bond Legislation.
- (ii) The Bond Sale Terms for any Series may provide for bond insurance or other credit enhancement, or for interest rate swaps, caps, floors or other similar hedging devices and to that end may accept such additional terms, conditions and covenants as may be necessary or desirable, including but not limited to restrictions on investment of Bond proceeds or pledged funds, and requirements to give notice to or obtain the consent of a bond insurer or a counterparty to a swap, cap, floor or other hedging device.
 - (iii) The Bond Sale Terms for each Series of the Bonds may include such additional terms and covenants relating to federal tax consequences of the designation of that Series as Tax-Exempt Bonds or Tax Credit Subsidy Bonds (or any other similar designation or qualification under the Code) as the Director of Finance deems necessary or appropriate.

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

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

(b) Bond Registrar; Transfer and Exchange of Bonds. 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 City at all times. The Bond Register shall contain the name and mailing address of the Registered Owner of each Bond and the principal amount and number of each of the Bonds held by each Registered Owner.

The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance and the City's Registration Ordinance.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's certificate of authentication on the Bonds. The Bond Registrar may become either a Registered or Beneficial Owner of Bonds 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 Beneficial Owners.

Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same Series, interest rate and maturity. Bonds 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 or transfer any Bond during the period between the Record Date and the corresponding interest payment or redemption date.

(c) Securities Depository; Book-Entry Form. The Bonds initially shall be registered in the name of the Securities Depository. The Bonds so registered

shall be held fully immobilized in book-entry form by the Securities Depository in accordance with the provisions of the Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to participants of the Securities Depository or the persons for whom they act as nominees with respect to the Bonds regarding accuracy of any records maintained by the Securities Depository or its participants of any amount in respect of principal of or interest on the Bonds, or any notice which is permitted or required to be given to Registered Owners and/or Beneficial Owners hereunder (except such notice as is required to be given by the Bond Registrar to the Securities Depository). Registered ownership of a Bond initially held in book-entry form, or any portion thereof, may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the City or such substitute Securities Depository's successor; or (iii) to any person if the Bond is no longer held in book-entry form.

Upon the resignation of the Securities Depository from its functions as depository, or upon a City determination to discontinue services of the Securities Depository, the City may appoint a substitute Securities Depository. If (i) the Securities Depository resigns from its functions as depository, and no substitute Securities Depository can be obtained, or (ii) the City determines that the Bonds are to be in certificated form, then ownership of Bonds may be transferred to any person as provided herein and the Bonds no longer shall be held in book-entry form.

Section 6. Payment of Bonds. Principal of, premium, if any, and interest on the Bonds 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 City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received at least ten days 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 7. Redemption and Purchase of Bonds.

(a) Optional Redemption. All or some of the Bonds may be subject to redemption prior to their stated maturity dates at the option of the City at the times and on the terms approved in accordance with Section 4 of this ordinance.

(b) Mandatory Redemption. If not redeemed or purchased at the City's option prior to maturity, Term Bonds (if any) shall be redeemed, at a price equal to the principal amount thereof to be redeemed plus accrued interest on the dates and in the years and principal amounts as set forth in the Bond Resolution. If the City redeems or purchases Term Bonds at the City's option prior to maturity, the Term Bonds so redeemed or purchased (irrespective of their redemption or purchase prices) shall be credited at the par amount thereof against the remaining mandatory redemption requirements as determined by the Director of Finance. In the absence of a determination by the Director of Finance or other direction in the Bond Resolution, credit shall be allocated on a pro-rata basis.

(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 City, the

Director of Finance shall select the Series and maturity or 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) Purchase. The City reserves the right and option to purchase any or all of the Bonds at any time at any price acceptable to the City plus accrued interest to the date of purchase.

(e) Bonds to be Canceled. All Bonds purchased or redeemed under this section shall be canceled.

Section 8. Notice of Redemption. The City shall cause notice of any intended redemption of Bonds to be given 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 of any Bond to be redeemed at the address appearing on the Bond Register on the Record Date, and the requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the Registered Owner of any Bond. Interest on Bonds called for redemption shall cease to accrue on the date fixed for

redemption unless the Bond or Bonds called are not redeemed when presented pursuant to the call.

In the case of an optional redemption, the notice may state that the City retains the right to rescind the redemption notice and the related optional redemption of bonds 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 rescinded by the Director of Finance shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

Section 9. Failure to Pay Bonds. If any Bond is not paid when properly presented at its maturity or call date, the City shall be obligated to pay interest on that Bond at the same rate provided in that Bond from and after its maturity or call date until that Bond, principal, premium, if any, and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund and that Bond has been called for payment by giving notice of that call to the Registered Owner of that Bond.

Section 10. Form and Execution of Bonds. The Bonds shall be typed, printed, or reproduced in a form consistent with the provisions of this ordinance, the Bond Resolution, and State law; shall be signed by the Mayor and Director of Finance, either or both of whose signatures may be manual or in facsimile; and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon.

Only Bonds bearing a certificate of authentication in substantially the following form (with the designation, year, and Series of the Bonds adjusted consistent with this ordinance), manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance:

“This Bond is one of the fully registered The City of Seattle, Washington, [Limited/Unlimited] Tax General Obligation Refunding Bonds, [Year] [Series], described in Ordinance 121651, as amended.” 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 ordinance.

If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated or delivered by the Bond Registrar or issued by the City, that Bond nevertheless may be authenticated, delivered, and issued and, when authenticated, issued, and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

Section 11. Pledge of Taxes. For so long as any of the LTGO Refunding Bonds are outstanding, the City irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City on all of the taxable property within the City in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the LTGO Refunding Bonds, and the full faith, credit, and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

For so long as any of the UTGO Refunding Bonds are outstanding, the City irrevocably pledges to include in its budget and levy taxes annually without limitation as to rate or amount on all of the taxable property within the City in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the UTGO Refunding Bonds, and the full faith, credit, and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 12. Refunding or Defeasance of the Bonds. The Bonds are hereby designated “Refundable Bonds” for purposes of this ordinance, as it may be amended from time to time. The City may issue refunding bonds pursuant to the laws of the State or use money available from any other lawful source to pay when due the principal of, premium, if any, and interest on any Bond, or portion thereof, included in a refunding or defeasance plan, and to redeem and retire, release, refund, or defease those Bonds (the “defeased Bonds”) and to pay the costs of such refunding or defeasance. If money and/or Government Obligations maturing at a time or times and in an amount sufficient, together with known earned income from the investment thereof, to redeem and retire, release, refund, or defease the defeased Bonds in accordance with their terms, are set aside in a special trust fund or escrow account irrevocably pledged to such redemption, retirement, or defeasance (the “trust account”), then all right and interest of the owners of the defeased Bonds in the covenants of this ordinance and in the funds and accounts pledged to the payment of such defeased Bonds, other than the right to receive the funds so set aside and pledged, thereafter shall cease and become void. Such owners thereafter shall have the right to receive payment of the principal of and interest or redemption price on the defeased Bonds from the trust

account. After establishing and fully funding such a trust account, the defeased Bonds shall be deemed as no longer outstanding, and the Director of Finance then may apply any money in any other fund or account established for the payment or redemption of the defeased Bonds to any lawful purposes. Notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner set forth in this ordinance for the redemption of Bonds.

Section 13. Provisions Relating to Certain Federal Tax Consequences of the Bonds.

(a) **Tax-Exempt Bonds.** The City covenants that it will take all actions, consistent with the terms of any Series of Tax-Exempt Bonds, this ordinance, and the Bond Resolution, reasonably within its power and necessary to prevent interest on those Tax-Exempt Bonds from being included in gross income for federal income tax purposes, and the City will neither take any action nor make or permit any use of proceeds of such Tax-Exempt Bonds or other funds of the City treated as gross proceeds of the Tax-Exempt Bonds at any time during the term of the Tax-Exempt Bonds which will cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to any Tax-Exempt Bonds, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Tax-Exempt Bonds, including the calculation and payment of any penalties that the City has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on such Tax-Exempt Bonds from being included in gross income for federal income tax purposes.

(b) Tax-Credit Subsidy Bonds or other Taxable Bonds. The Director of Finance may, without further action by the Council, make provision in the Bonds or other written document for such additional covenants of the City as may be necessary or appropriate in order for the City to receive from the United States Treasury the applicable federal credit payments in respect of any Series of the Bonds issued as Tax Credit Subsidy Bonds or otherwise become and remain eligible for tax benefits under the Code.

Section 14. Official Statement; Continuing Disclosure.

(a) Preliminary Official Statement. The Director of Finance and other appropriate City officials are directed to cause the preparation of and review the form of a preliminary official statement in connection with each sale of one or more Series of the Bonds to the public. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, the Director of Finance 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 City approves the distribution to potential purchasers of the Bonds of a preliminary official statement that has been deemed final in accordance with this subsection.

(b) Final Official Statement. The City approves the preparation of a final official statement for each sale of one or more Series of the Bonds to be sold to the public in the form of the preliminary official statement with such modifications and amendments as the Director of Finance deems necessary or desirable, and further authorizes the Director of Finance to execute and deliver such final official statement to the Purchaser. The City authorizes and approves the distribution by the Purchaser of that final official statement to purchasers and potential purchasers of the Bonds.

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

Section 15. Deposit and Use of Proceeds. Unless provided otherwise in the Bond Resolution, the principal proceeds and premium, if any received from the sale of each Series of the Bonds, in the amount necessary to carry out the Refunding Plan (including payment of costs of issuance and administrative costs of carrying out the refunding) approved in connection with such Series, shall be deposited with the Refunding Trustee and used in accordance with the provisions of Section 16 of this ordinance to discharge the obligations of the City relating to the Refunded Bonds. The Director of Finance may incur, account for and use the principal proceeds, accrued interest (if any) and any premium to pay for, non-cash costs of issuance that are not included as part of the bond proceeds and premium, including but not limited to any underwriters' discount.

To the extent not necessary to carry out the Refunding Plan, any accrued interest and net premium received from the sale of a Series of the Bonds shall be paid into the Bond Fund prior to the first debt service payment date with respect to that Series. Unless otherwise directed in the Bond Resolution, the Director of Finance shall determine the amount, if any, from such proceeds, accrued interest or premium to be deposited into specified funds, subfunds, accounts and subaccounts. Any such proceeds, accrued interest or premium remaining after the costs of issuance and the administrative costs of the Refunding Plan have been paid (or after the City Council has determined that the expenditure of such amounts for those purposes is no longer necessary or appropriate), the Director of

Finance use any remaining proceeds of a Series of the Bonds, including interest earnings thereon, to pay principal of and interest on that Series of the Bonds or for any other purposes approved by ordinance.

Section 16. The Refunding Plan.

(a) Approval of Refunding Plan; Appointment of Refunding Trustee.

The Bond Resolution shall approve a Refunding Plan for each Series of the Bonds, which shall provide for the issuance of the Series of Bonds, shall identify the Refundable Bonds to be refunded, shall allocate the Bonds among the various Refunded Bonds, shall describe the method for carrying out the refunding of the Refunded Bonds, and shall appoint the Refunding Trustee. The Refunding Plan shall be carried out, and proceeds of the Bonds shall be applied, in accordance with this ordinance, the respective Refunded Bond Legislation, the Bond Resolution and the laws of the State.

(b) Acquisition of Acquired Obligations. To the extent practicable, the Refunding Plan shall provide for the Refunding Trustee's purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amounts required to be paid by the Refunding Plan. The Acquired Obligations shall be listed and more particularly described in a schedule attached to the Refunding Trust Agreement, but are subject to substitution as set forth in subsection (c) below.

(c) Substitution of Acquired Obligations. The City reserves the right at any time to substitute cash or Government Obligations for the Acquired Obligations if the City obtains a verification by a nationally recognized independent certified public accounting firm reasonably acceptable to the Refunding Trustee confirming that the payments of principal of and interest on

the substitute Government Obligations, if paid when due, together with the cash to be held by the Refunding Trustee, will be sufficient to carry out the Refunding Plan. If the applicable Series of the Bonds (or the Refunded Bonds) were issued as Tax-Exempt Bonds, then prior to such substitution, the City must also obtain an opinion from Bond Counsel to the effect that the disposition and substitution or purchase of such securities will not cause the interest on the applicable Series of the Bonds (or of the Refunded Bonds) issued as Tax-Exempt Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the Series of the Bonds. Any surplus money resulting from the sale, transfer, other disposition or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and may be used for any lawful City purpose.

(d) Refunding Trust Agreement. In connection with each Series of the Bonds, the Director of Finance is authorized to execute a Refunding Trust Agreement with a Refunding Trustee, setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with carrying out the Refunding Plan. Each Refunding Trust Agreement shall, among other things, authorize and direct the Refunding Trustee to use the money deposited with it to purchase the Acquired Obligations (or substitute obligations) and to apply such money along with the maturing principal of and interest on such obligations to make the payments required to be made by the Refunding Plan . The money deposited with the Refunding Trustee, including the Acquired Obligations and any investment earnings, shall be held irrevocably, invested and applied in accordance with the provisions of the respective Refunded Bond Legislation, this ordinance, the Bond Resolution, chapter 39.53 RCW and other applicable State

law. All administrative costs (including without limitation, all necessary and proper fees, compensation and expenses of the Refunding Trustee and all other costs incidental to the setting up of the escrow to accomplish the Refunding Plan) and costs of issuance may, in the discretion of the Director of Finance, be paid out of the amounts deposited with the Refunding Trustee or other available money of the City.

Section 17. Redemption of the Refunded Bonds. The City may in the Bond Resolution call, or authorize the Director of Finance to call, the Refunded Bonds for redemption. Such call for redemption of the Refunded Bonds shall identify the Refunded Bonds, call dates and redemption prices (expressed as a percentage of the stated principal amount, plus accrued interest), and shall be irrevocable after the Issue Date of the applicable Series of the Bonds. The dates on which the Refunded Bonds are to be called for redemption shall be, in the judgment of the Director of Finance, the earliest practical dates on which those bonds may be called for redemption. The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required pursuant to the Refunded Bond Legislation, in order to carry out the Refunding Plan.

Section 18. General Authorization. In addition to the specific authorizations in this ordinance, the Mayor and the Director of Finance and each of the other appropriate officers of the City are each authorized and directed to do everything as in his or her judgment may be necessary, appropriate, or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance. In particular, and without limitation the foregoing:

(a) the Director of Finance may, in his or her discretion and without further action by the City Council, (i) issue requests for proposals for underwriting or financing facilities and execute engagement letters with underwriters, bond insurers or other financial institutions based on responses to such requests, (ii) change the Bond Registrar or Securities Depository for the Bonds; and (iii) take such actions on behalf of the City as are necessary or appropriate for the City to designate, qualify or maintain the tax-exempt treatment with respect to any Series issued as Tax-Exempt Bonds, to receive from the United States Treasury the applicable federal credit payments in respect of any Series issued as Tax-Credit Subsidy Bonds and to otherwise receive any other federal tax benefits relating to the Bonds that are available to the City; and

(b) each of the Mayor and the Director of Finance is separately authorized to execute and deliver (i) any and all contracts or other documents as are consistent with this ordinance and for which the City's approval is necessary or to which the City is a party (including but not limited to agreements with escrow agents, refunding trustees, liquidity or credit support providers, bond insurers, remarketing agents, underwriters, lenders, fiscal agents, counterparties to interest rate swap, cap, floor, or similar agreements, custodians, and the Bond Registrar); and (ii) such other contracts or documents incidental to the issuance and sale of a Series of the Bonds; the establishment of the initial interest rate or rates on a Bond; or the tender, purchase, remarketing, or redemption of a Bond, as may in his or her judgment be necessary or appropriate.

Section 19. Severability. The provisions of this ordinance 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 ordinance 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 ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 20. Ratification of Prior Acts. Any action taken consistent with the authority of this ordinance, after its passage but prior to the effective date, is ratified, approved, and confirmed.

Section 21. Headings. The section headings in this ordinance are used for convenience only and shall not constitute a substantive portion of this ordinance.

Section 22. Effective Date. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

- Exhibit A – Amended and Restated List of Refundable Bonds
- Exhibit B – Form of Continuing Disclosure Undertaking

2014 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Finance and Administrative Services (FAS)	Michael Van Dyck/4-8347	Hall Walker/3-7065

Legislation Title:

AN ORDINANCE relating to contracting indebtedness; amending Ordinance 121651, as amended by Ordinance 122286, to conform Ordinance 121651 to reflect changes recently made by the City to update its standard form of general obligation bond ordinances; and ratifying and confirming certain prior acts.

Summary and background of the Legislation:

Ordinance 121651 authorizes the City to refund (refinance) General Obligation bonds in order to capture interest rate savings. The attached legislation amends that ordinance to conform to the City's other current bond ordinances (which were revised this year to address recent statutory changes).

When market interest rates fall, substantial savings may be realized if the City can act quickly to refund (refinance) its outstanding bonds. Over the past 10 years, the City and its utilities have saved over \$300 million through such strategic refundings. When a refunding opportunity emerges, there may not be sufficient time for the City to follow its normal process of drafting, reviewing, and adopting an authorizing ordinance. The attached legislation authorizes the City to refund any of its outstanding general obligation bonds under certain conditions. The City's Debt Management Policy Advisory Committee must approve all bond issues. In addition, refundings are guided by the Council-adopted Debt Management Policies. As always, Council must still approve the bond resolution for each issue.

Please check any of the following that apply:

This legislation does not have any financial implications.

This legislation has financial implications.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**

This legislation enables the City to act more quickly to take advantage of savings opportunities.

- b) **What is the financial cost of not implementing the legislation?**

Small changes in market interest rates can result in substantial losses to the City.

c) Does this legislation affect any departments besides the originating department?

All non-utility departments with a debt financed capital program are affected.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

There are no viable alternatives.

e) Is a public hearing required for this legislation?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

No.

h) Other Issues:

None.

List attachments to the fiscal note below:

None.