



SEATTLE CITY COUNCIL

Legislative Summary

Res 31708

Record No.: Res 31708

Type: Resolution (Res)

Status: Adopted

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In Control: City Clerk

File Created: 09/09/2016

Final Action: 09/16/2016

Title: A RESOLUTION relating to contracting indebtedness; confirming, ratifying and approving certain terms of the issuance and sale of The City of Seattle, Washington, Municipal Light and Power Revenue Bonds, Series 2016D (Multi-Modal) and Series 2016E (Multi-Modal), for the purposes set forth in Ordinance 124916; authorizing the Director of Finance to execute a Continuing Covenant Agreement with the initial purchaser of such Bonds to negotiate and execute related documents and agreements from time to time in connection with the election of variable interest rate modes; and confirming, ratifying and approving action taken and to be taken by the Director of Finance of the City of Seattle and other City officials relating to the issuance and sale of the bonds to the initial purchaser thereof and in connection with the election of variable interest rate modes with respect thereto throughout the term of such bonds.

	<u>Date</u>
Notes:	Filed with City Clerk: 9/16/2016
	Mayor's Signature: 9/16/2016
Sponsors: Harrell	Vetoed by Mayor:
	Veto Overridden:
	Veto Sustained:
Attachments: Ex A - Term Sheet Describing Continuing Covenant Agreement, Ex B - Maturity Schedule and Sinking Fund Requirements	
Drafter: jodee.schwinn@seattle.gov	

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published: Yes No

Ver- sion:	Action Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Full Council	09/14/2016	adopted				Pass
	Action Text: The Motion carried, the Resolution (Res) was adopted by the following vote, and the President signed the Resolution:						
	Notes: Motion was made and duly seconded to adopt Resolution 31708.						

Legislative Summary Continued (Res 31708)

In Favor: 8 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant

Opposed: 0

1 City Clerk 09/14/2016 submitted for Mayor
Mayor's signature

1 Mayor 09/16/2016 Signed
Action Text: The Resolution (Res) was Signed.
Notes:

1 Mayor 09/16/2016 returned City Clerk
Action Text: The Resolution (Res) was returned. to the City Clerk
Notes:

1 City Clerk 09/16/2016 attested by City Clerk
Action Text: The Resolution (Res) was attested by City Clerk.
Notes:

CITY OF SEATTLE

RESOLUTION 31708

..title

A RESOLUTION relating to contracting indebtedness; confirming, ratifying and approving certain terms of the issuance and sale of The City of Seattle, Washington, Municipal Light and Power Revenue Bonds, Series 2016D (Multi-Modal) and Series 2016E (Multi-Modal), for the purposes set forth in Ordinance 124916; authorizing the Director of Finance to execute a Continuing Covenant Agreement with the initial purchaser of such Bonds to negotiate and execute related documents and agreements from time to time in connection with the election of variable interest rate modes; and confirming, ratifying and approving action taken and to be taken by the Director of Finance of the City of Seattle and other City officials relating to the issuance and sale of the bonds to the initial purchaser thereof and in connection with the election of variable interest rate modes with respect thereto throughout the term of such bonds.

..body

WHEREAS, by Ordinance 124916 (the "Bond Ordinance"), The City of Seattle, Washington (the "City") authorized the issuance and sale of not to exceed \$280,000,000 of its municipal light and power revenue bonds in one or more series to (1) pay part of the cost of carrying out the Plan of Additions; (2) provide for the Reserve Fund Requirement; (3) capitalize interest on, if necessary, and pay the costs of issuance of the Bonds; and (4) for other Light System purposes approved by ordinance; and

WHEREAS, the Bond Ordinance authorizes the Director of Finance to conduct a negotiated sale of the bonds in one or more Series, to accept an offer to purchase those bonds and to set certain Bond Sale Terms (as defined in the Bond Ordinance) within certain parameters set forth in the Bond Ordinance, which acceptance is effective upon approval by the City Council by resolution; and

WHEREAS, pursuant to the Bond Ordinance, the City accepted competitive proposals for the purchase of its Municipal Light and Power Revenue Bonds, Series 2016D (Multi-Modal) and Series 2016E (Multi-Modal) (together, the "Bonds"), and the proposed sale of the Bonds to Wells Fargo Bank National Association or one of its

1 affiliates has been presented to the City Council for its approval with the Bond Sale
2 Terms; NOW, THEREFORE,

3 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE,**
4 **THE MAYOR CONCURRING, THAT:**

5 **Section 1. Definitions.** The meanings of capitalized terms used and not otherwise
6 defined in this resolution shall be as set forth in the Bond Ordinance. In addition, the following
7 terms as used in this resolution shall have the following meanings:

8 **“Alternate Credit Facility”** means a letter of credit, insurance policy, line of credit,
9 surety bond or security, or other liquidity facility issued as a replacement or substitute for any
10 Credit Facility then in effect.

11 **“Authorized Denomination”** means (a) during any Daily Interest Rate Period or
12 Weekly Interest Rate Period, \$100,000 or any integral multiple of \$5,000 in excess of \$100,000;
13 (b) during any Long-Term Interest Rate Period, \$5,000 or any integral multiple thereof; (c)
14 during any Index Rate Period that is not an Index Rate Direct Purchase Period, \$5,000 or any
15 integral multiple thereof; and (d) during any Index Rate Direct Purchase Period, \$100,000, or
16 any integral multiple of \$5,000 in excess of \$100,000 or such other minimum denomination as
17 may be set forth in the applicable Direct Purchase Agreement.

18 **“Bank Bond”** means a Bond (or portion thereof in any Authorized Denomination) that
19 is purchased by the Bond Registrar with amounts paid or provided by a Credit Provider under a
20 Credit Facility.

21 **“Bank Rate”** means that rate of interest borne by a Bank Bond, as specified or
22 determined in accordance with a Credit Facility.

1 **“Bloomberg Page BBAM1”** means the display designated on page “BBAM1” on the
2 Bloomberg Service (or such other page as may replace the BBAM1 page on that service, any
3 successor service or such other service or services as may be nominated by the British Bankers’
4 Association for the purpose of displaying London Interbank offered rates for U.S. dollar
5 deposits).

6 **“Bond Legislation”** means, together, the Bond Ordinance and this resolution.

7 **“Bond Ordinance”** means Ordinance 124916 of the City.

8 **“Bond Purchase Fund”** means the trust fund established with the Bond Registrar
9 pursuant to Section 14.

10 **“Bonds”** means the \$100,000,000 aggregate principal amount of Municipal Light and
11 Power Revenue Bonds, Series 2016D (Multi-Modal) and Series 2016E (Multi-Modal), issued
12 pursuant to the Bond Ordinance and this resolution, in one or more Series (with such additional
13 or alternative naming conventions as may be convenient to indicate a series designation).

14 **“Book-Entry Form”** means a form under which physical bond certificates in fully
15 registered form are registered only in the name of a Securities Depository or its nominee as
16 Registered Owner, with the physical bond certificates held by and “immobilized” in the custody
17 of the Securities Depository, where the system for recording and identifying the transfer of the
18 ownership interests of the Beneficial Owners in those Bonds is maintained by and the
19 responsibility of others than the City or the Bond Registrar.

20 **“Business Day”** means any day other than a Saturday or Sunday that (a) is neither a
21 legal holiday nor a day on which banking institutions are authorized or required by law or
22 regulation to close in the City of New York, New York, or The City of Seattle, Washington, or
23 the city or cities in which the principal office of the Remarketing Agent or the Calculation

1 Agent is located nor a day on which the New York Stock Exchange is closed or the payment
2 system of the Federal Reserve Bank is not operational; and (b) during any Index Rate Period in
3 which the Index is One Month LIBOR or Three Month LIBOR, is a London Business Day.

4 **“Calculation Agent”** means (a) during an Index Rate Direct Purchase Period, the Index
5 Rate Holder; and (b) during any other Interest Rate Period, the Bond Registrar, unless and until
6 the Director of Finance, in his sole discretion, selects another trustee, financial advisory firm,
7 bank or other financial institution to serve as calculation agent for a Series of the Bonds. During
8 an Index Rate Direct Purchase Period, the Director of Finance may select another trustee,
9 financial advisory firm, bank or other financial institution to serve as calculation agent only
10 upon consent of the Index Rate Holder.

11 **“Continuing Covenant Agreement”** means the Direct Purchase Agreement with the
12 Initial Purchaser, which shall reflect the key terms of the Term Sheet attached as Exhibit A with
13 such modifications as are acceptable to the Designated Representative, and which is authorized
14 to be executed pursuant to Section 2.

15 **“Conversion”** means a conversion of an entire Series of the Bonds from one Interest
16 Rate Period to another Interest Rate Period (including the establishment of a new Long-Term
17 Interest Rate Period or Index Rate Period). The following events shall not be Conversions for
18 purposes of this resolution: (a) the continuation of a Daily Interest Rate at the end of a Daily
19 Interest Rate Period, (b) the continuation of a Weekly Interest Rate at the end of a Weekly
20 Interest Rate Period, (c) the imposition of a Delayed Remarketing Period, (d) during an Index
21 Rate Direct Purchase Period, a renewal or extension of the term of such Index Rate Direct
22 Purchase Period then in effect, and (e) an Extraordinary Mandatory Redemption of a Series
23 pursuant to a Term-Out Provision.

1 **“Conversion Date”** means the effective date of a Conversion.

2 **“Credit Facility”** means any letter of credit, insurance policy, line of credit, surety
3 bond, or other security or other liquidity facility, if any, to be issued by the Credit Provider in
4 connection with a Conversion to a Daily Interest Rate, a Weekly Interest Rate, or other interest
5 rate mode, that secures the payment when due of the principal and Purchase Price of and interest
6 on a Bond, including any Alternate Credit Facility, or any extensions, amendments or
7 replacements thereof pursuant to its terms. The Director of Finance may, in his discretion,
8 designate a reimbursement agreement entered into in connection with a Credit Facility as a
9 Parity Payment Agreement, if such designation is otherwise consistent with the requirements of
10 the Bond Ordinance.

11 **“Credit Facility Purchase Account”** means each account with that name established
12 within the Bond Purchase Fund pursuant to Section 14.

13 **“Credit Provider”** means any bank, insurance company, pension fund or other financial
14 institution that provides a Credit Facility or Alternate Credit Facility for a Series of the Bonds.

15 **“Daily Interest Rate”** means a variable interest rate established in accordance with
16 Section 6(b)(1).

17 **“Daily Interest Rate Period”** means, with respect to a Series of the Bonds, each period
18 during which a Daily Interest Rate is in effect.

19 **“Default Rate”** as used in connection with any Index Rate Direct Purchase Period, has
20 the meaning set forth in the applicable Direct Purchase Agreement.

21 **“Delayed Remarketing Period”** means the period as set forth in Section 10(f),
22 applicable to Unremarketed Bonds that are not subject to a Direct Purchase Agreement.

23 **“Designated Representative”** means the Director of Finance.

1 **“Direct Purchase Agreement”** means (a) during the Initial Index Rate Period and while
2 any Unremarketed Bonds remain outstanding, the Continuing Covenant Agreement, and (b)
3 during any subsequent Index Rate Direct Purchase Period, any written agreement between the
4 City and a direct purchaser for the purchase of all of a Series of the Bonds bearing interest at an
5 Index Rate.

6 **“Elect”** or **“Election”** means the election by the Designated Representative of a new
7 Interest Rate Period.

8 **“Event of Default”** as used in connection with any Index Rate Direct Purchase Period,
9 has the meaning set forth in the applicable Direct Purchase Agreement.

10 **“Extraordinary Event”** means (a) during an Index Rate Direct Purchase Period, a
11 failure by the City to purchase or cause the purchase of all or a portion of a Series of the Bonds
12 on a Mandatory Tender Date, causing such Bonds (or portion thereof) to become Unremarketed
13 Bonds; or (b) during any Interest Rate Period in which a Credit Facility is in effect, the
14 occurrence of certain extraordinary events set forth under the applicable provisions of the
15 Reimbursement Agreement or other agreement relating to the applicable Credit Facility.

16 **“Extraordinary Mandatory Redemption”** means the periodic redemption of principal
17 of Unremarketed Bonds or Bank Bonds in the amounts and on the dates set forth in a Term-Out
18 Provision of a Direct Purchase Agreement or agreement relating to a Credit Facility.

19 **“Favorable Opinion of Bond Counsel”** means a written legal opinion of Bond Counsel
20 addressed to the City, the Bond Registrar, the Credit Provider (if any), and the Remarketing
21 Agent (if any), to the effect that a specified action is permitted under the Bond Legislation and
22 will not impair the exclusion of interest on the affected Bonds from gross income for purposes
23 of federal income taxation (subject to customary exceptions). The foregoing definition is not

1 intended to limit the persons to whom such written legal opinion may additionally be required
2 to be delivered pursuant to a Direct Purchase Agreement.

3 **“Index”** means any of (a) One Month LIBOR, (b) Three Month LIBOR, (c) the SIFMA
4 Index, or (d) any other index selected by the Designated Representative.

5 **“Index Rate”** means:

6 (a) during the Initial Index Rate Period, a per annum rate of interest established
7 on each Interest Determination Date equal to the product of (1) the sum of (A) the applicable
8 Index Rate Spread, plus (B) the product of One Month LIBOR, multiplied by the applicable
9 Index Rate Percentage, multiplied by (2) the applicable Margin Rate Factor, all as identified in
10 the Continuing Covenant Agreement and subject to adjustment as set forth therein (which
11 adjustments may include, without limitation, adjustments based on downgrades by a Rating
12 Agency, a Purchaser Rate and a Default Rate and other increased rates); and

13 (b) during any subsequent Index Rate Period, a variable interest rate established
14 in accordance with Section 6(b)(4)(A) (if a Direct Purchase Agreement is in effect) or Section
15 6(b)(4)(B) (if a Direct Purchase Agreement is not in effect).

16 **“Index Rate Direct Purchase Period”** means each Index Rate Period, including the
17 Initial Index Rate Period, during which the applicable Series of the Bonds is purchased and held
18 pursuant to a Direct Purchase Agreement, including any Term-Out Period or other period during
19 which Unremarketed Bonds continue to be outstanding while a Direct Purchase Agreement is in
20 effect.

21 **“Index Rate Percentage”** means:

22 (a) during the Initial Index Rate Period, 70%, as described in Exhibit A and as
23 further set forth in the Continuing Covenant Agreement;

1 (b) during any subsequent Index Rate Direct Purchase Period, the percentage
2 specified in the Direct Purchase Agreement then in effect; and

3 (c) during any other Index Rate Period, the percentage of the Index selected by
4 the Designated Representative pursuant to Section 6(b)(4)(B).

5 **“Index Rate Period”** means, with respect to any Series of the Bonds, each period
6 during which an Index Rate is in effect (including, without limitation, the Initial Index Rate
7 Period and each Index Rate Direct Purchase Period).

8 **“Index Rate Spread”** means:

9 (a) during the Initial Index Rate Period, the “Applicable Spread” as that term is
10 defined in the Continuing Covenant Agreement, which is initially set at thirty-five basis points
11 (0.35%) and is subject to adjustment as described in the term sheet attached as Exhibit A and as
12 further set forth in the Continuing Covenant Agreement; and

13 (b) during any subsequent Index Rate Period, either (1) the spread determined by
14 the Remarketing Agent on or prior to the Conversion Date that marks the beginning of such
15 period, pursuant to Section 6(b)(4)(B), or (2) during any Index Rate Direct Purchase Period, the
16 spread (and any adjustments thereto) specified in the Direct Purchase Agreement in effect for
17 such period.

18 **“Index Rate Holder”** means, during the Initial Index Rate Period, Wells Fargo Bank,
19 National Association, and during any other Index Rate Direct Purchase Period applicable to a
20 Series of the Bonds, during which:

21 (a) such Series is not held in Book-Entry Form, (1) if there is a single Registered
22 Owner of all Bonds of such Series, the Registered Owner of such Series, or (2) if there is more

1 than one Registered Owner of Bonds within a Series, Registered Owners owning a majority of
2 the aggregate principal amount of the then outstanding Bonds of such Series; and

3 (b) such Series is held in Book-Entry Form, (1) if there is a single Beneficial
4 Owner of all Bonds of such Series, the Beneficial Owner, or (2) if there is more than one
5 Beneficial Owner of the Bonds of such Series, Beneficial Owners of a majority of the aggregate
6 principal amount of the then outstanding Bonds of such Series.

7 **“Initial Index Rate Period”** means the Index Rate Direct Purchase Period for a Series
8 of the Bonds commencing on the Initial Issue Date and ending on the earlier of (a) with respect
9 to a Conversion of a Series, the Conversion Date next succeeding the Initial Issue Date, to
10 which the Index Rate Holder has given its written consent, (b) the first day of a Term-Out
11 Period, as specified in the Continuing Covenant Agreement, or (c) the Initial Bank Purchase
12 Date, as defined in the Continuing Covenant Agreement.

13 **“Initial Issue Date”** means the date on which the Bonds are delivered to the Initial
14 Purchaser pursuant to the Continuing Covenant Agreement, consistent with Section 3(b).

15 **“Initial Purchaser”** means Wells Fargo Bank, National Association, a national banking
16 association, or any affiliate thereof (i.e., another entity that directly, or indirectly through one or
17 more intermediaries, controls, or is controlled by or is under common control with, Wells Fargo
18 Bank, N.A.).

19 **“Interest Accrual Date”** with respect to a Series of the Bonds means:

20 (a) for any Daily Interest Rate Period, the first day thereof and, thereafter, the
21 first day of each calendar month during such Daily Interest Rate Period;

22 (b) for any Weekly Interest Rate Period, the first day thereof and, thereafter,
23 the first Wednesday of each calendar month during such Weekly Interest Rate Period;

1 (c) for any Long-Term Interest Rate Period, the first day thereof and,
2 thereafter, each Interest Payment Date during that Long-Term Interest Rate Period, other than
3 the last such Interest Payment Date; and

4 (d) for each Index Rate Period, the first day thereof and, thereafter, the first
5 Business Day of each calendar month during such Index Rate Period, unless otherwise specified
6 in a Direct Purchase Agreement in effect for such period.

7 **“Interest Determination Date”** for each Index Rate Period means:

8 (a) for each Index Rate Direct Purchase Period (including the Initial Index
9 Rate Period), either (1) the Interest Determination Date(s) set forth in the Direct Purchase
10 Agreement, or if none are specified, then (2) the date(s) set forth in subsection (b); and

11 (b) for each such period that is not an Index Rate Direct Purchase Period (1) if
12 the Index is One Month LIBOR or Three Month LIBOR, the second London Business Day
13 preceding the first day of such Index Rate Period and, thereafter, the second London Business
14 Day preceding each Interest Reset Date during such Index Rate Period; (2) if the Index is the
15 SIFMA Index, the first day of such Index Rate Period and, thereafter, each Wednesday (or, if
16 any such Wednesday is not a Business Day, the succeeding Business Day); and (3) if any other
17 Index has been selected by the Designated Representative, the date(s) selected by the
18 Designated Representative.

19 **“Interest Payment Date”** means:

20 (a) for interest accrued in (1) any Daily Interest Rate Period, the fifth Business
21 Day of the next succeeding calendar month; (2) any Weekly Interest Rate Period, the first
22 Wednesday of each calendar month, or, if the first Wednesday is not a Business Day, the next
23 succeeding Business Day; (3) any Long-Term Interest Rate Period, each May 1 and November 1,

1 or if any May 1 or November 1 is not a Business Day, the next succeeding Business Day; or (4)
2 any Index Rate Period, the first Business Day of each month, unless otherwise specified in a
3 Direct Purchase Agreement in effect for such period;

4 (b) without duplication, the first Business Day succeeding the last day of
5 each Interest Rate Period; and

6 (c) with respect to any Bonds during a Term-Out Period, the dates set forth
7 in the Term-Out Provision of the applicable Direct Purchase Agreement or Credit Facility for
8 the payment of interest on such Bonds.

9 **“Interest Rate Period”** means each Daily Interest Rate Period, Weekly Interest Rate
10 Period, Long Term Interest Rate Period or Index Rate Period (including, without limitation, any
11 Index Rate Direct Purchase Period).

12 **“Interest Reset Date”** means:

13 (a) for each Index Rate Direct Purchase Period (including the Initial Index
14 Rate Period), either (1) the Interest Reset Dates set forth in the Direct Purchase Agreement, or
15 (2) if none are specified, the dates set forth in subsection (b); and

16 (b) for each Index Rate Period that is not an Index Rate Direct Purchase
17 Period (1) if the Index is One Month LIBOR or Three Month LIBOR, the first Business Day of
18 each calendar month, and (2) if the Index is the SIFMA Index, Thursday of each week, or if not
19 a Business Day, the next succeeding Business Day; (3) if any other Index has been selected by
20 the Designated Representative, the date(s) selected by the Designated Representative.

21 **“London Business Day”** means a day on which commercial banks and foreign
22 exchange markets settle payments and are open for general business (including dealings in
23 foreign exchange and United States Dollar deposits) in the London interbank market.

1 **“Long-Term Interest Rate”** means a term, non-variable interest rate established in
2 accordance with Section 6(b)(3).

3 **“Long-Term Interest Rate Period”** means, with respect to a Series of the Bonds, each
4 period during which a Long-Term Interest Rate is in effect.

5 **“Mandatory Tender Date”** means each Purchase Date on which a Series of the Bonds
6 then in an Index Rate mode is required to be tendered for purchase as set forth in Section 10(b).

7 **“Margin Rate Factor”** means the margin rate factor identified in a Direct Purchase
8 Agreement for purposes of determining an Index Rate during an Index Rate Direct Purchase
9 Period.

10 **“Market Agent”** means the Index Rate Holder or any affiliate thereof or any third party
11 financial advisory firm, investment banking firm, commercial bank or any other financial
12 institution with experience in pricing information for tax exempt municipal securities, as
13 selected by the City (and consented to by the Index Rate Holder) to serve as market agent in
14 connection with a Conversion to an Index Rate Period.

15 **“Maturity Date”** means the final date on which the principal of a Bond is stated on its
16 face to become due and payable as provided in this resolution, regardless of any Sinking Fund
17 Requirement or optional or mandatory redemption prior to maturity.

18 **“Maximum Interest Rate”** means 12% per annum, calculated in the same manner as
19 interest is calculated for the interest rate then in effect on the affected Series of the Bonds.
20 Notwithstanding the immediately preceding sentence, with respect to Bank Bonds and any
21 Series of the Bonds during an Index Rate Direct Purchase Period (including Unremarketed
22 Bonds), Maximum Interest Rate shall mean 15% per annum, calculated in the manner set forth

1 in the applicable Direct Purchase Agreement or Credit Facility. In no event shall the maximum
2 interest rate exceed the maximum rate permitted by applicable law from time to time.

3 **“One Month LIBOR”** means (a) during the Initial Index Rate Direct Purchase Period,
4 shall have the meaning given in the Continuing Covenant Agreement; and (b) during any
5 subsequent Index Rate Period, the meaning given in the Direct Purchase Agreement, or if none,
6 the rate determined on each Interest Determination Date, the rate determined by the Calculation
7 Agent for deposits in U.S. dollars for a one-month maturity which appears on Bloomberg Page
8 BBAM1, or any successor page, as of 11:00 a.m., London time, on such Interest Determination
9 Date (or if not so reported, then as determined by the Calculation Agent by obtaining quotes
10 from Reference Banks, as set forth in Section 6(b)). If at any time One Month LIBOR
11 determined as provided above would be less than zero percent (0.00%), then One Month
12 LIBOR shall be deemed to be zero percent (0.00%).

13 **“Par Call Date”** means, with respect to a Bond bearing interest at an Index Rate (a)
14 other than during an Index Rate Direct Purchase Period: (1) during any Index Rate Period that is
15 two years or longer in duration, the first Business Day that is on or after the date that is six
16 months prior to the end of such Index Rate Period, or the date established by the Designated
17 Representative with a Favorable Opinion of Bond Counsel; and (2) during any other Index Rate
18 Period, the first Business Day after the end of such Index Rate Period; and (b) during the Initial
19 Index Rate Period and any other Index Rate Direct Purchase Period or if the Bonds are
20 Unremarketed Bonds, the first Business Day on which the Bond is subject to call for optional
21 redemption at a price of 100% of the principal amount thereof plus interest accrued to the date
22 fixed for redemption, as set forth in the Direct Purchase Agreement.

1 **“Participant”** means, with respect to the Securities Depository, a member of or
2 participant in the Securities Depository.

3 **“Purchase Date”** means each date on which a Series of the Bonds is required to be
4 purchased pursuant to Section 10.

5 **“Purchase Price”** means the purchase price to be paid to the Registered Owner(s) of
6 Bonds purchased pursuant to Section 10, which shall be equal to the principal amount thereof
7 tendered for purchase, without premium, plus accrued interest from the immediately preceding
8 Interest Accrual Date to the Purchase Date (if such date is not an Interest Payment Date), plus
9 any other accrued and unpaid interest, except in the case of a proposed Conversion from a
10 Long-Term Interest Rate Period on a date on which the Bonds being converted would otherwise
11 be subject to optional redemption pursuant to Section 9(a) if such Conversion did not occur, the
12 Purchase Price shall also include the optional redemption premium, if any, provided for such
13 date under Section 9(a)(3).

14 **“Record Date”** means (a) with respect to any Interest Payment Date in a Daily Interest
15 Rate Period, the last Business Day of each calendar month or, in the case of the last Interest
16 Payment Date in a Daily Interest Rate Period, the Business Day immediately preceding such
17 Interest Payment Date, (b) with respect to any Interest Payment Date in any Long-Term Interest
18 Rate Period, the 15th day immediately preceding that Interest Payment Date, (c) with respect to
19 any Interest Payment Date in any Weekly Interest Rate Period, the Business Day preceding the
20 Interest Payment Date, and (d) with respect to any Interest Payment Date in any Index Rate
21 Period, the 15th day immediately preceding that Interest Payment Date, unless otherwise
22 provided in a Direct Purchase Agreement then in effect.

1 **“Reference Bank”** means any of the four largest U.S. banks with an office in London,
2 based upon consolidated total asset size, as listed by the Federal Reserve in its most current
3 statistical release on its website with respect thereto.

4 **“Reimbursement Agreement”** means any agreement between the City and a Credit
5 Provider, pursuant to which a Credit Facility or Alternate Credit Facility is issued by the Credit
6 Provider, as the same may be amended or supplemented.

7 **“Remarketing Account”** means each account with that name established within the
8 Bond Purchase Fund pursuant to Section 14.

9 **“Remarketing Agent”** means each remarketing firm qualified under Section 12 to act
10 as Remarketing Agent for the Bonds and appointed by the Designated Representative on behalf
11 of the City.

12 **“Remarketing Agreement”** means any remarketing agreement between the City and
13 the Remarketing Agent whereby the Remarketing Agent undertakes to perform the duties of the
14 Remarketing Agent under this resolution.

15 **“SIFMA”** means the Securities Industry and Financial Markets Association (formerly
16 the Bond Market Association).

17 **“SIFMA Index”** means:

18 (a) during the Initial Index Rate Direct Purchase Period, shall have the meaning
19 given in the Continuing Covenant Agreement; and

20 (b) during any subsequent Interest Rate Period, the meaning given in the Direct
21 Purchase Agreement, or if none, the seven-day high-grade market index of tax-exempt variable
22 rate demand obligations produced by Municipal Market Data and published or made available
23 by SIFMA or any person acting in cooperation with or under the sponsorship of SIFMA. If such

1 index is no longer published or otherwise not available, the SIFMA Index for any day will mean
2 the level of the “S&P Weekly High Grade Index” (formerly the J.J. Kenny Index) maintained
3 by Standard & Poor’s Securities Evaluations Inc. for a 7-day maturity as published on the
4 Interest Reset Date or most recently published prior to the Interest Reset Date. If at any time
5 neither such index is available, the Calculation Agent shall use instead an index that the
6 Calculation Agent, after consultation with the Remarketing Agent (if any) and the Designated
7 Representative, determines most closely approximates the SIFMA Index.

8 “**SIFMA Rate**” means a per annum rate of interest established on each Interest
9 Determination Date that is

10 (a) during any Index Rate Direct Purchase Period, equal to the product of (1) the
11 sum of the SIFMA Index, plus the applicable Index Rate Spread, multiplied by (2) the
12 applicable Margin Rate Factor, all as determined pursuant to the applicable Direct Purchase
13 Agreement; and

14 (b) during any Index Rate Period that is not an Index Rate Direct Purchase
15 Period, equal to the sum of (1) the SIFMA Index rate issued on Wednesday of each week, or if
16 any Wednesday is not a Business Day, the succeeding Business Day, plus (2) the Index Rate
17 Spread.

18 “**Series**” as used in this resolution refers to a series of the Bonds issued pursuant to the
19 Bond Ordinance and this resolution.

20 “**Stepped Interest Rate**” means for any Index Rate Period that is not subject to a Direct
21 Purchase Agreement, a per annum interest rate or rates equal to either (a) the SIFMA Index plus
22 a percentage determined by the Remarketing Agent, or (b) the per annum interest rate or rates as

1 determined by the Remarketing Agent, which determination is made, in either case, on or prior
2 to the initial Interest Determination Date pursuant to Section 6(b)(4)(B)(iv).

3 **“Term-Out Period”** means a period, as determined in accordance with a Direct
4 Purchase Agreement or Credit Facility then in effect, during which Unremarketed Bonds
5 become subject to Extraordinary Mandatory Redemption in periodic, approximately equal
6 installments of principal during the Term-Out Period.

7 **“Term-Out Provision”** means a provision in a Direct Purchase Agreement or Credit
8 Facility that requires the Extraordinary Mandatory Redemption of principal of Unremarketed
9 Bonds in installments payable in accordance with a scheduled amortization of such principal
10 over a Term-Out Period, to be determined as set forth in the applicable Direct Purchase
11 Agreement or Credit Facility.

12 **“Three Month LIBOR”** means (a) during the Initial Index Rate Direct Purchase
13 Period, shall have the meaning given in the Continuing Covenant Agreement; and (b) during
14 any subsequent Index Rate Period, the rate determined by the Calculation Agent for deposits in
15 U.S. dollars for a three-month maturity as published by Reuters (or such other service as may be
16 nominated by the British Bankers Association, for the purpose of displaying London interbank
17 offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, on such Interest
18 Determination Date (or if not so reported, then as determined by the Calculation Agent by
19 obtaining quotes from Reference Banks, as set forth in Section 6(b)). If at any time, the Three
20 Month LIBOR determined as provided above would be less than zero percent (0.0%), then
21 Three Month LIBOR shall be deemed to be zero percent (0.00%).

22 **“Undelivered Bond”** means any Bond which constitutes an Undelivered Bond under
23 the provisions of Section 10(d).

1 **“Unremarketed Bond”** means any Bonds that are not purchased when tendered for
2 purchase and which become Unremarketed Bonds pursuant to Section 10(f).

3 **“Weekly Interest Rate”** means a variable interest rate for a Bond established in
4 accordance with Section 6(b)(2).

5 **“Weekly Interest Rate Period”** means, with respect to a Series of the Bonds, each
6 period during which a Weekly Interest Rate is in effect.

7 **Section 2. Sale and Delivery of Bonds.** The City Council finds that the sale of the
8 Bonds to the Initial Purchaser, in one or more Series (with such additional naming convention
9 as may be convenient), on Bond Sale Terms consistent with the parameters set forth in the Bond
10 Legislation is in the best interest of the City and in the public interest and, therefore, authorizes
11 the Designated Representative to execute and deliver on behalf of the City, the Continuing
12 Covenant Agreement reflecting the terms set forth in Exhibit A with such modifications thereto,
13 consistent with the Bond Legislation, as shall be approved by the Designated Representative,
14 which approval shall be evidenced by such execution and delivery.

15 **Section 3. Approval of Bond Sale Terms.** In accordance with Section 5 of the
16 Bond Ordinance, the following Bond Sale Terms are approved:

17 (a) **Principal Amount.** The Bonds shall be issued in one or more Series, in
18 the aggregate principal amount of \$100,000,000.

19 (b) **Date.** Each Bond shall be dated its Initial Issue Date.

20 (c) **Denominations.** The Bonds shall be issued in Authorized
21 Denominations, as that term is defined in this resolution.

22 (d) **Mechanism for Determining Interest Rates.** Each Series of the Bonds
23 shall bear interest as provided herein.

1 (e) **Payment Dates.** Interest on each Bond shall be payable on each Interest
2 Payment Date. The principal of each Bond shall be payable in accordance with the redemption
3 provisions set forth herein, including in accordance with the maturity schedule set forth in
4 Exhibit C.

5 (f) **Final Maturity.** The final Maturity Date of each Series of the Bonds
6 may be no later than November 1, 2046.

7 (g) **Redemption and Tender Rights.** Each Series of the Bonds shall be
8 subject to optional, mandatory and extraordinary mandatory redemption as provided in
9 Section 9 and shall be subject to tender for purchase as provided in Section 10.

10 (h) **Price.** The purchase price for each Series of the Bonds is par.

11 (i) **Other Terms and Conditions.** The following terms and conditions,
12 along with such additional Bond Sale Terms as are set forth in the Continuing Covenant
13 Agreement, are ratified, confirmed and approved in all respects:

14 (1) The average expected life of the capital facilities to be financed
15 with the proceeds of the Bonds exceeds the weighted average maturity of the Bonds allocated to
16 financing those capital facilities.

17 (2) The Parity Conditions have been met or satisfied so that the
18 Bonds may be issued as Parity Bonds.

19 (3) The City Council has given due regard to the cost of operation
20 and maintenance of the Light System and to any portion of the Gross Revenues pledged for the
21 payment of any bonds, warrants or other indebtedness, and finds and determines that the Gross
22 Revenues, at the rates established consistent with Section 13(d) of the Bond Ordinance, will be
23 sufficient to meet all expenses of operation and maintenance of the Light System and to provide

1 the amounts previously pledged for the payment of all outstanding obligations payable out of
2 the Gross Revenue and pledged for the payment of the Bonds.

3 (4) The Reserve Requirement for the Bonds shall be established and
4 funded as set forth in Section 5. No proceeds of the Bonds shall be deposited into the Reserve
5 Fund for this purpose.

6 (5) The Bonds shall be issued as Tax-Exempt Bonds, in accordance
7 with Section 14(a) of the Bond Ordinance.

8 **Section 4. Deposit and Use of Bond Proceeds.** The proceeds of the Bonds
9 received by the City shall be deposited immediately upon receipt in the funds, accounts or
10 subaccounts within the Light Fund as designated by the Director of Finance and shall be used to
11 pay part of the costs of the Plan of Additions and the costs of issuing the Bonds and for such
12 other purposes as may be approved by ordinance. No proceeds of the Bonds shall be deposited
13 into the Reserve Fund.

14 **Section 5. Reserve Fund Requirement.**

15 (a) **Amount of the Reserve Fund Requirement for the Bonds.** With
16 respect to the Bonds, the Reserve Fund Requirement shall mean (1) for so long as the 2005
17 Reserve Surety remains in effect, the additional amount necessary, if any, to provide an overall
18 level of funding in the Reserve Fund equal to the maximum amount permitted by the Code as a
19 “reasonably required reserve or replacement fund,” calculated as of the Initial Issue Date based
20 on the debt service requirements for all Parity Bonds then outstanding; and (2) from and after
21 the expiration or termination of the 2005 Reserve Surety, the Reserve Fund Requirement for the
22 Bonds shall be zero.

1 (b) **Method of Funding the Reserve Fund Requirement.** Prior to the Initial
2 Issue Date, the City shall deposit into the Reserve Fund an amount sufficient to satisfy the
3 Reserve Fund Requirement for the Bonds, as set forth in this section. Such deposit shall be
4 made from Gross Revenues or other funds of the City available from sources other than
5 proceeds of the Bonds.

6 **Section 6. Election of Interest Rate Period; Determination of Interest.** Each
7 Series of the Bonds shall bear interest in one of the following interest rate modes: Daily Interest
8 Rate, Weekly Interest Rate, Long-Term Interest Rate or Index Rate. Bonds that become
9 Unremarketed Bonds shall bear interest either (a) as set forth in the applicable Direct Purchase
10 Agreement or (b) if not subject to a Direct Purchase Agreement, then at the Stepped Interest
11 Rate; Bonds that become Bank Bonds shall bear interest at the Bank Rate as set forth in the
12 applicable Credit Facility. The interest rate and Interest Rate Period for any Series of the Bonds
13 may be adjusted as set forth in this section. All Bonds of a single Series shall be in the same
14 interest rate mode. The Interest Rate Period for a Series of the Bonds may not be adjusted prior
15 to the Purchase Date, except for a Conversion of all outstanding Bonds of such Series.

16 (a) **Election of Interest Rate Period.**

17 (1) **Election of Daily Interest Rate.** Except as provided in subsection
18 (c) of this Section, the Designated Representative, on behalf of the City may, from time to time,
19 by written notice to the Credit Provider (if any), the Bond Registrar, the Calculation Agent and
20 the Remarketing Agent (if any), Elect that any Series of the Bonds bear interest at a Daily
21 Interest Rate. The notice of Election given by the Designated Representative shall (A) specify
22 the proposed Conversion Date, which shall be (i) in each case, a Business Day not earlier than
23 the 30th day following the second Business Day after receipt by the Bond Registrar of such

1 notice; (ii) in the case of a Conversion from a Long-Term Interest Rate Period, the day
2 following the last day of such Long-Term Interest Rate Period or a day on which such Series of
3 the Bonds would otherwise be subject to optional redemption pursuant to Section 9(a)(3) if such
4 Conversion did not occur; and (iii) in the case of a Conversion from an Index Rate Period, the
5 day following the last day of such Index Rate Period or on or after a Par Call Date; and (B) state
6 whether a Credit Facility is to be in effect on the Conversion Date.

7 (2) **Election of Weekly Interest Rate.** Except as provided in
8 subsection (c) of this Section, the Designated Representative, on behalf of the City, may, from
9 time to time, by written notice to the Credit Provider (if any), the Bond Registrar, the
10 Calculation Agent and the Remarketing Agent (if any), Elect that any Series of the Bonds bear
11 interest at a Weekly Interest Rate. The notice of Election given by the Designated
12 Representative shall (A) specify the proposed Conversion Date, which shall be (i) in each case,
13 a Business Day not earlier than the 30th day following the second Business Day after receipt by
14 the Bond Registrar of such notice; (ii) in the case of a Conversion from a Long-Term Interest
15 Rate Period, the day following the last day of such Long-Term Interest Rate Period or a day on
16 which that Series of the Bonds would otherwise be subject to optional redemption pursuant to
17 Section 9(a)(3) if such Conversion did not occur; and (iii) in the case of a Conversion from an
18 Index Rate Period, the day following the last day of such Index Rate Period or on or after a Par
19 Call Date; and (B) state whether a Credit Facility is to be in effect on the Conversion Date.

20 (3) **Election of Long-Term Interest Rate.** Except as provided in
21 subsection (c) of this Section, the Designated Representative, on behalf of the City may, from
22 time to time, by written notice to the Credit Provider (if any), the Bond Registrar, the
23 Calculation Agent and the Remarketing Agent (if any), Elect that any Series of the Bonds bear,

1 or continue to bear, interest at the Long-Term Interest Rate. The notice of Election given by the
2 Designated Representative shall specify (A) the proposed Conversion Date, which shall be (i) in
3 each case, a Business Day not earlier than the 30th day following the second Business Day after
4 receipt by the Bond Registrar of such notice; (ii) in the case of a Conversion from a Long-Term
5 Interest Rate Period, the day following the last day of such Long-Term Interest Rate Period or a
6 day on which such Series of the Bonds would otherwise be subject to optional redemption
7 pursuant to Section 9(a)(3) if such Conversion did not occur; and (iii) in the case of a
8 Conversion from an Index Rate Period, the day following the last day of such Index Rate Period
9 or on or after a Par Call Date; and (B) the last day of the Long-Term Interest Rate Period, which
10 shall be either the day prior to the Maturity Date or a day that both immediately precedes a
11 Business Day and is at least 181 days after the proposed Conversion Date.

12 (4) **Election of Index Rate.** Except as provided in subsection (c) of
13 this Section, the Designated Representative, on behalf of the City may, from time to time, by
14 written notice to the Credit Provider (if any), the Bond Registrar, the Calculation Agent and the
15 Remarketing Agent (if any), Elect that any Series of the Bonds bear, or continue to bear, interest
16 at an Index Rate. The notice of Election given by the Designated Representative shall specify
17 the proposed Conversion Date, which shall be (A) in each case, a Business Day not earlier than
18 the 30th day following the second Business Day after receipt by the Bond Registrar of such
19 notice; (B) in the case of a Conversion from a Long-Term Interest Rate Period, the day
20 following the last day of such Long-Term Interest Rate Period or a day on which such Series of
21 the Bonds would otherwise be subject to optional redemption pursuant to Section 9(a)(3) if such
22 Conversion did not occur; (C) in the case of a Conversion from an Index Rate Period, the day
23 following the last day of such Index Rate Period or on or after a Par Call Date (or, if applicable,

1 the day specified pursuant to a Direct Purchase Agreement then in effect); (D) the date on which
2 the Index Rate Period is to end (which date shall be a Mandatory Tender Date) or, if applicable,
3 a statement that the Index Rate Period is to end on the day prior to the Maturity Date; and (E)
4 the notice shall also specify: (i) the Index that is to be in effect, (ii) the Index Rate Percentage
5 and Index Rate Spread (if applicable); and (iii) the Par Call Date for such Index Rate Period (if
6 applicable).

7 If, by the second Business Day preceding the 29th day prior to the last day
8 of any Index Rate Period other than an Index Rate Direct Purchase Period, the Bond Registrar
9 has not received notice of the City's Election to effect a Conversion, then (A) the next Interest
10 Rate Period shall be an Index Rate Period, (B) the Index (and the Index Rate Percentage or
11 Index Rate Spread, as applicable) for such Index Rate Period shall remain unchanged, and
12 (C) the term of such Index Rate Period shall be the same as the preceding Index Rate Period
13 (but shall not extend beyond the day prior to the Maturity Date).

14 **(5) Election of Index Rate Subject to a Direct Purchase**
15 **Agreement.** Except as provided in subsection (c), the Designated Representative, on behalf of
16 the City may, from time to time, by written notice to the Credit Provider (if any), the Bond
17 Registrar, the Calculation Agent and the Remarketing Agent (if any), Elect that any Series of
18 the Bonds bear interest at an Index Rate subject to a Direct Purchase Agreement. The notice of
19 Election given by the Designated Representative shall specify the proposed Conversion Date,
20 which shall be (A) in each case, a Business Day not earlier than the 30th day following the
21 second Business Day after receipt by the Bond Registrar of such notice; (B) in the case of a
22 Conversion from a Long-Term Interest Rate Period, the day following the last day of such
23 Long-Term Interest Rate Period or a day on which such Series of the Bonds would otherwise be

1 subject to optional redemption pursuant to Section 9(a)(3) if such Conversion did not occur;
2 (C) in the case of a Conversion from an Index Rate Period other than an Index Rate Direct
3 Purchase Period, the day following the last day of such Index Rate Period or on or after a Par
4 Call Date (or, if applicable, the day specified pursuant to a Direct Purchase Agreement then in
5 effect); and (D) the Conversion Date on which the new Index Rate Period is to end or, if
6 applicable, a statement that the Index Rate Period is to end on the day prior to the Maturity
7 Date. The notice to the Bond Registrar and the Calculation Agent shall be accompanied by a
8 copy of the Direct Purchase Agreement to go into effect on the Conversion Date.

9 (6) **Rescission of Election to Effect a Conversion.** The Designated
10 Representative may rescind any Election to effect a Conversion by delivering to the Credit
11 Provider (if any), the Bond Registrar, the Calculation Agent and the Remarketing Agent (if
12 any), on or prior to 10:00 a.m., New York time, on the second Business Day preceding a
13 proposed Conversion Date, a notice to the effect that the City has determined to rescind its
14 Election to effect such Conversion.

15 If the City rescinds its Election to effect a Conversion of a Series of the Bonds,
16 then such Series shall bear interest at a Weekly Interest Rate commencing on the proposed
17 Conversion Date, except that (A) if a Daily Interest Rate Period is in effect immediately prior to
18 the proposed Conversion, such Series shall continue to bear interest at the Daily Interest Rate,
19 (B) if an Index Rate Period (other than an Index Rate Direct Purchase Period) is in effect
20 immediately prior to the proposed Conversion, such Series shall continue to bear interest at the
21 applicable Index Rate, or (C) if an Index Rate Direct Purchase Period is in effect immediately
22 prior to the proposed Conversion, the effect of a rescission shall be that the Bonds remain
23 subject to such Direct Purchase Agreement, shall remain subject to mandatory tender as set

1 forth in Section 10(b)(1)(D), and any portion not purchased on the Mandatory Tender Date may
2 be subject to a Term-Out Provision, if included in the applicable Direct Purchase Agreement. If
3 notice of a Conversion of a Series of the Bonds (other than a Series with respect to which a
4 Direct Purchase Agreement is then in effect) has been mailed to the Registered Owner(s) of
5 such Series of the Bonds as provided in Section 8(d) and the City subsequently rescinds its
6 Election to effect such Conversion, such Series of the Bonds shall nevertheless be subject to
7 mandatory tender for purchase on the proposed Conversion Date.

8 (b) **Determination of Interest Rates.**

9 (1) **Determination of Daily Interest Rate.** Each Series of the Bonds
10 in a Daily Interest Rate mode shall bear interest at the Daily Interest Rate, which shall be
11 determined by the Remarketing Agent by 9:30 a.m., New York time, on each Business Day.
12 The Daily Interest Rate for any day that is not a Business Day shall be the same as the Daily
13 Interest Rate for the preceding Business Day.

14 Each Daily Interest Rate shall be the rate of interest per annum
15 determined by the Remarketing Agent (based on an examination of tax-exempt obligations
16 comparable, in the judgment of the Remarketing Agent, to such Series of the Bonds and known
17 by the Remarketing Agent to have been priced or traded under then-prevailing market
18 conditions) to be the minimum interest rate that, if borne by such Series of the Bonds, would
19 enable the Remarketing Agent to sell all of that Series of the Bonds on such Business Day at a
20 price (without regard to accrued interest) equal to the principal amount thereof.

21 If no Daily Interest Rate is established by the Remarketing Agent, then
22 the Daily Interest Rate for such Business Day shall be the same as the preceding Daily Interest
23 Rate, and such Daily Interest Rate shall continue to be in effect until the earlier of (A) the date

1 on which the Remarketing Agent determines a new Daily Interest Rate or (B) the seventh day
2 succeeding the first day on which the Daily Interest Rate was not determined by the
3 Remarketing Agent. If the Daily Interest Rate is held to be invalid or unenforceable by a court
4 of law, or the Remarketing Agent fails to determine the Daily Interest Rate for a period of seven
5 days as described in clause (B) of the preceding sentence, then the Daily Interest Rate, as
6 determined by the Remarketing Agent, shall be equal to 110% of the SIFMA Index, or if such
7 index is no longer available, 85% of the interest rate on 30-day high grade unsecured
8 commercial paper notes sold through dealers by major corporations as reported in *The Wall*
9 *Street Journal* on the Business Day such Daily Interest Rate would otherwise have been
10 determined, until the Daily Interest Rate is again validly determined by the Remarketing Agent.

11 (2) **Determination of Weekly Interest Rate.** Each Series of the
12 Bonds in a Weekly Interest Rate mode shall bear interest at the Weekly Interest Rate, which
13 shall be determined by the Remarketing Agent by 5:00 p.m., New York time, on Tuesday of
14 each week, or if such day is not a Business Day, then on the succeeding Business Day. The first
15 Weekly Interest Rate for each Weekly Interest Rate Period shall be determined on or prior to the
16 first day of such Weekly Interest Rate Period and shall be in effect for the period commencing
17 on and including the first day of such Weekly Interest Rate Period and ending on and including
18 the succeeding Tuesday. Thereafter, each Weekly Interest Rate shall be in effect for the period
19 commencing on and including Wednesday and ending on and including the succeeding
20 Tuesday, unless such Weekly Interest Rate Period ends on a day other than Tuesday, in which
21 event the last Weekly Interest Rate for such Weekly Interest Rate Period shall be in effect for
22 the period commencing on and including the Wednesday preceding the last day of such Weekly

1 Interest Rate Period and ending on and including the last day of such Weekly Interest Rate
2 Period.

3 Each Weekly Interest Rate shall be the rate of interest per annum
4 determined by the Remarketing Agent (based on an examination of tax-exempt obligations
5 comparable, in the judgment of the Remarketing Agent, to the Bonds and known by the
6 Remarketing Agent to have been priced or traded under then-prevailing market conditions) to
7 be the minimum interest rate which, if borne by the applicable Series of the Bonds, would
8 enable the Remarketing Agent to sell all of that Series of the Bonds on the effective date of that
9 rate at a price (without regard to accrued interest) equal to the principal amount thereof.

10 If no Weekly Interest Rate is established by the Remarketing Agent, then
11 the Weekly Interest Rate shall be the same as the preceding Weekly Interest Rate if such
12 Weekly Interest Rate was determined by the Remarketing Agent. If the preceding Weekly
13 Interest Rate was not determined by the Remarketing Agent, or if the Weekly Interest Rate
14 determined by the Remarketing Agent is held to be invalid or unenforceable by a court of law,
15 then the Weekly Interest Rate, as determined by the Remarketing Agent, shall be equal to 110%
16 of the SIFMA Index, or if such index is no longer available, 85% of the interest rate on 30-day
17 high grade unsecured commercial paper notes sold through dealers by major corporations as
18 reported in *The Wall Street Journal* on the day such Weekly Interest Rate would otherwise have
19 been determined, until the Weekly Interest Rate is again validly determined by the Remarketing
20 Agent.

21 **(3) Determination of Long-Term Interest Rate.** Each Series of the
22 Bonds in a Long-Term Interest Rate mode shall bear interest at the Long-Term Interest Rate.
23 The Long-Term Interest Rate for each Long-Term Interest Period shall be determined by the

1 Remarketing Agent on a Business Day no later than the first day of such Long-Term Interest
2 Rate Period.

3 The Long-Term Interest Rate shall be the rate of interest per annum
4 determined by the Remarketing Agent (based on an examination of tax-exempt obligations
5 comparable, in the judgment of the Remarketing Agent, to such Series of the Bonds and known
6 by the Remarketing Agent to have been priced or traded under then-prevailing market
7 conditions) to be the minimum interest rate at which the Remarketing Agent will agree to
8 purchase such Series of the Bonds on the effective date of that rate for resale at a price (without
9 regard to accrued interest) equal to the principal amount thereof.

10 If, by the second Business Day preceding the 29th day prior to the last day
11 of any Long-Term Interest Rate Period, the Bond Registrar has not received notice pursuant to
12 Section 8(d) of the City's Election to effect a Conversion, the succeeding Interest Rate Period
13 shall be a Weekly Interest Rate Period until Conversion to another Interest Rate Period, and
14 such Series of the Bonds shall be subject to mandatory tender for purchase as provided in
15 Section 10(b)(1) on the first day of such Weekly Interest Rate Period.

16 (4) **Index Rate Period.**

17 (A) **Index Rate Direct Purchase Period; Authorization for**
18 **Direct Purchase Agreement.** The Initial Index Rate Period for each Series of the Bonds shall
19 be an Index Rate Direct Purchase Period. During such period, each Series shall bear interest at
20 an Index Rate as set forth in the Continuing Covenant Agreement and, if such Bonds become
21 Unremarketed Bonds, at the interest rate set forth in the Continuing Covenant Agreement, the
22 terms of which shall be in effect for the period commencing on the Initial Issue Date to the date
23 specified in the Continuing Covenant Agreement (which Index Rate is subject to adjustment as

1 set forth in such Continuing Covenant Agreement). During any subsequent Index Rate Direct
2 Purchase Period, the Interest Rate shall be an Index Rate as set forth in the Direct Purchase
3 Agreement in effect for such period.

4 In connection with any Election to effect a Conversion of a Series
5 to an Index Rate Direct Purchase Period or to extend or renew a Direct Purchase Agreement
6 then in effect, the Designated Representative is authorized to negotiate, execute and deliver a
7 Direct Purchase Agreement (or an agreement amending, restating or otherwise modifying a
8 Direct Purchase Agreement then in effect) on behalf of the City, consistent with the Bond
9 Legislation, in such form as shall be approved by the Designated Representative, which
10 approval shall be evidenced by such execution and delivery.

11 **(B) Determination of Index Rate When Direct Purchase**
12 **Agreement Not In Effect.** Each Series of the Bonds in an Index Rate mode not subject to a
13 Direct Purchase Agreement shall bear interest at the Index Rate, determined as follows:

14 (i) If the Index selected by the Designated Representative
15 is the SIFMA Index, such Index Rate shall be the SIFMA Rate. If the Index is One Month
16 LIBOR, Three Month LIBOR or other index, the Index Rate shall be the sum of (I) the product
17 of the Index multiplied by the Index Rate Percentage, plus (II) the Index Rate Spread. Such
18 Index Rate shall initially be determined by the Remarketing Agent after consultation with and
19 approval by the Designated Representative on the initial Interest Determination Date for such
20 Index Rate Period. The Index Rate shall be in effect for the period commencing on the first day
21 of such Index Rate Period to but excluding the first Interest Reset Date of such Index Rate
22 Period. Thereafter, the Index Rate shall be determined by the Calculation Agent on each Interest

1 Determination Date, and such Index Rate shall be in effect for the period commencing on each
2 Interest Reset Date to but excluding the following Interest Reset Date.

3 (ii) If the selected Index is either the One Month LIBOR
4 or Three Month LIBOR, and such rate is not available on an Interest Determination Date, such
5 rate determined by the Calculation Agent on the basis of the rates at which deposits in U.S.
6 dollars for a one-month or three-month (as applicable) maturity and in a principal amount of at
7 least U.S. \$1,000,000 are offered at approximately 11:00 a.m., London time, on such Interest
8 Determination Date, to prime banks in the London interbank market by three Reference Banks.
9 The Calculation Agent shall request the principal London office of each such Reference Bank to
10 provide a quotation of its rate. If at least two such quotations are provided, the rate will be the
11 arithmetic mean of such quotations. If fewer than two quotations are provided, the rate will be
12 the arithmetic mean of the rates quoted by three (if three quotations are not provided, two or
13 one, as applicable) major banks in New York City, selected by the Designated Representative,
14 at approximately 11:00 a.m. on the Interest Determination Date for loans in U.S. dollars to
15 leading European banks in a principal amount of at least U.S. \$1,000,000 having a one-month
16 or three-month (as applicable) maturity. If none of the banks in New York City selected by the
17 Designated Representative is then quoting rates for such loans, then such rate shall remain
18 unchanged from the preceding Interest Determination Date.

19 (iii) The Index Rate Percentage shall be selected by the
20 Designated Representative in connection with the Conversion to each Index Rate Period and
21 shall remain in effect throughout such period. The Index Rate Spread shall be the spread
22 determined by the Remarketing Agent (based on an examination of tax-exempt obligations
23 comparable, in the judgment of the Remarketing Agent, to such Series of the Bonds and known

1 by the Remarketing Agent to have been priced or traded under then-prevailing market
2 conditions) to be the minimum spread which, when added to the Index (multiplied, if
3 applicable, by the Index Rate Percentage), equals the interest rate which, if borne by such Series
4 of the Bonds, would enable the Remarketing Agent to sell all of such Series of the Bonds on the
5 effective date of that rate at a price (without regard to accrued interest) equal to the principal
6 amount thereof. The Index Rate Spread shall be determined on the initial Interest Determination
7 Date with respect to each Index Rate Period and shall remain in effect throughout such Index
8 Rate Period.

9 (iv) The Stepped Interest Rate to be in effect during a
10 Delayed Remarketing Period shall be determined by the Remarketing Agent, after consultation
11 with and approval by the Designated Representative. The Stepped Interest Rate shall be
12 determined on or prior to the initial Interest Determination Date and shall remain in effect
13 throughout such Index Rate Period.

14 (v) If the Designated Representative selects an alternate
15 index other than the One Month LIBOR, Three Month LIBOR or SIFMA Index, a Favorable
16 Opinion of Bond Counsel must be obtained and a certificate shall be prepared and sent to the
17 Bond Registrar setting forth the Index, the Index Rate Spread and Index Rate Percentage, if any,
18 and other appropriate terms.

19 (c) **Renewal or Extension of Existing Index Rate Direct Purchase Period;**
20 **Conversion from Index Rate Direct Purchase Period.** During any Index Rate Direct Purchase
21 Period for a Series of the Bonds (including the Initial Index Rate Period), the Designated
22 Representative, on behalf of the City may submit a written request, on or before the date 90
23 days prior to the end of such period or such later date as the Designated Representative and the

1 then current Index Rate Holder(s) may agree, to the then-current Index Rate Holder to renew or
2 extend an existing Index Rate Direct Purchase Period or to purchase such Series of the Bonds
3 upon a Conversion to a new Index Rate Direct Purchase Period. Upon receipt of such request,
4 the Index Rate Holder shall use commercially reasonable efforts to respond to such request
5 within 60 days after receipt of all information necessary, in the Index Rate Holder's reasonable
6 judgment, to permit the Index Rate Holder to make an informed credit decision. The Index Rate
7 Holder shall inform the City in writing of its decision, in its sole and absolute discretion, to
8 accept (subject to the preparation, execution and delivery of a Direct Purchase Agreement and
9 other documentation in form and substance satisfactory to the Index Rate Holder prior to the
10 Conversion Date) or reject any such request. If the Index Rate Holder fails to respond in writing
11 to such request within such 60-day period (or such later date as the Designated Representative
12 and the then current Index Rate Holder(s) may agree), the Index Rate Holder shall be deemed to
13 have rejected such request.

14 Upon written acceptance (subject to preparation of documentation, as set forth
15 above), the Designated Representative, on behalf of the City, shall, if the terms of such
16 acceptance are acceptable to the Designated Representative in his sole discretion, give written
17 notice to the Index Rate Holder and the Bond Registrar of the City's Election that during the
18 next Interest Rate Period, such Series of the Bonds shall bear interest at an Index Rate subject to
19 a Direct Purchase Agreement. The notice of Election given by the Designated Representative
20 shall specify (A) the proposed Conversion Date, which shall be the day following the last day of
21 the then-current Index Rate Period or on or after a Par Call Date (or, if applicable, the day
22 specified pursuant to a Direct Purchase Agreement then in effect); (B) the date on which the
23 new Index Rate Period is to end (or, if applicable, a statement that the new Index Rate Period is

1 to end on the day prior to the Maturity Date); (C) the Index Rate that is to be in effect and, if
2 applicable, the Index Rate Percentage, Interest Rate Spread, and any Margin Rate Factor; and
3 (D) any Par Call Date or Mandatory Tender Date for the new Index Rate Period. The notice
4 shall be accompanied by a letter of Bond Counsel that it expects to be able to give a Favorable
5 Opinion of Bond Counsel on the Conversion Date. In addition, such direction shall confirm the
6 appointment of a Calculation Agent and a Market Agent, if applicable.

7 (d) **Unremarketed Bonds; Delayed Remarketing Period.** Unremarketed
8 Bonds subject to a Direct Purchase Agreement shall bear interest on the dates, at the rates and in
9 the manner set forth in the applicable Direct Purchase Agreement, and, if such agreement
10 contains a Term-Out Provision, shall become subject to Extraordinary Mandatory Redemption
11 in accordance therewith. Unremarketed Bonds not subject to a Direct Purchase Agreement shall
12 be subject to a Delayed Remarketing Period as set forth in Section 10(f) and shall bear interest
13 at the Stepped Interest Rate until such Bond ceases to be an Unremarketed Bond. A Bond shall
14 cease to be an Unremarketed Bond only if such Unremarketed Bond is remarketed and
15 transferred, or such Unremarketed Bond is redeemed in full.

16 (e) **Bank Bonds.** Bank Bonds shall bear interest at the Bank Rate until such
17 Bonds are no longer Bank Bonds. Bank Bonds may become subject to Extraordinary Mandatory
18 Redemption in accordance with the Reimbursement Agreement or other agreement relating to
19 the applicable Credit Facility.

20 (f) **Determinations of Remarketing Agent and Calculation Agent**
21 **Binding.** All percentages resulting from any calculation of any interest rate for any Series of
22 the Bonds shall be rounded upward to the fifth decimal place. The Remarketing Agent (if any)
23 and the Calculation Agent shall provide prompt notice of each determination of the interest rate

1 for each Series of the Bonds to the City, the Credit Provider (if any), the Bond Registrar and the
2 Remarketing Agent (if any). The Bond Registrar shall provide notice of any such determination
3 to the Index Rate Holder during an Index Rate Direct Purchase Period and to a Registered
4 Owner of any Bond during any other Interest Rate Period upon request. Absent manifest error,
5 each such determination shall be conclusive and binding upon the City, the Credit Provider (if
6 any), the Bond Registrar, the Remarketing Agent (if any) and the Owner of each Bond.

7 (g) **Maximum Interest Rate; Excess Interest.** Notwithstanding any
8 provision in this resolution to the contrary, at no time shall any Series of the Bonds bear interest
9 at a rate higher than the Maximum Interest Rate. With respect to any Series of the Bonds during
10 any Index Rate Direct Purchase Period (including any such Bonds that become Unremarketed
11 Bonds), if the rate of interest on such Bonds exceeds the Maximum Interest Rate for such
12 Bonds, then (i) such Bonds shall bear interest at the Maximum Interest Rate and Excess Interest
13 (as defined in this subsection) shall be deferred until such date as the rate of interest borne by
14 such Bonds as calculated pursuant to the applicable Direct Purchase Agreement is below the
15 Maximum Interest Rate, at which time Excess Interest shall be payable with respect to such
16 Bonds in amounts that, when combined with the then current interest due on the Bonds, does
17 not exceed payment at the Maximum Interest Rate. For purposes of this provision, "Excess
18 Interest" shall mean interest on the affected Bonds calculated at the rate equal to the difference
19 between (i) the rate of interest for such Bonds as calculated pursuant to this resolution and the
20 applicable Direct Purchase Agreement, and (ii) the Maximum Interest Rate. Payments of
21 deferred Excess Interest shall no longer be due and payable upon the earlier to occur of the date
22 on which such Bonds are tendered for purchase in accordance herewith and are so paid, or such
23 Bonds are paid in full.

1 **Section 7. Accrual and Payment of Interest.**

2 (a) **Accrual of Interest.** Each Bond shall bear interest from its date of
3 issuance, including the Interest Accrual Date preceding the date of authentication thereof or, if
4 such date of authentication is an Interest Accrual Date to which interest on such Bond has been
5 paid in full or duly provided for, from such date of authentication. However, if, as shown by the
6 records of the Bond Registrar, interest on a Bond is in default, a Bond issued in exchange for a
7 Bond that is surrendered for registration or transfer or exchange shall bear interest from the date
8 to which interest on such surrendered Bond had been paid or duly provided for or, if no interest
9 has been paid on such surrendered Bond, from the date of authentication of such surrendered
10 Bond.

11 (b) **Payment of Interest.** Interest shall be payable on each Interest Payment
12 Date, on each redemption date, on each Purchase Date and on the Maturity Date. In any event,
13 interest on each Series of the Bonds shall be payable for the final Interest Rate Period to the date
14 on which that Series of the Bonds is paid in full.

15 (c) **Daily Interest Rate Period.** Interest on a Series of the Bonds during any
16 Daily Interest Rate Period shall accrue on the basis of the actual number of days elapsed in a
17 365-day year (or a 366-day year in a leap year) and shall be payable on each Interest Payment
18 Date for the period commencing on the Interest Accrual Date preceding the prior Interest
19 Payment Date and ending on the last day of the month in which such Interest Accrual Date
20 occurs.

21 (d) **Weekly Interest Rate Period.** Interest on a Series of the Bonds during
22 any Weekly Interest Rate Period shall accrue on the basis of the actual number of days elapsed
23 in a 365-day year (or a 366-day year in a leap year) and shall be payable on each Interest

1 Payment Date for the period commencing on the preceding Interest Accrual Date (or, if any
2 such Interest Payment Date is not a Wednesday, commencing on the second preceding Interest
3 Accrual Date) and ending on and including the Tuesday preceding such Interest Payment Date
4 (or, if sooner, the last day of such Weekly Interest Rate Period).

5 (e) **Long-Term Interest Rate Period.** Interest on a Series of the Bonds
6 during any Long-Term Interest Rate Period shall accrue on the basis of a 360-day year
7 composed of twelve 30-day months and shall be payable on each Interest Payment Date for the
8 period commencing on the Interest Accrual Date of the preceding month and ending on the day
9 preceding the next Interest Accrual Date.

10 (f) **Index Rate Period.** During an Index Rate Period, except as otherwise
11 specified in a Direct Purchase Agreement then in effect, if the applicable Index is (1) the
12 SIFMA Index, interest shall accrue on the basis of the actual number of days elapsed in a
13 365-day year (or a 366-day year in a leap year), (2) One-Month LIBOR or Three-Month
14 LIBOR, interest shall accrue on the basis of the actual number of days elapsed in a 360-day
15 year, or (3) another index determined by the Designated Representative, interest shall accrue as
16 determined by the Designated Representative. Unless otherwise specified in a Direct Purchase
17 Agreement then in effect, interest during an Index Rate Period shall be payable on each Interest
18 Payment Date for the period commencing on the preceding Interest Accrual Date and ending on
19 the day preceding the next Interest Accrual Date.

20 **Section 8. Conversion of Interest Rate Periods.**

21 (a) **Notice of Conversion to Daily Interest Rate Period.** The Bond
22 Registrar shall give notice of a Conversion to a Daily Interest Rate Period to the Registered
23 Owner(s) of the Series of the Bonds to be converted not less than 30 days prior to the proposed

1 Conversion Date, as set forth in a notice of an Election of a Daily Interest Rate Period by the
2 Designated Representative. The notice of the Bond Registrar shall state (1) that the interest rate
3 will be converted to a Daily Interest Rate unless the City rescinds its Election to convert the
4 interest rate to a Daily Interest Rate as provided in Section 6(a); (2) the proposed Conversion
5 Date; (3) that such Series is subject to mandatory tender for purchase on the proposed
6 Conversion Date; (4) the Purchase Price; (5) the place of delivery for purchase of such Series of
7 the Bonds; and (6) the information set forth in Section 10(c).

8 (b) **Notice of Conversion to Weekly Interest Rate Period.** The Bond
9 Registrar shall give notice of a Conversion to a Weekly Interest Rate Period to the Registered
10 Owner(s) of the Series of the Bonds to be converted not less than 30 days prior to the proposed
11 Conversion Date. The notice of the Bond Registrar shall state (1) that the interest rate will be
12 converted to a Weekly Interest Rate unless the City rescinds its Election to convert the interest
13 rate to a Weekly Interest Rate as provided in Section 6(a); (2) the proposed Conversion Date;
14 (3) that such Series is subject to mandatory tender for purchase on the proposed Conversion
15 Date; (4) the Purchase Price; (5) the place of delivery for purchase of such Series of the Bonds;
16 and (6) the information set forth in Section 10(c).

17 (c) **Notice of Conversion to Long-Term Interest Rate Period.** The Bond
18 Registrar shall give notice of a Conversion to a Long-Term Interest Rate Period to the
19 Registered Owner(s) of the Series of the Bonds to be converted not less than 30 days prior to the
20 proposed Conversion Date. The notice of the Bond Registrar shall state (1) that the interest rate
21 will be converted to, or continue to be, the Long-Term Interest Rate unless either the City
22 rescinds its Election to convert the interest rate to the Long-Term Interest Rate as provided in
23 Section 6(a), or all of such Series of the Bonds is not remarketed on the proposed Conversion

1 Date; (2) the proposed Conversion Date; (3) the last day of the new Long-Term Interest Rate
2 Period; (4) that such Series is subject to mandatory tender for purchase on the proposed
3 Conversion Date; (5) the Purchase Price; (6) the place of delivery for purchase of such Series of
4 the Bonds; and (7) the information set forth in Section 10(c).

5 (d) **Notice of Conversion to Index Rate Period.** The Bond Registrar shall
6 give notice of a Conversion to an Index Rate Period to the Registered Owner(s) of the Series of
7 the Bonds to be converted not less than 30 days prior to the proposed Conversion Date. Such
8 notice shall state (1) that the interest rate will be converted to, or continue to be, an Index Rate,
9 unless the City rescinds its Election to convert the interest rate to an Index Rate as provided in
10 Section 6(a); (2) the proposed Conversion Date; (3) the Conversion Date on which the Index
11 Rate Period is to end or, if applicable, that the Index Rate Period is to end on the day prior to the
12 Maturity Date; (4) that such Series of the Bonds are subject to mandatory tender for purchase on
13 the proposed Conversion Date; (5) the Purchase Price; (6) the place of delivery for purchase of
14 such Series of the Bonds; and (7) the information set forth in Section 10(c).

15 (e) **Certain Additional Conditions.** No Conversion shall take effect unless
16 each of the following conditions, to the extent applicable, has been satisfied: (1) the City has
17 obtained the written consent of the applicable Credit Provider (if any); (2) if required pursuant
18 to the notice of Conversion, a Credit Facility is in effect on the Conversion Date; (3) the City
19 has received a Favorable Opinion of Bond Counsel with respect to such Conversion dated the
20 Conversion Date; and (4) the Bond Registrar has sufficient funds on hand from remarketing or
21 refunding proceeds, proceeds of a draw on the Credit Facility or other funds made available by
22 the City, to pay the Purchase Price of such Series of the Bonds on the Conversion Date.

23 **Section 9. Redemption and Payment of Bonds.**

1 (a) **Optional Redemption.**

2 (1) **Weekly or Daily Interest Rate Period.** During a Daily Interest
3 Rate Period or a Weekly Interest Rate Period, each Series of the Bonds then in a Daily Interest
4 Rate or Weekly Interest Rate mode shall be subject to optional redemption at the written
5 direction of the Designated Representative on any Business Day, in whole or in part, at a
6 redemption price of 100% of the principal amount thereof plus interest, if any, accrued to the
7 date fixed for redemption.

8 (2) **Index Rate Period.** During an Index Rate Period, each Series of
9 the Bonds then in an Index Rate mode shall be subject to optional redemption at the written
10 direction of the Designated Representative on any Interest Accrual Date on or after any Par Call
11 Date, in whole or in part, at a redemption price of 100% of the principal amount thereof plus
12 interest, if any, accrued to the date fixed for redemption.

13 (3) **Long-Term Interest Rate Period.** During a Long-Term Interest
14 Rate Period, each Series of the Bonds then in a Long-Term Interest Rate mode shall be subject
15 to optional redemption at the written direction of the Designated Representative, (A) on the first
16 day of such Long-Term Interest Rate Period, in whole or in part, at a redemption price of 100%
17 of the principal amount thereof plus interest accrued to the date fixed for redemption, and
18 (B) thereafter, on any day during the periods specified below in whole or in part, at the
19 redemption prices (expressed as a percentage of principal amount) specified below plus interest,
20 if any, accrued to the date fixed for redemption:

Length of Long-Term Interest Rate Period (expressed in years)	Redemption Prices
greater than 15	after 10 years at 101%, declining by 0.5% every year to 100%
less than or equal to 15 and greater than 10	after 7 years at 101%, declining by 0.5% every year to 100%
less than or equal to 10 and greater than 7	after 5 years at 101%, declining by 0.5% every year to 100%
less than or equal to 7 and greater than 4	after 3 years at 100.5%, declining by 0.5% after one year to 100%
less than or equal to 4	after 2 years at 100%

1
2 The Designated Representative may agree to amend the above table prior to a Conversion to
3 the Long-Term Interest Rate Period with respect to which such amended table is to be in effect,
4 if he deems such amendment to be necessary or convenient, but only upon delivery of a
5 Favorable Opinion of Bond Counsel.

6 If the Conversion Date for a Series of the Bonds converted to a
7 Long-Term Interest Rate Period is other than a day that would be an Interest Payment Date
8 during such Long-Term Interest Rate Period, then the date on which such Series is first subject
9 to redemption pursuant to the foregoing table (after the first day of such Long-Term Interest
10 Rate Period) shall be the first Interest Payment Date succeeding the date on which such Series
11 otherwise would be subject to redemption, and the redemption price shall be adjusted on each
12 anniversary of that Interest Payment Date as provided in such table.

13 (4) **During Term-Out Period.** In addition, during a Term-Out Period
14 regardless of interest rate mode, the Bonds shall be subject to optional redemption upon the
15 written direction of the Designated Representative, on any Business Day, in whole or in part, at
16 a redemption price of 100% of the principal amount thereof plus interest, if any, accrued to the
17 date fixed for redemption.

18 (b) **Mandatory Sinking Fund Redemption.** Each Series of the Bonds shall
19 be designated as Term Bonds and, if not redeemed or purchased at the City's option prior to the

1 Maturity Date, such Bonds shall be redeemed, at a price equal to the principal amount thereof to
2 be redeemed plus accrued interest, on November 1 in each of the years and the Sinking Fund
3 Requirements set forth in Exhibit B to this resolution.

4 (c) **Extraordinary Mandatory Sinking Fund Redemption.** In the case of a
5 Series that is subject to a Direct Purchase Agreement or Credit Facility with a Term-Out
6 Provision, Unremarketed Bonds shall be subject to Extraordinary Mandatory Redemption
7 during the Term-Out Period in the amounts, on the dates and in the manner as set forth Term-
8 Out Provision of the applicable Direct Purchase Agreement or Credit Facility.

9 **Section 10. Optional and Mandatory Tender and Purchase.**

10 (a) **Optional Tender for Purchase.** During any Weekly Interest Rate
11 Period and any Daily Interest Rate Period, the Bonds shall be subject to tender for purchase at
12 the option of the Registered Owner (or Beneficial Owner, if such Series of the Bonds is held in
13 Book-Entry Form) as set forth below, and if tendered in accordance with this subsection (a),
14 shall be payable as set forth in subsection (e).

15 (1) **Daily Interest Rate Period.** Bonds of a Series that is in a Daily
16 Interest Rate mode may be tendered for purchase in any Authorized Denomination (provided
17 that the amount of such Series that is not tendered for purchase must also be in an Authorized
18 Denomination) upon delivery by a Registered Owner of such Bonds to the Bond Registrar and
19 to the Remarketing Agent by no later than 11:00 a.m., New York time, on any Business Day, of
20 an irrevocable written notice (or an irrevocable telephonic notice, promptly confirmed by
21 telecopy or other writing), which states (A) the principal amount of such Bonds to be purchased
22 and (B) the Purchase Date, which may be any succeeding Business Day. Any such notice
23 delivered to the Bond Registrar or the Remarketing Agent after 11:00 a.m., New York time,

1 shall be deemed to have been received on the succeeding Business Day. If the Bonds so
2 tendered for purchase are not registered in the name of the Securities Depository, the Registered
3 Owner shall deliver the Bonds to the Bond Registrar at its designated office for delivery of
4 Bonds at or prior to 12:00 noon, New York time, on the Purchase Date, accompanied by an
5 instrument of transfer in form satisfactory to the Bond Registrar.

6 (2) **Weekly Interest Rate Period.** Bonds of a Series that is in a
7 Weekly Interest Rate mode may be tendered for purchase in any Authorized Denomination
8 (provided that the amount of such Series that is not tendered for purchase must also be in an
9 Authorized Denomination) upon delivery by the Registered Owner to the Bond Registrar and to
10 the Remarketing Agent of an irrevocable written notice which states (A) the principal amount of
11 such Bonds to be purchased and (B) the Purchase Date, which may be any Business Day not
12 prior to the seventh day after the date of the delivery of such notice to the Bond Registrar and
13 the Remarketing Agent. Any such notice delivered to the Bond Registrar or the Remarketing
14 Agent after 4:00 p.m., New York time, shall be deemed to have been received on the succeeding
15 Business Day. If the Bonds so tendered for purchase are not registered in the name of the
16 Securities Depository, the Registered Owner shall deliver the Bonds to the Bond Registrar at its
17 designated office for delivery of Bonds at or prior to 10:00 a.m., New York time, on the
18 Purchase Date, accompanied by an instrument of transfer in form satisfactory to the Bond
19 Registrar.

20 (3) **Irrevocable Notice Deemed to be Tender of Bonds.** The giving
21 of notice of optional tender for purchase by a Registered Owner or Participant as provided in
22 this subsection (a) shall constitute the irrevocable tender for purchase of those Bonds with
23 respect to which such notice is given regardless of whether such Bonds are delivered to the

1 Bond Registrar for purchase on the applicable Purchase Date. If Bonds tendered for purchase
2 are registered in the name of the Securities Depository, such tender is subject to confirmation by
3 the Securities Depository to the Bond Registrar that the Participant has the required Ownership
4 interest in those Bonds.

5 (b) **Mandatory Tender for Purchase.**

6 (1) **Bonds Subject to Mandatory Tender.** Each Series of the Bonds
7 shall be subject to mandatory tender for purchase at the Purchase Price on the following
8 Purchase Dates (without duplication):

9 (A) on the first day of each Interest Rate Period, except if such
10 new Interest Rate Period is the result of an extension or renewal of a Direct Purchase
11 Agreement in connection with an Index Rate Direct Purchase Period;

12 (B) on each proposed Conversion Date for which notice has been
13 given to the Registered Owner(s) in accordance with subsection (c) of this section;

14 (C) on or after each Par Call Date for which notice has been given
15 to the Registered Owner(s) in accordance with subsection (c) of this section;

16 (D) during any Interest Rate Period in which the Series is subject
17 to a Credit Facility, in the event that such Series ceases to be subject to that Credit Facility, as
18 set forth in subsection (2) of this section; and

19 (E) during any Index Rate Direct Purchase Period, on each
20 Mandatory Tender Date specified in a Direct Purchase Agreement then in effect, for which
21 notice, if required thereunder, has been given as set forth therein.

22 (2) **Mandatory Tender of Bonds Upon Expiration or Termination**
23 **of Credit Facility.** In addition, each Series of the Bonds with respect to which a Credit Facility

1 is then in effect shall be subject to mandatory tender for purchase if at any time the Bond
2 Registrar receives notice that such Series will cease to be subject to purchase pursuant to such
3 Credit Facility as a result of (A) the termination, replacement or expiration of such Credit
4 Facility (including termination at the option of the City in accordance with the terms of any
5 Reimbursement Agreement or upon an event of default under the Reimbursement Agreement),
6 or (B) a Conversion. The Purchase Date for such mandatory tender shall be (A) the fifth
7 Business Day preceding any such expiration or termination of such Credit Facility (if no
8 Alternate Credit Facility is to be delivered to the Bond Registrar), (B) the Business Day on
9 which such Alternate Credit Facility is delivered to the Bond Registrar, or (C) the Conversion
10 Date.

11 (c) **Notice of Mandatory Tender for Purchase.** In connection with any
12 mandatory tender for purchase of a Series of the Bonds under subsection (b) of this section, the
13 Bond Registrar shall give notice to the Registered Owner(s) of the applicable Series of the
14 Bonds (which may be combined with a notice of Conversion under Section 8), as follows:

15 (1) Each notice shall state that if the Purchase Price is provided to the
16 Bond Registrar from remarketing or refunding proceeds, proceeds of a draw on the Credit
17 Facility or other funds made available by the City, such Series will be purchased on the
18 Purchase Date; and

19 (2) In the case of a mandatory tender for purchase pursuant to
20 subsection (b)(1), the notice shall state (A) the Purchase Date, and (B) if in conjunction with a
21 Conversion, the type of Interest Rate Period to which such Series will be converted on the
22 Purchase Date;

1 (3) In the case of a mandatory tender for purchase pursuant to
2 subsection (b)(2), the notice shall state (A) that the Credit Facility will expire, terminate or be
3 replaced, (B) that after the Purchase Date, such Series will no longer be purchased pursuant to
4 the Credit Facility then in effect, and (C) the short-term ratings applicable to such Series may be
5 lowered or withdrawn; and

6 (4) In the case of a Series that is not registered in the name of the
7 Securities Depository, the notice shall state that (A) the Purchase Price will be payable only
8 upon surrender of such Bonds to the Bond Registrar at its designated office for delivery of
9 Bonds, accompanied by an instrument of transfer, in form satisfactory to the Bond Registrar,
10 executed in blank by the Registered Owner or its duly authorized representative, with such
11 signature guaranteed by a commercial bank, trust company or member firm of the New York
12 Stock Exchange, and (B) if the Registered Owner of any such Bond does not surrender that
13 Bond to the Bond Registrar for purchase on the Purchase Date, then that Bond shall be deemed
14 to be an Undelivered Bond, no interest shall accrue on such Bond on and after the Purchase
15 Date and the Registered Owner shall have no rights under the Bond Legislation other than to
16 receive payment of the Purchase Price for such Undelivered Bond.

17 (d) **Delivery of Bonds Subject to Mandatory Tender; Undelivered Bonds.**

18 Payment of the Purchase Price of a Series subject to mandatory tender for which a notice has
19 been given in accordance with subsection (c) shall be as set forth in subsection (e), below.
20 Bonds to be so purchased that are not registered in the name of the Securities Depository must
21 be delivered at or prior to 10:00 a.m., New York time, on the Purchase Date to the Bond
22 Registrar at its designated office for delivery of Bonds, accompanied by an instrument of
23 transfer in form satisfactory to the Bond Registrar and satisfying the conditions set forth in the

1 notice of mandatory tender. If the Registered Owner of a Bond subject to mandatory tender for
2 purchase that is not registered in the name of the Securities Depository fails to deliver its Bond
3 to the Bond Registrar at the place and on the Purchase Date and by the time specified, or fails to
4 deliver its Bond properly endorsed, such Bond shall constitute an Undelivered Bond.

5 If funds in the amount of the Purchase Price of an Undelivered Bond are
6 available for payment to the Registered Owner thereof on the Purchase Date at the time
7 specified, then from and after the Purchase Date and time of that required delivery (1) the
8 Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be
9 outstanding under the Bond Legislation; (2) interest shall no longer accrue on the Undelivered
10 Bond; and (3) funds in the amount of the Purchase Price of the Undelivered Bond shall be held
11 uninvested and without liability for interest by the Bond Registrar for the benefit of the
12 Registered Owner thereof, to be paid on delivery (and proper endorsement) of the Undelivered
13 Bond to the Bond Registrar at its designated office for delivery of Bonds.

14 (e) **Payment of Purchase Price.** Bonds tendered for purchase under
15 subsection (a) or (b) of this section shall be purchased on the Purchase Date specified in the
16 applicable notice by payment of the Purchase Price made by the Bond Registrar, from the
17 sources specified in this subsection of this section, payable in immediately available funds to the
18 Registered Owner (and not to any Participant), by 3:00 p.m., New York time, on the Purchase
19 Date, or as soon as practicable thereafter upon the receipt by the Bond Registrar of the Purchase
20 Price in the Bond Purchase Fund as set forth in Section 14.

21 The Purchase Price of any Bonds to be purchased on any Purchase Date shall be
22 made from the following sources in the following order of priority: (1) proceeds of the
23 remarketing of such Bonds; (2) proceeds of refunding bonds issued by the City; (3) proceeds of

1 a draw on the Credit Facility; and (4) other funds made available by the City (which may
2 include Net Revenues, to the extent legally available for such purpose consistent with the Bond
3 Legislation).

4 (f) **Failure to Pay Purchase Price of Bonds in Index Rate Mode;**
5 **Unremarketed Bonds.** During any Index Rate Period, if the entire Purchase Price for any
6 Series of the Bonds subject to mandatory tender for purchase under subsection (b)(1) of this
7 section cannot be paid on the applicable Purchase Date, then only a portion of such Series in an
8 amount equal to the funds available to pay the full Purchase Price thereof will be purchased on
9 such Purchase Date. Those Bonds to be purchased shall be selected as provided in Section 8(c)
10 of the Bond Ordinance for partial redemption, unless otherwise provided in a Direct Purchase
11 Agreement applicable to such Series. The remainder of the Bonds of such Series for which there
12 are not sufficient available funds to pay the full Purchase Price shall not be purchased and shall
13 become Unremarketed Bonds, subject to the following:

14 (1) With respect to Unremarketed Bonds for which no Direct Purchase
15 Agreement is in effect, a Delayed Remarketing Period will commence on the Purchase Date for
16 which funds were insufficient to pay the entire Purchase Price. During a Delayed Remarketing
17 Period, the following will apply: (A) the Unremarketed Bonds will bear interest at the Stepped
18 Interest Rate; (B) interest shall continue to be due and payable on each Interest Payment Date
19 and also shall be payable on the last day of the Delayed Remarketing Period and the
20 Unremarketed Bonds; (C) the Remarketing Agent (if any) will continue to be obligated to
21 remarket the applicable Bonds; (D) the Unremarketed Bonds will continue to be subject to
22 optional redemption by the City as described in Section 9(a); (E) the Designated Representative
23 on behalf of the City, by notice to the Bond Registrar and the Remarketing Agent, may Elect to

1 effect a Conversion of the Unremarketed Bonds as described in Section 6(a); and (F) if and
2 when the Unremarketed Bonds are successfully remarketed as described in Section 13, the
3 Registered Owner(s) of the Unremarketed Bonds will be obligated to tender their Bonds to the
4 Bond Registrar for purchase.

5 (2) If a Direct Purchase Agreement is then in effect for such Series, then
6 as to such Unremarketed Bonds, the following will apply: (A) the Unremarketed Bonds shall
7 bear interest at a Stepped Interest Rate or other increased rate of interest as set forth in the
8 applicable Direct Purchase Agreement; (B) interest on the Unremarketed Bonds shall continue
9 to be due and payable on each Interest Payment Date (or such other date(s) as may be specified
10 in the applicable Direct Purchase Agreement) and also shall be payable on the last day of the
11 Delayed Remarketing Period; (C) the Remarketing Agent (if any) will continue to be obligated
12 to remarket the applicable Bonds; (D) the Unremarketed Bonds will continue to be subject to
13 optional redemption by the City as described in Section 9(a); (E) the Designated Representative
14 on behalf of the City, by notice to the Index Rate Holder, and the Bond Registrar, may Elect to
15 effect a Conversion of the Unremarketed Bonds as described in Section 6(a); (F) if and when
16 the applicable Bonds are successfully remarketed as described in Section 13, the Index Rate
17 Holder will be obligated to tender the Unremarketed Bonds to the Bond Registrar for purchase
18 at par plus accrued interest to the Purchase Date; (G) the Unremarketed Bonds shall remain
19 subject to the provisions of the Direct Purchase Agreement then in effect, which may include
20 Extraordinary Mandatory Redemption of such Unremarketed Bonds in the amounts and on the
21 dates as set forth in a Term-Out Provision (if any) if the failure to purchase the Unremarketed
22 Bonds occurred on a Mandatory Tender Date, and (H) if not otherwise provided for in the

1 Direct Purchase Agreement, shall otherwise be subject to subsection (2) above as if no Direct
2 Purchase Agreement were in effect.

3 **Section 11. Credit Facility; Bank Bonds.**

4 (a) **Draws on a Credit Facility.** When a Credit Facility is in effect with
5 respect to any Series, the Bond Registrar shall draw on the Credit Facility in accordance with
6 the terms of the Credit Facility and the provisions of the Reimbursement Agreement, to the
7 extent necessary to pay when due the principal and Purchase Price of and interest on such Series
8 of the Bonds.

9 (b) **Acceptance by the Bond Registrar.** If at any time there are delivered to
10 the Bond Registrar (1) a Credit Facility, (2) all required legal opinions and information (if any),
11 and (3) all information required to give the notice of mandatory tender for purchase of a Series,
12 then the Bond Registrar shall accept such Credit Facility and, after the date of the mandatory
13 tender for purchase established pursuant to Section 10(b), promptly surrender any Credit
14 Facility then in effect to the issuer thereof for cancellation in accordance with its terms.

15 (c) **Notice of Termination.** The Bond Registrar shall give notice to the
16 Remarketing Agent and the Registered Owner(s) of such Series of the termination or expiration
17 of any Credit Facility in accordance with its terms.

18 (d) **Bank Bonds.** A Credit Facility may provide that a Bond that is purchased
19 by the Bond Registrar with amounts paid or provided by a Credit Provider under a Credit
20 Facility shall become a Bank Bond and shall bear interest at the Bank Rate for each day from
21 and including the day such Bank Bond becomes a Bank Bond to and excluding the day such
22 Bank Bond ceases to be a Bank Bond or is paid in full. Interest on each Bank Bond shall be
23 calculated and be payable on the dates and in the manner specified in the Credit Facility or

1 Reimbursement Agreement. To the extent there are not remarketing proceeds or refunding bond
2 proceeds available to pay a Bank Bond on any interest or principal payment date for those Bank
3 Bonds, the City shall make such payment to the Bond Registrar from the Parity Bond Fund. A
4 Credit Facility may include a Term-Out Provision applicable to Bank Bonds, providing for the
5 Extraordinary Mandatory Redemption of such Bank Bonds in accordance with the Sinking Fund
6 Requirements specified in the Credit Facility or Reimbursement Agreement.

7 **Section 12. Remarketing Agent.** If the Designated Representative on behalf of the
8 City Elects to effect a Conversion of any Series to a Daily Interest Rate mode, Weekly Interest
9 Rate mode or Long-Term Interest Rate mode, the Designated Representative shall appoint a
10 Remarketing Agent to remarket such Series on the Purchase Date, and shall enter into a
11 Remarketing Agreement with such Remarketing Agent. Each Remarketing Agent appointed by
12 the Designated Representative on behalf of the City shall designate its principal office in the
13 Remarketing Agreement. The Remarketing Agent shall signify its acceptance of the duties and
14 obligations imposed upon it under the Bond Legislation by a written instrument of acceptance
15 (which may be the Remarketing Agreement) delivered to the City, the Bond Registrar and the
16 Credit Provider (if any), under which the Remarketing Agent shall agree to keep such books and
17 records related to the remarketing of such Series as is consistent with prudent industry practice
18 and to make such books and records related to the remarketing of such Series available for
19 inspection by the City, the Bond Registrar and the Credit Provider (if any), at all reasonable
20 times.

21 Each Remarketing Agent shall be a member of the Financial Industry Regulatory
22 Authority, Inc. (FINRA), having a combined capital stock, surplus and undivided profits of at
23 least \$50,000,000, and be authorized by law to perform all the duties imposed upon it by the

1 Bond Legislation and the Remarketing Agreement. Each Remarketing Agent shall be acceptable
2 to the Credit Provider (if any). A Remarketing Agent may at any time resign and be discharged
3 of the duties and obligations created by this Resolution by giving notice to the City, the Bond
4 Registrar and the Credit Provider (if any). Such resignation shall take effect on the 30th day after
5 the receipt by the City of the notice of resignation. A Remarketing Agent may be removed at
6 any time on 15 days prior written notice, by an instrument signed by the Designated
7 Representative, approved by the Credit Provider (if any), and delivered to the Remarketing
8 Agent, the Bond Registrar and the Credit Provider.

9 **Section 13. Remarketing of Bonds; Notice of Interest Rates.**

10 (a) **Remarketing.** Upon a mandatory tender for purchase of a Series as
11 required by Section 10(b) or notice of optional tender for purchase of a Series under
12 Section 10(a), the Remarketing Agent shall offer for sale and use its best efforts to sell such
13 Bonds on the Purchase Date and, if not remarketed on the Purchase Date, thereafter until sold, at
14 the Purchase Price.

15 (b) **Notice of Purchase and Remarketing.** The Remarketing Agent shall
16 give notice to the Bond Registrar and the City by facsimile transmission, telephone, e-mail or
17 similar electronic means promptly confirmed by a written notice, in no event later than 9:30
18 a.m., New York time, on each Purchase Date on which Bonds are purchased pursuant to a
19 tender for purchase under Section 10, specifying the principal amount of such Bonds, if any,
20 remarketed. If such Bonds are not registered in the name of the Securities Depository, the
21 Remarketing Agent shall also provide a list of the purchasers showing the names and
22 Authorized Denominations in which such Bonds are to be registered, and the addresses and
23 taxpayer identification numbers of such purchasers.

1 **Section 14. Bond Purchase Fund.** The Designated Representative is authorized to
2 establish and maintain in the custody of the Bond Registrar a separate trust fund to be
3 designated the “Bond Purchase Fund,” including executing such additional written
4 authorizations or agreements on behalf of the City as may be required for the establishment and
5 maintenance of such fund. The Bond Registrar shall further establish within the Bond Purchase
6 Fund a separate trust account to be designated the “Remarketing Account” and, if a Credit
7 Facility is delivered in connection with a Conversion, a separate trust account to be designated
8 the “Credit Facility Purchase Account.”

9 (a) **Remarketing Account.** Upon receipt of the proceeds of a remarketing
10 of Bonds on a Purchase Date, the Bond Registrar shall deposit such proceeds in the
11 Remarketing Account of the Bond Purchase Fund for application to the Purchase Price of such
12 Bonds.

13 (b) **Credit Facility Purchase Account.** Upon receipt from the Credit
14 Provider of immediately available funds, the Bond Registrar shall deposit such money in the
15 Credit Facility Purchase Account of the Bond Purchase Fund for application to the Purchase
16 Price of such Bonds required to be purchased on a Purchase Date to the extent that the money
17 on deposit in the Remarketing Account of the Bond Purchase Fund is not sufficient. Any
18 amounts deposited in the Credit Facility Purchase Account and not needed on any Purchase
19 Date for the payment of the Purchase Price for any Bonds shall be immediately returned to the
20 Credit Provider. Any amounts in the Credit Facility Purchase Account shall be used only to
21 purchase such Bonds.

1 (c) **Other City Funds.** Amounts contributed by the City to the Purchase
2 Price as provided in Section 10(e) shall be transferred from the Parity Bond Fund to the Bond
3 Registrar and deposited into the Bond Purchase Fund for use in accordance with Section 14(a).

4 **Section 15. Defaults and Remedies Under a Direct Purchase Agreement.** In
5 addition to and without limiting the terms and conditions that may be included in a Direct
6 Purchase Agreement (including the Continuing Covenant Agreement), the Designated
7 Representative may agree to terms that provide that, in the event of a default that becomes an
8 Event of Default under the terms of an applicable Direct Purchase Agreement, the Series of the
9 Bonds with respect to which the Event of Default occurred shall automatically and without
10 notice bear interest at a Default Rate (as defined therein) which shall not exceed the Maximum
11 Interest Rate, subject to the terms hereof and of the related Direct Purchase Agreement. The
12 Default Rate shall commence upon occurrence of the Event of Default and shall continue in
13 effect until such time as the Event of Default is cured or the affected Bonds are redeemed in
14 full. The remedy of acceleration is expressly denied.

15 Notwithstanding anything contained in this resolution, during an Index Rate Direct
16 Purchase Period, if any Owner of Parity Bonds, any Qualified Counterparty, or any provider of
17 a Credit Facility, Qualified Insurance or Qualified Letter of Credit with respect to any Parity
18 Bonds causes any such debt or any party causes any other obligations secured by all or any
19 portion of the Gross Revenues to become immediately due and payable (whether by repurchase,
20 mandatory tender, mandatory redemption, acceleration or otherwise), the Index Rate Holder
21 may immediately, and without notice, declare or cause to be declared the unpaid principal
22 amount of the Bonds, all interest accrued and unpaid thereon, and all other amounts owing or

1 payable with respect to the Bonds and under the related Direct Purchase Agreement to be
2 immediately due and payable.

3 **Section 16. Other Payment Obligations Under a Direct Purchase Agreement or**
4 **Credit Facility; Security.** To the extent that a Direct Purchase Agreement or agreement
5 relating to a Credit Facility imposes payment obligations (other than obligations to pay the
6 principal of and interest on the Bonds, which shall be subject to the pledge of Section 12 of the
7 Ordinance) (the “Obligations”) on the City, such Obligations shall be special limited obligations
8 of the City payable from and secured solely by Gross Revenues, which pledge shall constitute a
9 lien and charge upon such Gross Revenues subordinate only to reasonable charges for
10 maintenance and operation of the Light System and the payments required to be made into the
11 Parity Bond Fund and the accounts therein under the Ordinance. The Obligations shall not
12 constitute general obligations of the City, the State or any political subdivision of the State or a
13 charge upon any general fund or upon any money or other property of the City, the State or any
14 political subdivision of the State not specifically pledged herein.

15 **Section 17. General Authorization.** The Mayor and the Director of Finance and
16 each of the other appropriate officers of the City are each authorized and directed to do
17 everything as in their judgment may be necessary, appropriate or desirable in order to carry out
18 the terms and provisions of, and complete the transactions contemplated by, the Bond
19 Ordinance and this resolution. Without limiting the foregoing, the Designated Representative is
20 authorized to select, from time to time, such Calculation Agents, Remarketing Agents, Market
21 Agents or other agents as he may deem necessary or desirable in order to carry out the terms of
22 this resolution, the Bonds and any Direct Purchase Agreement that may be in effect. The
23 Designated Representative is further authorized to execute such amendments, supplements,

1 restatements or other modifications to the Continuing Covenant Agreement as he may deem
2 appropriate or desirable from time to time in any manner that is not inconsistent with the Bond
3 Legislation; and is authorized to execute future Direct Purchase Agreements (along with such
4 amendments, supplements, restatements or other modifications thereto as he may deem
5 appropriate or desirable from time to time) with respect to future Index Rate Direct Purchase
6 Periods.

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

16 **Section 19. Ratification of Prior Acts.** All acts taken pursuant to the authority of
17 this resolution but prior to its effective date are ratified, approved and confirmed.

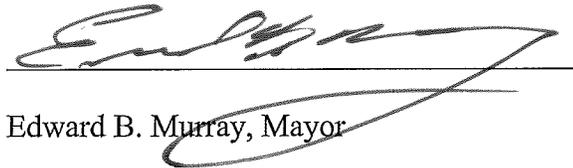
1 **Section 20. Section Headings.** Section headings in this resolution are used for
2 convenience only and shall not constitute a substantive portion of this resolution.

3 Adopted by the City Council the 14th day of September, 2016,
4 and signed by me in open session in authentication of its adoption this 14th day of
5 September, 2016.

6 

7 President _____ of the City Council

8 The Mayor concurred the 16th day of September, 2016.

9 
10 Edward B. Murray, Mayor

11 Filed by me this 16th day of September, 2016.

12 

13 Monica Martinez Simmons, City Clerk

14 (Seal)

15 LIST OF EXHIBITS

16 Exhibit A – Term Sheet Describing Continuing Covenant Agreement

17 Exhibit B – Maturity Schedule and Sinking Fund Requirements

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EXHIBIT A

TERM SHEET DESCRIBING CONTINUING COVENANT AGREEMENT



EXHIBIT A
TERM SHEET DESCRIBING CONTINUING COVENANT AGREEMENT

Proposal
Direct Purchase of Tax Exempt Index Rate Bonds
Seattle City Light

Summary of Preliminary Terms and Conditions ("Term Sheet")
(For Discussion Purposes Only – Not a Commitment to Lend)

Originally dated July 1, 2016, and revised on September 14, 2016

TRANSACTION SUMMARY:

Obligor: Seattle City Light (the "Obligor").
Issuer: City of Seattle (the "Issuer").
Issue: Municipal Light and Power Improvement Revenue Bonds, Series 2016 (the "Bonds").

Financing Documentation: The Bonds will be issued pursuant to the Ordinance and purchased by the Bank in accordance with and subject to the provisions of a Continuing Covenant Agreement ("CCA") between the Bank and the Obligor containing standard closing conditions, representations and warranties, covenants and remedies. The Bonds, the Ordinance and the CCA are herein collectively referred to (along with any amendment, supplement or restatement of any or all of the foregoing) as the "Financing Documents."

Use of Proceeds: Proceeds shall be used to fund capital projects consisting of certain additions and betterments to and extensions of the existing municipal light and power plant and system as described in the Ordinance.

Par Amount: Up to \$100,000,000

Purchaser/Bank: Wells Fargo Bank, National Association, or any other wholly owned subsidiary of Wells Fargo Bank, N.A. ("Wells Fargo" or the "Bank").

Tax Treatment: Interest on the Bonds shall be excludable from gross income for federal income tax purposes. The Obligor shall take all steps

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necessary to maintain such tax exempt status for the Bonds. The Bank shall be provided an opinion of tax counsel satisfactory to the Bank which concludes that interest on the Bonds is excludable from gross income for federal income tax purposes.

Security for the Bonds: Pursuant to the Ordinance, a security pledge of gross revenues, senior to all charges except reasonable charges for the maintenance and operation of the Obligor, and on parity with existing debt.

Security for the other CCA Obligations: Pursuant to the Resolution, a security pledge of gross revenues, subordinate only to reasonable charges for maintenance and operation of the Obligor and the payments required to be made into the Parity Bond Fund and the accounts therein under the Ordinance.

INTEREST RATES AND OTHER KEY PROVISIONS:

Index Floater Mode: The Ordinance or a Resolution shall include an Index Rate Mode, the terms of which are described below. All other standard interest rate modes will be contained in the Ordinance, a Resolution or the CCA, or any combination of Financing Documents, including daily and weekly reset modes, intermediate fixed rate modes and a fixed to maturity mode.

Index Rate: The Bonds shall initially bear interest to the Mandatory Tender Date at a per annum rate of interest equal to the sum of (i) the product of the Index times the Applicable Factor and (ii) the Applicable Spread, subject to adjustment as provided below.

- Index – One Month LIBOR
- Applicable Factor – initially 70%
- Applicable Spread – subject to adjustment as described below.
 - 3 years: +35.0 basis points

The Bonds shall bear interest at the Index Rate during each Index Rate Period while no Event of Default exists.

The Index Rate will be subject to adjustment as described below.

At any time when One Month LIBOR is less than 0.0% One Month LIBOR shall be deemed to be 0.0% for purposes of calculating the Index Rate.



Mandatory Tender Date:

Three years from the initial purchase date or upon the occurrence of any event of default under the CCA; *provided, however,* that, if the Bonds are not remarketed on a Mandatory Tender Date caused by any event of default under the CCA, the Bonds shall be payable as described below under "Repayment After Mandatory Tender Date" only after the date which is three years from the initial purchase date; *provided, however,* further that the Bonds shall always be subject to mandatory sinking fund redemption on the dates and in the amounts set forth in the Financing Documents.

Downgrade Pricing:

The Applicable Spread is subject to the maintenance of the current ratings assigned to the long term, unenhanced debt of the Obligor that is secured on parity with the Bonds ("Parity Debt"). The Applicable Spread will be increased upon each downgrade of any Parity Debt below its current ratings of Aa2/AA by the corresponding additional basis points reflected below:

Credit Rating (Moody's/S&P)	Applicable Spread
Aa2/AA to Aa3/AA-	+5bps
Aa3/AA- to A1/A+	+10bps
A1/A+ to A2/A	+15bps
A2/A to A3/A-	+15bps
A3/A- to Baa1/BBB+	+25bps
Baa1/BBB+ to Baa2/BBB	+35bps
Baa2/BBB to Baa3/BBB-	+50bps

In the event ratings are assigned by all three Rating Agencies, and only two such ratings are equivalent, the two equivalent ratings shall be used for the purpose of determining the applicable level from the above grid. In the event ratings are assigned by all three Rating Agencies and no two such ratings are equivalent, the middle rating shall be used for the purpose of determining the applicable level from the above grid. In the event ratings are assigned by only two Rating Agencies and such



ratings are not equivalent, the lower rating shall be used for the purpose of determining the applicable level from the above grid. If one or more of the underlying ratings are withdrawn or suspended for any reason, any rating falls below investment grade, or an event of default occurs, the Bonds shall bear interest at the Default Rate.

All of the foregoing pricing increases shall be cumulative.

References above are to rating categories as presently determined by the rating agencies, and in the event of the adoption of any new or changed rating systems or a "global" rating scale by any such rating agency, the ratings categories shall be adjusted accordingly to a new rating which most closely approximates the ratings currently in effect.

Computation Basis:

Computations of interest shall be calculated on the basis of a 360-day year and actual days elapsed.

Payment of Principal and Interest:

Obligor shall repay the principal of and interest on the Bonds as follows:

- A principal amortization schedule for the Bonds that is acceptable to the Bank shall be determined.
- Interest on the Bonds shall be payable on the first Business Day of each month.

Notwithstanding the foregoing, from and after the Mandatory Tender Date, principal of and interest on the Bonds shall be payable as described below under "Repayment After Mandatory Tender Date."

Optional Redemption/ Conversion:

At the option of the Obligor, the Bonds may be optionally redeemed or converted to another interest rate mode to be effective on any interest payment date prior to the Mandatory Tender Date upon 60 days prior written notice to the Bank and compliance with the applicable provisions of the Financing Documents; provided that voluntary redemptions or conversions of Bonds made on a date other than an interest payment date shall be subject to the payment of customary LIBOR breakage costs, if any; provided further that any redemption or conversion shall be subject to the provisions below under "Termination/Reduction Fee."

Renewal Terms:

The Bank acknowledges that the Financing Documents will permit the Obligor to convert the Bonds to a new interest rate

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mode, including a new Index Rate Mode, on any interest payment date upon the giving of appropriate notice. Upon the receipt of written notification from the Obligor of its desire to change interest rate modes, the Bank will, not more than 60 days after such notification, notify the Obligor in writing whether or not the Bank agrees to either purchase the Bonds in a new Index Rate Mode or provide liquidity or credit enhancement necessary to facilitate the conversion of the Bonds to another interest rate mode and the terms under which the Bank will purchase the bonds or provide such liquidity or credit enhancement. If the Bank fails to notify the Obligor of its decision within such 60 day period, the Bank shall be deemed to have rejected such request.

**Repayment after
Mandatory Tender
Date:**

Provided no Default or Event of Default has occurred and is continuing and all representations and warranties of the Obligor are true and correct as of the Mandatory Tender Date, all principal amounts are due in full by the earlier of: (i) the fifth anniversary of the Mandatory Tender Date, during which time such Unremarketed Bonds will amortize in equal quarterly payments, (ii) the date on which the Bonds mature or are redeemed, repaid, prepaid or canceled pursuant to the terms of the Financing Documents or (iii) the date on which the Bonds are remarketed.

Any amount of principal of the Bonds may be prepaid during the term out at any time without penalty.

So long as no Event of Default has occurred and is continuing and all representations and warranties of the Obligor are true and correct as of the Mandatory Tender Date, interest on the Bonds from the Mandatory Tender Date shall accrue at the Purchaser Rate (as described below) and is payable monthly in arrears on the first business days of each month.

Base Rate:

The greatest of:
(i) The Bank's Prime Rate plus 1.00%
(ii) The Federal Funds Rate plus 2.00%; or
(iii) 7.00%

Purchaser Rate:

Days 1 – 180: Base Rate
Thereafter: Base Rate plus 1.00%



Default Rate: Base Rate plus 3.00%.

Clawback Amounts: The Financing Documents (or CCA) will include customary interest recapture ("clawback") language allowing Bank to recover interest in excess of any maximum interest rate imposed by law.

DOCUMENTATION AND COVENANTS:

General: The Financing Documents (other than the CCA) including all necessary or desirable amendments, supplements and/or restatements will be prepared by Bond Counsel and/or Obligor Counsel based upon forms and/or required language provided by Bank Counsel. Bank Counsel will prepare the CCA. The Financing Documents will include, but not be limited to, the terms and conditions outlined herein as well as provisions that are customary and standard with respect to conditions precedent, representations and warranties, covenants, events of default and remedies (including acceleration of the Obligor's obligations under the Financing Documents if applicable).

Disclosure Documents: The Obligor will not prepare or deliver an offering statement.

Conditions Precedent to Closing: Usual and customary for this type of financing. The Facilities will be governed by a Continuing Covenant Agreement for the benefit of the bondholders, which agreement will contain conditions and covenants and other provisions that would be usual for this type of financing including without limitation:

1. Affirmation from the Rating Agencies that the unenhanced long term credit rating on the Obligor's Parity Debt shall be not less than Aa2/AA. However, the Bonds purchased by the Bank will not carry a published rating;
2. Delivery of a bond to DTC in book-entry form for the benefit of the bondholders in minimum denominations of \$100,000, or such other amount as mutually agreed to by the parties, and identified by a CUSIP Number (to be obtained by the Bank) assigned to the Bonds;
3. Absence of any material adverse change in the business condition, operations, performance of the Obligor since release of the financial statements dated December 31, 2015;



4. Absence of any change in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of the transaction, to be determined in the Bank's sole discretion;
5. Disclosure of any pending or threatened litigation (with such pending or threatened litigation acceptable to the Bank);
6. Payment of accrued fees and expenses;
7. Execution and delivery of the Financing Documents and all certificates, authorizations, and opinions requested in form and substance satisfactory to the Bank, with legal opinions to cover such matters as the Bank may require;
8. Receipt of recent management-prepared financial statements;
9. Receipt of any necessary governmental and regulatory approvals or consents;
10. A certificate of covenant compliance in form and substance satisfactory to the Bank;
11. Receipt of Opinion of Bond Counsel acceptable to the Bank, Bank Counsel and Trustee;
12. Receipt of the Opinion of Obligor Counsel acceptable to the Bank, Bank Counsel and Trustee;
13. Receipt of City Charter, certain bond legislation and any other necessary statutes or regulations (as applicable); and
14. The Bank shall have reviewed to its satisfaction any additional documentation and financial information it finds relevant.

Security Treatment:

Wells Fargo's purchase is conditioned on its ability to treat the Bond as a security for accounting purposes. To achieve this treatment, the Bond will be registered in book-entry form with DTC. Although the Bond will not be rated, the Obligor will be required to maintain ratings on parity debt.

Representations and Warranties:

As customary, including, but not limited to, the following: proper corporate status and authority; Financing Documents valid, binding and enforceable against Obligor; Financing Documents not violating laws or existing agreements or



requiring governmental, regulatory or other approvals; payment of taxes; no litigation that may have a material adverse effect; compliance with ERISA and employee benefit plan, environmental and other laws and regulations; no adverse agreements, existing defaults or non-permitted liens; financial statements true and correct; incorporation of representations and warranties from related transaction documents; insurance; pending legislation and decisions; compliance with federal reserve regulations; representation as to security; no violation of usury limitations; and no right to invoke sovereign immunity.

Financial Covenants:

In addition to the financial covenants contained in the Obligor's other debt instruments, the Bank shall receive the benefit of all existing and subsequent covenants, defaults and remedies which are agreed to by the Obligor with any other lender, liquidity provider or credit provider supporting parity obligations of the Obligor or any such liquidity or other covenants that are mutually agreeable.

Reporting Requirements:

Usual and customary for a transaction of this nature, including but not limited to; timely delivery of audited annual financial statements and certificate of no default, quarterly unaudited financial statements and other quarterly reports, notices of default and material litigation proceedings.

Other Covenants:

The Financing Documents will include customary affirmative covenants including, without limitation, the delivery of financial statements, reports, accountants' letters, projections, officers' certificates and other information requested by the Bank; payment of other obligations; continuation of business and maintenance of existence and material rights and privileges; compliance with laws (including environmental laws and material contractual obligations; maintenance of property and insurance (including, but not limited to, flood insurance, if applicable); maintenance of books and records; right of the Bank to inspect property and books and records; notices of defaults, litigation and other material events; compliance with all covenants of the related transaction documents; incorporation of covenants in related transaction documents by reference; and compliance with rate covenant (if applicable).

The Financing Documents will contain customary negative covenants, including, without limitation, restrictions on the following: no amendments to related transaction documents; limitations on liens and encumbrances; limitation on additional indebtedness; and limitations on sale, lease and transfer of assets.



**EMMA and Rating
Agency Disclosure:**

To maintain transparency with its existing bondholders and the rating agencies, Wells Fargo requests that the Obligor a) post the Ordinance and Continuing Covenant Agreement on the MSRB's EMMA site following the closing of the transaction, provided that pricing and certain other information contained therein, as directed by the Bank, shall be redacted prior to such posting and b) deliver relevant financing documents to the Rating Agencies prior to closing.

Taxability:

In the event a determination of taxability shall occur, in addition to the amounts required to be paid with respect to the Bonds under the Financing Documents, the Obligor shall be obligated to pay to the Bank an amount equal to a) the positive difference, if any, between the amount of interest that would have been paid during the period of taxability if the Bonds had borne interest at the Taxable Rate and the interest actually paid to the Bank as the owner of the Bonds and b) any payments, including any taxes, interest, penalties or other charges, such Bondholder (or Beneficial Owner) or former Bondholder (or Beneficial Owner) shall be obligated to make as a result of the determination of taxability.

Taxable Rate:

The product of (i) the Index Rate and (ii) 1.54.

EVENTS OF DEFAULT:

Events of Default:

Customary events of default, including (without limitation) nonpayment, breach of representations and covenants, cross-default/cross-acceleration, parity and senior debt and other designated contracts), cross default/cross acceleration with respect to subordinate and unsecured debt in excess of an agreed upon threshold, bankruptcy and insolvency events with respect to Obligor, ERISA events, environmental matters, judgments, ratings downgrade, invalidity or contest of Obligor's obligations.

**Remedies Upon
Event of Default:**

Bank may declare the Bonds and all other amounts owed under the Financing Documents to bear interest at the Default Rate, direct a mandatory tender of the Bonds (to the extent not prohibited by the Financing Documents), pursue rights with respect to any collateral, exercise any other rights or remedies available at law or under contract. Interest accrues daily on such amounts at the Default Rate and is payable as set forth in the Financing Documents (or CCA).



OTHER FEES AND EXPENSES:

Bank Counsel Fee: Estimated at \$50,000 plus fees and expenses. Fees and expenses payable to Bank counsel may be increased if the transaction is not closed within 120 days or as otherwise mutually agreed to by the parties, the security and/or structure of the transaction changes materially, or if other complexities develop once documentation has commenced.

**Termination/
Reduction Fee:** In the event the Bonds are redeemed in whole or in part, or the interest rate on the Bonds converted to a rate of interest other than the Index Rate, prior to the first anniversary of the closing date, the Obligor shall pay to the Bank a termination fee equal to the product of (i) the Applicable Spread in effect on the date of such redemption or conversion, (ii) the principal amount of Bonds so redeemed or converted and (iii) a fraction, the numerator of which is the number of days from and including the date of redemption or conversion to and including such first anniversary, and the denominator of which is 365.

Other Fees and Expenses: Obligor shall pay to the Bank an amendment fee for each amendment of the Financing Documents in a minimum amount of \$2,500.00 plus associated legal expenses.

Obligor shall be responsible for all out of pocket costs and expenses of the Bank (including, without limitation, counsel fees and costs associated with title/lien searches, title insurance, appraisals, environmental due diligence and recordation) incurred in connection with the negotiation, execution, delivery, administration and enforcement of the Financing Documents, whether or not the financing closes.

Increased Costs and Capital Adequacy; Taxes: Customary for facilities of this type, including, without limitation, provisions concerning increased costs, taxes, changes in capital adequacy, capital requirements and other requirements of law (provided that (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (b) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall in each case be deemed to be

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a change in requirement of law, regardless of the date enacted, adopted, issued or implemented) or their interpretation, illegality, unavailability, and reserves without proration or offset and payments free and clear of withholding or other taxes.

Margin Rate Factor: The Index Rate will be subject to adjustment by a Margin Rate Factor. The Margin Rate Factor means the greater of (i) 1.0, and (ii) the product of (a) one minus the Maximum Federal Corporate Tax Rate multiplied by 1.53846. The effective date of any change in the Margin Rate Factor shall be the effective date of the decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate resulting in such change.

The Maximum Federal Corporate Tax Rate is currently 35% such that the current Margin Rate Factor equals 1.0.

CHOICE OF LAW/JURY TRIAL/VENUE:

Governing Law: This term sheet and the Financing Documents will be governed by the laws of the State of New York; provided that the duties and obligations of the Obligor shall be governed by the State of Washington.

Jury Trial: The Obligor agrees to binding arbitration and to waive a jury trial in any proceeding involving the Bank.

Venue: Any litigation involving the Bank shall be brought in the appropriate New York Court having jurisdiction over the matter unless otherwise mutually agreed to by the parties.

MISCELLANEOUS:

Bank Counsel: Rick Cosgrove
Nate Odem
Chapman and Cutler LLP
111 West Monroe Street
Chicago, IL 60603
T. 312.845.3782
F. 312.701.2361
E. odem@chapman.com

Indemnification: Whether or not the financing is closed, to the extent permitted by law Obligor will indemnify the Bank and its respective directors, officers, employees, agents and affiliates against all claims asserted and losses, liabilities and expenses incurred in connection with the Financing Documents (excluding acts of



gross negligence or willful misconduct of an indemnified party as determined by a court of competent jurisdiction).

Transfers: While the Bank is purchasing the Bonds for its own account without a current intention to transfer them, the Bank reserves the right in its sole discretion to sell the Bonds or assign, pledge or participate interests in the Bonds without the consent of the Obligor.

Future Modifications: The terms, conditions and pricing are subject to revision in the event that (i) the Facility amount changes, (ii) the transaction deviates materially from what was initially described, (iii) the proposed financing does not close (other than as a result of action/inaction by the Bank) within 120 days of the execution of the Term Sheet or (iv) events occur resulting in a material disruption of the market.

Disclaimer: Please be advised that the transaction described herein between Wells Fargo and you is a bank-purchased bond transaction ("Direct Purchase") and a product offering of Wells Fargo Bank, N.A. ("WFBNA") or Wells Fargo Municipal Capital Strategies, LLC, a subsidiary of WFBNA ("WFMCS"), as purchaser/investor ("Purchaser"). Wells Fargo Securities will not participate in any manner in any Direct Purchase transaction between you and Purchaser, and Wells Fargo employees involved with a Direct Purchase transaction are not acting on behalf of or as representatives of Wells Fargo Securities. Information contained in this document or provided to you regarding Direct Purchase is for discussion purposes only in anticipation of engaging in arm's length commercial transactions with you in which the Purchaser would be acting solely as a principal to purchase securities from you or a conduit issuer (in the case of a conduit transaction), and not as a municipal advisor, financial advisor or fiduciary to you or any other person or entity regardless of whether the Purchaser, or an affiliate has or is currently acting as such on a separate transaction. Additionally, the Purchaser has financial and other interests that differ from your interests. Any information relating to a Direct Purchase transaction is being provided to you pursuant to and in reliance on the bank exemption under the municipal advisor rules ("Muni Advisor Rules") of the Securities and Exchange Commission ("SEC") or the SEC's guidance in its Registration of Municipal Advisors Frequently Asked Questions dated May 19, 2014 and the general information exclusion to advice under the Muni Advisor Rules. Purchaser will not have any duty or liability to any person or entity in connection with the information provided herein.



The Obligor acknowledges and agrees that: (i) Wells Fargo Bank, N.A. has not assumed any advisory or fiduciary responsibility to the Obligor with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Wells Fargo Bank, N.A. or its affiliates have provided other services or are currently providing other services to the Obligor on other matters); (ii) the only obligations Wells Fargo Bank, N.A. has to the Obligor with respect to the transaction contemplated hereby expressly are set forth in this term sheet; and (iii) the Obligor has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Confidentiality:

This Term Sheet is confidential and proprietary, and terms herein may not be disclosed without our prior written consent, except as an exhibit to a resolution as required by the Issuer or to the Issuer's professional advisors in connection with this Financing who agree to be bound by such confidentiality requirements, or as may be required by law.

Notwithstanding anything herein to the contrary, any party hereto may disclose to any and all persons, without limitation of any kind the tax treatment or tax structure of this transaction. Furthermore, the parties to this transaction may disclose, as required by federal or state laws, any information as required to comply with such federal or state laws.

AGREEMENT BY THE OBLIGOR:

Closing:

This proposal is submitted in response to your Request for Proposals dated May 25, 2016. The contents of this proposal and any subsequent discussions between us, including any and all information and analysis with respect to product is provided to you in reliance upon your compliance with the guidance of the staff of the SEC's office of Municipal Securities in order for a request for proposal to be consistent with the exemption for responses to requests for proposals or qualifications provided under the municipal advisor rules (the "Muni Advisor Rules") of the Securities and Exchange Commission (the "SEC") (240 CFR 15Ba1-1 et seq.).

In submitting this proposal (a) the Purchaser ("Wells Fargo") is not acting as an advisor to the Obligor ("you") and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the information and material contained in this proposal; (b) Wells Fargo is acting for its own interests; and (c) you should discuss any information and material contained in this proposal with any and all internal



or external advisors and experts that you deem appropriate before acting on this information or material.

This Term Sheet is not a commitment. It represents willingness by the Bank to seek credit approval for a proposed transaction based upon the terms and conditions outlined in this Term Sheet, subject to documentation acceptable to the Bank.

Please evidence your acceptance hereof by signing and returning a copy to the Bank.

Unless this term sheet is earlier rescinded, it shall expire automatically without further action or notice by the Bank on 30 days from the date hereof unless extended by mutual agreement of the parties.

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EXHIBIT B

MATURITY SCHEDULE AND SINKING FUND REQUIREMENTS

Mandatory Redemption Date	2016D	2016E	Total
11/1/2017	890,000	890,000	1,780,000
11/1/2018	915,000	915,000	1,830,000
11/1/2019	970,000	970,000	1,940,000
11/1/2020	1,005,000	1,005,000	2,010,000
11/1/2021	1,040,000	1,040,000	2,080,000
11/1/2022	1,085,000	1,085,000	2,170,000
11/1/2023	1,125,000	1,125,000	2,250,000
11/1/2024	1,165,000	1,165,000	2,330,000
11/1/2025	1,225,000	1,225,000	2,450,000
11/1/2026	1,270,000	1,270,000	2,540,000
11/1/2027	1,320,000	1,320,000	2,640,000
11/1/2028	1,370,000	1,370,000	2,740,000
11/1/2029	1,420,000	1,420,000	2,840,000
11/1/2030	1,485,000	1,485,000	2,970,000
11/1/2031	1,545,000	1,545,000	3,090,000
11/1/2032	1,605,000	1,605,000	3,210,000
11/1/2033	1,670,000	1,670,000	3,340,000
11/1/2034	1,735,000	1,735,000	3,470,000
11/1/2035	1,800,000	1,800,000	3,600,000
11/1/2036	1,885,000	1,885,000	3,770,000
11/1/2037	1,955,000	1,955,000	3,910,000
11/1/2038	2,030,000	2,030,000	4,060,000
11/1/2039	2,115,000	2,115,000	4,230,000
11/1/2040	2,195,000	2,195,000	4,390,000
11/1/2041	2,290,000	2,290,000	4,580,000
11/1/2042	2,380,000	2,380,000	4,760,000
11/1/2043	2,475,000	2,475,000	4,950,000
11/1/2044	2,575,000	2,575,000	5,150,000
11/1/2045	2,675,000	2,675,000	5,350,000
11/1/2046	2,785,000	2,785,000	5,570,000
	<u>50,000,000</u>	<u>50,000,000</u>	<u>100,000,000</u>