



# SEATTLE CITY COUNCIL

## Legislative Summary

Res 31593

Record No.: Res 31593

Type: Resolution (Res)

Status: Adopted

Version: 1

In Control: Full Council

File Created: 06/17/2015

Final Action: 06/23/2015

**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, 2015B (SIFMA Index), for the purposes set forth in Ordinance 124633; and confirming, ratifying and approving action taken and to be taken by the Director of Finance and other City officials relating to the issuance and sale of the bonds to the underwriter thereof.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Burgess

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: jodee.schwinn@seattle.gov

Filing Requirements/Dept Action:

### History of Legislative File

Legal Notice Published:

Yes

No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Full Council	06/23/2015	adopted				Pass
	<b>Action Text:</b> The Motion carried, the Resolution (RES) was adopted by the following vote, and the President signed the Resolution:						
	<b>Notes:</b> Motion was made and duly seconded to adopt Resolution 31593.						
			In Favor: 7	Councilmember Bagshaw, Council President Burgess, Councilmember Godden, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Councilmember Okamoto			
			Opposed: 0				
			Absent(NV): 2	Councilmember Rasmussen, Councilmember Sawant			
1	City Clerk	06/23/2015	attested by City Clerk				
	<b>Action Text:</b> The Resolution (Res) was attested by City Clerk.						
	<b>Notes:</b>						



**RESOLUTION 31593**

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, 2015B (SIFMA Index) (the "Bonds"), for the purposes set forth in Ordinance 124633 (the "Bond Ordinance"); and confirming, ratifying and approving action taken and to be taken by the Director of Finance of the City of Seattle (the "Director of Finance") and other City officials relating to the issuance and sale of the bonds to the underwriter thereof.

WHEREAS, by the Bond Ordinance, The City of Seattle, Washington (the "City") authorized the issuance and sale of not to exceed \$278,000,000 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 and to accept an offer to purchase the 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, a preliminary official statement expected to be dated June 26, 2015, for the sale of the Bonds was prepared and distributed, and the proposed sale of the Bonds to Citigroup Global Markets Inc. has been presented to the City Council for its approval with the Bond Sale Terms; NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE,**

**THAT:**

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

**"Adjusted SIFMA Rate"** means the SIFMA Index plus the Index Floating Rate Spread.





1           **“Delayed Remarketing Period”** means the period during which some or all of the  
2 Bonds in an Index Floating Rate are not remarketed as set forth in Section 5(j).

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

4           **“Favorable Opinion of Bond Counsel”** means a written legal opinion of Bond Counsel  
5 addressed to the City, the Bond Registrar, the Credit Provider (if any) and the Remarketing  
6 Agent (if any), to the effect that a specified action is permitted under this Resolution and will  
7 not impair the exclusion of interest on the affected Bonds from gross income for purposes of  
8 federal income taxation (subject to customary exceptions).

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

11           **“Index Floating Rate”** means a variable interest rate established in accordance with  
12 Section 5(g).

13           **“Index Floating Rate Percentage”** means the percentage of One Month LIBOR, Three  
14 Month LIBOR or other index selected by the Designated Representative pursuant to  
15 Section 5(g).

16           **“Index Floating Rate Period”** means each period during which an Index Floating Rate  
17 is in effect.

18           **“Index Floating Rate Spread”** means initially, the spread specified in the Bond  
19 Purchase Contract, and with respect to any Conversion to an Index Floating Rate Period, the  
20 spread determined by the Remarketing Agent on or prior to the Conversion Date pursuant to  
21 Section 5(g).

22           **“Initial Index Floating Rate Period”** means the period commencing on the Issue Date  
23 and ending on the first Purchase Date for a series of the Bonds, as specified in the Bond  
24 Purchase Contract.

25           **“Interest Accrual Date”** with respect to a series of the Bonds means:  
26  
27  
28



1           (b) any Daily Interest Rate Period, the fifth Business Day of the next  
2 succeeding calendar month;

3           (c) any Long-Term Interest Rate Period, each May 1 and November 1, or if  
4 any May 1 or November 1 is not a Business Day, the next succeeding Business Day;

5           (d) any Index Floating Rate Period, the first Business Day of each month;  
6 and

7           (e) each Interest Rate Period, without duplication, the first Business Day  
8 succeeding the last day thereof.

9           **“Interest Rate Period”** means each Daily Interest Rate Period, Weekly Interest Rate  
10 Period, Long-Term Interest Rate Period or Index Floating Rate Period.

11           **“Interest Reset Date”** means:

12           (a) for each Index Floating Rate Period during which the Index is One Month  
13 LIBOR or Three Month LIBOR, the first Business Day of each month during such Index  
14 Floating Rate Period;

15           (b) for each Index Floating Rate Period during which the Index is the SIFMA  
16 Index, each Thursday during such Index Floating Rate Period; and

17           (c) for each Index Floating Rate Period during which a different Index is  
18 selected, the date selected by the Designated Representative during such Index Floating Rate  
19 Period.

20           **“London Business Day”** means a day on which commercial banks and foreign  
21 exchange markets settle payments and are open for general business (including dealings in  
22 foreign exchange and foreign currency deposits) in London.

23           **“Long-Term Interest Rate”** means a term, non-variable interest rate established in  
24 accordance with Section 5(f).





1           **“Record Date”** means (a) with respect to any Interest Payment Date in a Daily Interest  
2 Rate Period, the last Business Day of each calendar month or, in the case of the last Interest  
3 Payment Date in a Daily Interest Rate Period, the Business Day immediately preceding such  
4 Interest Payment Date, (b) with respect to any Interest Payment Date in any Index Floating Rate  
5 Period or any Long-Term Interest Rate Period, the 15<sup>th</sup> day immediately preceding that Interest  
6 Payment Date, and (c) with respect to any Interest Payment Date in any Weekly Interest Rate  
7 Period, the Business Day preceding the Interest Payment Date.

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

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

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

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

19           **“Remarketing Agreement”** means any Remarketing Agreement between the City and  
20 the Remarketing Agent whereby the Remarketing Agent undertakes to perform the duties of the  
21 Remarketing Agent under this resolution.

22           **“SIFMA”** means the Securities Industry and Financial Markets Association.

23           **“SIFMA Index”** means the seven-day high grade market index of tax-exempt variable  
24 rate demand obligations produced by Municipal Market Data and published or made available  
25 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 Rate 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 Bond Registrar shall use instead an index that the Bond  
6 Registrar, after consultation with the Remarketing Agent (if any) and the Designated  
7 Representative, determines most closely approximates the SIFMA Index.

8       **“SIFMA Rate”** means for any day the level of the most recently effective index rate  
9 which is compiled from the weekly interest rate resets of tax-exempt variable rate issues  
10 included in a database maintained by Municipal Market Data which meet specific criteria  
11 established from time to time by SIFMA and is issued on Wednesday of each week, or if any  
12 Wednesday is not a Business Day, the next succeeding Business Day.

13       **“Stepped Interest Rate”** means (a) for Initial Index Floating Rate Period, either (1) a  
14 per annum interest rate or rates equal to the SIFMA Index plus the percentage or percentages  
15 specified in the Bond Purchase Contract or (2) the per annum interest rate or rates specified in  
16 the Bond Purchase Contract, and (b) for any subsequent Index Floating Rate Period, either (1) a  
17 per annum interest rate or rates equal to the SIFMA Index plus the percentage or percentages  
18 determined by the Remarketing Agent on or prior to the Conversion Date pursuant to  
19 Section 5(g) or (2) the per annum interest rate or rates determined by the Remarketing Agent on  
20 or prior to the Conversion Date pursuant to Section 5(g).

21       **“Three Month LIBOR”** means, on each Interest Determination Date, the rate  
22 determined by the Bond Registrar for deposits in U.S. dollars with a three-month maturity as  
23 published by Reuters (or such other service as may be nominated by the British Bankers  
24 Association, for the purpose of displaying London interbank offered rates for U.S. dollar  
25 deposits) as of 11:00 a.m., London time, on the Interest Determination Date, except that, if such  
26

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

16 **“Undelivered Bond”** means any Bond which constitutes an Undelivered Bond under  
17 the provisions of Section 8(f).

18 **“Underwriter”** means Citigroup Global Markets Inc.

19 **“Weekly Interest Rate”** means a variable interest rate for a Bond established in  
20 accordance with Section 5(d).

21 **“Weekly Interest Rate Period”** means each period during which a Weekly Interest  
22 Rate is in effect for a Bond.

23 **Section 2. Sale and Delivery of Bonds.** The City Council finds that the sale of the  
24 Bonds to the Underwriter, in one or more series (with such additional naming convention as  
25 may be convenient to indicate a series designation), on Bond Sale Terms consistent with the  
26

1 parameters set forth in the Bond Legislation is in the best interest of the City and in the public  
2 interest and, therefore, accepts the Bond Purchase Contract and authorizes the Designated  
3 Representative to execute and deliver the Bond Purchase Contract to the Underwriter on behalf  
4 of the City in the form attached as Exhibit A, with such changes thereto, consistent with the  
5 Bond Legislation, as shall be approved by the Designated Representative, which approval shall  
6 be evidenced by such execution and delivery.

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

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

11 (b) **Date.** Each Bond shall be dated its Issue Date, which is expected to be  
12 July 23, 2015, and which date shall be not later than December 31, 2017.

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

15 (d) **Mechanism for Determining Interest Rates.** Each series of the Bonds  
16 shall bear interest as provided in Section 5.

17 (e) **Payment Dates.** Interest on each Bond shall be payable on each Interest  
18 Payment Date. Principal of each Bond shall be payable as provided in Section 7.

19 (f) **Final Maturity.** The final maturity of each series of the Bonds may be  
20 no later than May 1, 2045.

21 (g) **Redemption and Tender Rights.** Each series of the Bonds shall be  
22 subject to redemption as provided in Section 7 and shall be subject to tender as provided in  
23 Section 8.

24 (h) **Price.** The purchase price for each series of the Bonds is par.  
25  
26  
27  
28



1 (8) The Par Call Date during an Initial Index Floating Rate Period,  
2 which is to be specified in the Bond Purchase Contract, shall be the first Business Day that is on  
3 or after the date that is six months prior to the first Purchase Date.

4 (9) If the Stepped Interest Rate for an Initial Index Floating Rate  
5 Period is to be a rate or rates, the rate or rates shall be specified in the Bond Purchase Contract,  
6 which shall be no more than 12% at any time during the Delayed Remarketing Period. If the  
7 Stepped Interest Rate for a series of the Bonds during an Initial Index Floating Rate Period is to  
8 be a rate or rates equal to the SIFMA Index plus a percentage or percentages, the percentage or  
9 percentages shall be specified in the Bond Purchase Contract, which shall be no more than 12%  
10 at any time during the Delayed Remarketing Period.

11 **Section 4. Use of Bond Proceeds.** The proceeds of the Bonds received by the City  
12 shall be deposited immediately upon receipt in the funds, accounts or subaccounts within the  
13 Light Fund as designated by the Director of Finance and shall be used to pay part of the costs of  
14 the Plan of Additions and the costs of issuing the Bonds and for such other purposes as may be  
15 approved by ordinance.

16 **Section 5. Interest on Bonds.**

17 (a) **General.** The interest rate and Interest Rate Period for any series of the  
18 Bonds may be adjusted as set forth in this Section 5. Each series of the Bonds may bear interest  
19 at a Daily Interest Rate, a Weekly Interest Rate, a Long-Term Interest Rate or at an Index  
20 Floating Rate. All Bonds of a single series shall be in the same interest rate mode. The Interest  
21 Rate Period for a series of the Bonds may not be adjusted prior to the Purchase Date.

22 (b) **Payment of Interest.** Interest on each series of the Bonds shall be paid  
23 on each Interest Payment Date, on any redemption date, on any Purchase Date and on the  
24 Maturity Date.

1           (c)    **Interest Accrual and Payment.** Interest on any series of the Bonds  
2 during a Daily Interest Rate Period, a Weekly Interest Rate Period or an Index Floating Rate  
3 Period during which the applicable Index is the SIFMA Index shall accrue on the basis of the  
4 actual number of days elapsed in a 365-day year (or a 366-day year in a leap year). Interest on  
5 any series of the Bonds during a Long-Term Interest Rate Period shall accrue on the basis of a  
6 360-day year composed of twelve 30-day months. Interest on any series of the Bonds during an  
7 Index Floating Rate Period during which the Index is One Month LIBOR or Three Month  
8 LIBOR shall accrue on the basis of the actual number of days elapsed in a 360-day year.

9           Each Bond shall bear interest from and including the Interest Accrual Date preceding the  
10 date of authentication thereof or, if such date of authentication is an Interest Accrual Date to  
11 which interest on such Bond has been paid in full or duly provided for, from such date of  
12 authentication. However, if, as shown by the records of the Bond Registrar, interest on a Bond  
13 is in default, a Bond issued in exchange for a Bond that is surrendered for registration or  
14 transfer or exchange shall bear interest from the date to which interest on such surrendered  
15 Bond had been paid or duly provided for or, if no interest has been paid on such surrendered  
16 Bond, from the date of authentication of such surrendered Bond.

17           During each Daily Interest Rate Period, interest on any Bonds in a Daily Interest Rate  
18 mode shall be payable on each Interest Payment Date for the period commencing on the Interest  
19 Accrual Date preceding the prior Interest Payment Date and ending on the last day of the month  
20 in which such Interest Accrual Date occurs.

21           During each Weekly Interest Rate Period, interest on any Bonds in a Weekly Interest  
22 Rate mode shall be payable on each Interest Payment Date for the period commencing on the  
23 preceding Interest Accrual Date (or, if any such Interest Payment Date is not a Wednesday,  
24 commencing on the second preceding Interest Accrual Date) and ending on and including the  
25  
26  
27  
28

1 Tuesday preceding such Interest Payment Date (or, if sooner, the last day of such Weekly  
2 Interest Rate Period).

3 During each Index Floating Rate Period or Long-Term Interest Rate Period, interest on  
4 any Bonds in an Index Floating Rate or Long-Term Interest Rate mode shall be payable on each  
5 Interest Payment Date for the period commencing on the Interest Accrual Date of the preceding  
6 month and ending on the day preceding the next Interest Accrual Date.

7 In any event, interest on each series of the Bonds shall be payable for the final Interest  
8 Rate Period to the date on which that series of the Bonds is paid in full.

9 **(d) Weekly Interest Rate and Weekly Interest Rate Period.**

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

24 Each Weekly Interest Rate shall be the rate of interest per annum determined by the  
25 Remarketing Agent (based on an examination of tax-exempt obligations comparable, in the  
26  
27  
28

1 judgment of the Remarketing Agent, to the Bonds and known by the Remarketing Agent to  
2 have been priced or traded under then-prevailing market conditions) to be the minimum interest  
3 rate which, if borne by the applicable series of the Bonds, would enable the Remarketing Agent  
4 to sell all of that series of the Bonds on the effective date of that rate at a price (without regard  
5 to accrued interest) equal to the principal amount thereof.

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

17 (2) *Conversion to Weekly Interest Rate.* Subject to Section 6, the  
18 Designated Representative, on behalf of the City, may, from time to time, by written notice to  
19 the Credit Provider (if any), the Bond Registrar and the Remarketing Agent (if any), elect that  
20 any series of the Bonds shall bear interest at a Weekly Interest Rate. The notice of the  
21 Designated Representative shall (A) specify the proposed Conversion Date, which shall be (i) in  
22 each case, a Business Day not earlier than the 30th day following the second Business Day after  
23 receipt by the Bond Registrar of such notice; (ii) in the case of a Conversion from a Long-Term  
24 Interest Rate Period, the day following the last day of such Long-Term Interest Rate Period or a  
25 day on which that series of the Bonds would otherwise be subject to optional redemption

1 pursuant to Section 7(a)(2) if such Conversion did not occur; and (iii) in the case of a  
2 Conversion from an Index Floating Rate Period, the day following the last day of such Index  
3 Floating Rate Period or on or after a Par Call Date; and (B) state whether a Credit Facility is to  
4 be in effect on the Conversion Date.

5 (3) *Notice of Conversion to Weekly Interest Rate.* The Bond  
6 Registrar shall give notice of a Conversion to a Weekly Interest Rate Period to the Registered  
7 Owners of the series of the Bonds to be converted not less than 30 days prior to the proposed  
8 Conversion Date. Such notice shall state (A) that the interest rate will be converted to a Weekly  
9 Interest Rate unless the City rescinds its election to convert the interest rate to a Weekly Interest  
10 Rate as provided in Section 6(a); (B) the proposed Conversion Date; (C) that such series of the  
11 Bonds is subject to mandatory tender for purchase on the proposed Conversion Date; (D) the  
12 Purchase Price; (E) the place of delivery for purchase of such series of the Bonds; and (F) the  
13 information set forth in Section 8(e).

14 (e) **Daily Interest Rate and Daily Interest Rate Period.**

15 (1) *Determination of Daily Interest Rate.* During each Daily Interest  
16 Rate Period, any series of the Bonds in a Daily Interest Rate mode shall bear interest at the  
17 Daily Interest Rate, which shall be determined by the Remarketing Agent by 9:30 a.m., New  
18 York time, on each Business Day. The Daily Interest Rate for any day which is not a Business  
19 Day shall be the same as the Daily Interest Rate for the preceding Business Day.

20 Each Daily Interest Rate shall be the rate of interest per annum determined by the  
21 Remarketing Agent (based on an examination of tax-exempt obligations comparable, in the  
22 judgment of the Remarketing Agent, to such series of the Bonds and known by the Remarketing  
23 Agent to have been priced or traded under then-prevailing market conditions) to be the  
24 minimum interest rate which, if borne by such series of the Bonds, would enable the

1 Remarketing Agent to sell all of that series of the Bonds on such Business Day at a price  
2 (without regard to accrued interest) equal to the principal amount thereof.

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

16                 (2) *Conversion to Daily Interest Rate.* Subject to Section 6, the  
17 Designated Representative, on behalf of the City may, from time to time, by written notice to  
18 the Credit Provider (if any), the Bond Registrar and the Remarketing Agent (if any), elect that  
19 any series of the Bonds shall bear interest at a Daily Interest Rate. The notice of the Designated  
20 Representative shall (A) specify the proposed Conversion Date, which shall be (i) in each case,  
21 a Business Day not earlier than the 30th day following the second Business Day after receipt by  
22 the Bond Registrar of such notice; (ii) in the case of a Conversion from a Long-Term Interest  
23 Rate Period, the day following the last day of such Long-Term Interest Rate Period or a day on  
24 which such series of the Bonds would otherwise be subject to optional redemption pursuant to  
25 Section 7(a)(2) if such Conversion did not occur; and (iii) in the case of a Conversion from an

1 Index Floating Rate Period, the day following the last day of such Index Floating Rate Period or  
2 on or after a Par Call Date; and (B) state whether a Credit Facility is to be in effect on the  
3 Conversion Date.

4 (3) *Notice of Conversion to Daily Interest Rate.* The Bond Registrar  
5 shall give notice of a Conversion to a Daily Interest Rate Period to the Registered Owners of the  
6 series of the Bonds to be converted not less than 30 days prior to the proposed Conversion Date.  
7 Such notice shall state (A) that the interest rate will be converted to a Daily Interest Rate unless  
8 the City rescinds its election to convert the interest rate to a Daily Interest Rate as provided in  
9 Section 6(a); (B) the proposed Conversion Date; (C) that such series of the Bonds are subject to  
10 mandatory tender for purchase on the proposed Conversion Date; (D) the Purchase Price;  
11 (E) the place of delivery for purchase of such series of the Bonds; and (F) the information set  
12 forth in Section 8(e).

13 (f) **Long-Term Interest Rate and Long-Term Interest Rate Period.**

14 (1) *Determination of Long-Term Interest Rate.* During each Long-  
15 Term Interest Rate Period, any series of the Bonds in a Long-Term Interest Rate mode shall  
16 bear interest at the Long-Term Interest Rate. The Long-Term Interest Rate for each Long-Term  
17 Interest Period shall be determined by the Remarketing Agent on a Business Day no later than  
18 the first day of such Long-Term Interest Rate Period.

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

1                                   (2)     *Conversion to Long-Term Interest Rate.*

2                                   (A)     Subject to Section 6, the Designated Representative, on  
3 behalf of the City may, from time to time, by written notice to the Credit Provider (if any), the  
4 Bond Registrar and the Remarketing Agent (if any), elect that any series of the Bonds shall  
5 bear, or continue to bear, interest at the Long-Term Interest Rate. The notice of the Designated  
6 Representative shall specify (i) the proposed Conversion Date, which shall be (a) in each case, a  
7 Business Day not earlier than the 30th day following the second Business Day after receipt by  
8 the Bond Registrar of such notice; (b) in the case of a Conversion from a Long-Term Interest  
9 Rate Period, the day following the last day of such Long-Term Interest Rate Period or a day on  
10 which such series of the Bonds would otherwise be subject to optional redemption pursuant to  
11 Section 7(a)(2) if such Conversion did not occur; and (c) in the case of a Conversion from an  
12 Index Floating Rate Period, the day following the last day of such Index Floating Rate Period or  
13 on or after a Par Call Date; and (ii) the last day of the Long-Term Interest Rate Period, which  
14 shall be either the day prior to the Maturity Date or a day which both immediately precedes a  
15 Business Day and is at least 181 days after the proposed Conversion Date.

16                                   (B)     If, by the second Business Day preceding the 29th day  
17 prior to the last day of any Long-Term Interest Rate Period, the Bond Registrar has not received  
18 notice of the City's election that, during the succeeding Interest Rate Period, any series of the  
19 Bonds then in a Long-Term Interest Rate mode shall bear interest at a Weekly Interest Rate, a  
20 Daily Interest Rate, an Index Floating Rate or another Long-Term Interest Rate, the succeeding  
21 Interest Rate Period shall be a Weekly Interest Rate Period until Conversion to a Daily Interest  
22 Rate Period, Long-Term Interest Rate Period or Index Floating Rate Period as provided in this  
23 Section 5, and such series of the Bonds shall be subject to mandatory tender for purchase as  
24 provided in Section 8(c) on the first day of such Weekly Interest Rate Period.

1                   (3) *Notice of Conversion to Long-Term Interest Rate.* The Bond  
2 Registrar shall give notice of a Conversion to a Long-Term Interest Rate Period to the  
3 Registered Owners of the series of the Bonds to be converted not less than 30 days prior to the  
4 proposed Conversion Date. Such notice shall state (A) that the interest rate will be converted to,  
5 or continue to be, the Long-Term Interest Rate unless (i) the City rescinds its election to convert  
6 the interest rate to the Long-Term Interest Rate as provided in Section 6(a) or (ii) all of such  
7 series of the Bonds is not remarketed on the proposed Conversion Date; (B) the proposed  
8 Conversion Date; (C) the last day of the Long-Term Interest Rate Period; (D) that such series of  
9 the Bonds is subject to mandatory tender for purchase on the proposed Conversion Date; (E) the  
10 Purchase Price; (F) the place of delivery for purchase of such series of the Bonds; and (G) the  
11 information set forth in Section 8(e).

12                   (g) **Index Floating Rate Period.**

13                   (1) *Initial Index Floating Rate Period.* The Index during the Initial  
14 Index Floating Rate Period shall be the SIFMA Index. The Index Floating Rate Spread for the  
15 Initial Index Floating Rate Period, which is to be specified in the Bond Purchase Contract, shall  
16 be the spread determined by the Underwriter (based on an examination of tax-exempt  
17 obligations comparable, in the judgment of the Underwriter, to such series of the Bonds and  
18 known by the Underwriter to have been priced or traded under then-prevailing market  
19 conditions) to be the minimum spread which, when added to the SIFMA Index, equals the  
20 interest rate which, if borne by such series of the Bonds, would enable the Underwriter to sell all  
21 of such series of the Bonds on the Issue Date at a price equal to the principal amount thereof.  
22 Such Index Floating Rate shall be in effect for the period commencing on the Issue Date to but  
23 excluding the first Interest Reset Date of the Initial Index Floating Rate Period. Thereafter, the  
24 Index Floating Rate shall be determined by the Bond Registrar on each Interest Determination

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

3 (2) *Determination of Index Floating Rate.* During each Index  
4 Floating Rate Period after the Initial Index Floating Rate Period, any series of the Bonds in an  
5 Index Floating Rate mode shall bear interest at the Index Floating Rate, which shall be (A) if the  
6 Index is One Month LIBOR, Three Month LIBOR or other index selected by the Designated  
7 Representative that is to be multiplied by a percentage, the sum of (i) the product of the Index  
8 multiplied by the Index Floating Rate Percentage plus (ii) the Index Floating Rate Spread, and  
9 (B) if the Index is the SIFMA Index, the Adjusted SIFMA Rate. The Index Floating Rate  
10 Spread to be in effect during each such Index Floating Rate Period shall be determined by the  
11 Remarketing Agent after consultation with and approval by the Designated Representative on  
12 the initial Interest Determination Date for such Index Floating Rate Period, and such Index  
13 Floating Rate shall be in effect for the period commencing on the first day of such Index  
14 Floating Rate Period to but excluding the first Interest Reset Date of such Index Floating Rate  
15 Period. Thereafter, the Index Floating Rate shall be determined by the Bond Registrar on each  
16 Interest Determination Date, and such Index Floating Rate shall be in effect for the period  
17 commencing on each Interest Reset Date to but excluding the following Interest Reset Date.

18 Each Index Floating Rate Spread after the Initial Index Floating Rate Period shall be the  
19 spread determined by the Remarketing Agent (based on an examination of tax-exempt  
20 obligations comparable, in the judgment of the Remarketing Agent, to such series of the Bonds  
21 and known by the Remarketing Agent to have been priced or traded under then-prevailing  
22 market conditions) to be the minimum spread which, when added to the Index (multiplied, if  
23 applicable, by the Index Floating Rate Percentage), equals the interest rate which, if borne by  
24 such series of the Bonds, would enable the Remarketing Agent to sell all of such series of the  
25  
26  
27  
28

1 Bonds on the effective date of that rate at a price (without regard to accrued interest) equal to  
2 the principal amount thereof.

3 If the Designated Representative selects an alternate index other than the One Month  
4 LIBOR, Three Month LIBOR or SIFMA Index, a Favorable Opinion of Bond Counsel shall be  
5 obtained and a certificate shall be prepared and sent to the Bond Registrar setting forth the  
6 Index, the Index Floating Rate Spread, if any, and other appropriate terms.

7 (3) *Conversion to Index Floating Rate.*

8 (A) Subject to Section 6, the Designated Representative, on  
9 behalf of the City may, from time to time, by written notice to the Credit Provider (if any), the  
10 Bond Registrar and the Remarketing Agent (if any), elect that any series of the Bonds shall  
11 bear, or continue to bear, interest at an Index Floating Rate. The notice of the Designated  
12 Representative shall specify (i) the proposed Conversion Date, which shall be (a) in each case, a  
13 Business Day not earlier than the 30th day following the second Business Day after receipt by  
14 the Bond Registrar of such notice; (b) 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 such series of the Bonds would otherwise be subject to optional redemption pursuant to  
17 Section 7(a)(2) if such Conversion did not occur; and (c) in the case of a Conversion from an  
18 Index Floating Rate Period, the day following the last day of such Index Floating Rate Period or  
19 on or after a Par Call Date; (ii) the Conversion Date on which the Index Floating Rate Period is  
20 to end or, if applicable, that the Index Floating Rate Period is to end on the day prior to the  
21 Maturity Date; (iii) the Index to be in effect and, if applicable, the Index Floating Rate  
22 Percentage; and (iv) the Par Call Date for such Index Floating Rate Period. The Stepped Interest  
23 Rate to be in effect shall be determined by the Remarketing Agent after consultation with and  
24 approval by the Designated Representative on the initial Interest Determination Date for such  
25 Index Floating Rate Period.

1 (B) If, by the second Business Day preceding the 29th day  
2 prior to the last day of any Index Floating Rate Period, the Bond Registrar has not received  
3 notice of the City's election that, during the succeeding Interest Rate Period, any series of the  
4 Bonds then in an Index Floating Rate mode shall bear interest at the Weekly Interest Rate, the  
5 Daily Interest Rate, the Long-Term Interest Rate or another Index Floating Rate, (i) the next  
6 Interest Rate Period shall be an Index Floating Rate Period, (ii) the Index (and, if applicable, the  
7 Index Floating Rate Percentage) for such Index Floating Rate Period shall remain the same and  
8 (3) the term of such Index Floating Rate Period shall be the same as the preceding Index  
9 Floating Rate Period (but which shall not extend beyond the day prior to the Maturity Date).

10 (4) *Notice of Conversion to Index Floating Rate Period.* The Bond  
11 Registrar shall give notice of a Conversion to an Index Floating Rate Period to the Registered  
12 Owners of the series of the Bonds to be converted not less than 30 days prior to the proposed  
13 Conversion Date. Such notice shall state (A) that the interest rate will be converted to, or  
14 continue to be, an Index Floating Rate, unless the City rescinds its election to convert the  
15 interest rate to an Index Floating Rate as provided in Section 6(a); (B) the proposed Conversion  
16 Date; (C) the Conversion Date on which the Index Floating Rate Period is to end or, if  
17 applicable, that the Index Floating Rate Period is to end on the day prior to the Maturity Date;  
18 (D) that such series of the Bonds are subject to mandatory tender for purchase on the proposed  
19 Conversion Date; (E) the Purchase Price; (F) the place of delivery for purchase of such series of  
20 the Bonds; and (G) the information set forth in Section 8(e).

21 (h) **Determinations of Remarketing Agent and Bond Registrar Binding.**  
22 All percentages resulting from any calculation of any interest rate for any series of the Bonds  
23 shall be truncated to the nearest one-thousandth of a percentage point, with five ten-thousandths  
24 being rounded upward, and all dollar amounts rounded to the nearest cent, with one-half cent  
25 being rounded upward. The Remarketing Agent and the Bond Registrar shall provide prompt  
26

1 notice of each determination of the interest rate for each series of the Bonds to the City, the  
2 Credit Provider (if any), the Bond Registrar and the Remarketing Agent (if any). The Bond  
3 Registrar shall provide notice of any such determination to each Registered Owner or Beneficial  
4 Owner of any Bond upon request. Absent manifest error, each such determination shall be  
5 conclusive and binding upon the City, the Credit Provider (if any), the Bond Registrar, the  
6 Remarketing Agent (if any) and the Registered Owner of each Bond.

7           **(i) Maximum Interest Rate.** Notwithstanding any provision in this  
8 resolution to the contrary, at no time shall any series of the Bonds bear interest at a rate higher  
9 than the Maximum Interest Rate.

10           **(j) Delayed Remarketing Period.** If the Purchase Price of all of any series  
11 of the Bonds bearing interest at an Index Floating Rate required to be purchased on a Purchase  
12 Date cannot be paid, only a portion of such series of the Bonds in an amount equal to the funds  
13 available to pay the full Purchase Price thereof will be purchased on such Purchase Date, and  
14 the remainder of such series of the Bonds for which there are not sufficient available funds to  
15 pay the full Purchase Price thereof will not be purchased, and a Delayed Remarketing Period  
16 will commence on such date with respect only to such unsold portion of such series of the  
17 Bonds. Those Bonds to be purchased shall be selected as provided in Section 8(c) of the Bond  
18 Ordinance for partial redemption. During a Delayed Remarketing Period, the following will  
19 apply to those Bonds that are subject to such Delayed Remarketing Period:

20                   (1) All of the applicable Bonds will bear interest at the Stepped  
21 Interest Rate;

22                   (2) The Remarketing Agent will continue to be obligated to remarket  
23 the applicable Bonds;

24                   (3) The applicable Bonds will continue to be subject to optional  
25 redemption by the City as described in Section 7(a);

1 (4) The Designated Representative on behalf of the City, by notice to  
2 the Bond Registrar and the Remarketing Agent, may direct a Conversion of the applicable  
3 Bonds as described in Section 6;

4 (5) Interest on the applicable Bonds shall continue to be due and  
5 payable on each Interest Payment Date and also shall be payable on the last day of the Delayed  
6 Remarketing Period; and

7 (6) If the applicable Bonds are successfully remarketed as described  
8 in Section 11, the Registered Owners of the applicable Bonds will be obligated to tender their  
9 Bonds to the Bond Registrar for purchase.

10 **Section 6. Conversion of Interest Rate Periods.**

11 (a) **Rescission of Election.** The Designated Representative may rescind any  
12 election to effect a Conversion by delivering to the Credit Provider (if any), the Bond Registrar  
13 and the Remarketing Agent (if any), on or prior to 10:00 a.m., New York time, on the second  
14 Business Day preceding a proposed Conversion Date, a notice to the effect that the City elects  
15 to rescind its election to effect such Conversion. If the City rescinds its election to effect a  
16 Conversion of a series of the Bonds, then such series of the Bonds shall bear interest at a  
17 Weekly Interest Rate commencing on the proposed Conversion Date or, (1) if a Daily Interest  
18 Rate Period is in effect immediately prior to the proposed Conversion, such series of the Bonds  
19 shall continue to bear interest at the Daily Interest Rate or (2) if an Index Floating Rate Period is  
20 in effect immediately prior to the proposed Conversion, such series of the Bonds shall continue  
21 to bear interest at the applicable Index Floating Rate. If notice of a Conversion has been mailed  
22 to the Registered Owners of such series of the Bonds as provided in Section 5 and the City  
23 rescinds its election to effect such Conversion, such series of the Bonds shall nevertheless be  
24 subject to mandatory tender for purchase on the proposed Conversion Date.



1                   (2) *Long-Term Interest Rate Period.* During a Long-Term Interest  
2 Rate Period, each series of the Bonds then in a Long-Term Interest Rate mode shall be subject  
3 to optional redemption at the written direction of the Designated Representative, (A) on the first  
4 day of such Long-Term Interest Rate Period, in whole or in part, at a redemption price of 100%  
5 of the principal amount thereof plus interest accrued to the date fixed for redemption, and  
6 (B) thereafter, on any day during the periods specified below in whole or in part, at the  
7 redemption prices (expressed as a percentage of principal amount) specified below plus interest,  
8 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%

18                   The above table may be amended prior to a Conversion to a Long-Term Interest Rate  
19 Period upon delivery of a Favorable Opinion of Bond Counsel.

20                   In the event that the Conversion Date for a series of the Bonds converted to a Long-  
21 Term Interest Rate Period is other than a day which would be an Interest Payment Date during  
22 such Long-Term Interest Rate Period, then the date on which such series of the Bonds are first  
23 subject to redemption pursuant to the foregoing table (after the first day of such Long-Term  
24 Interest Rate Period) shall be the first Interest Payment Date succeeding the date on which such  
25

1 series of the Bonds otherwise would be subject to redemption, and the redemption price shall be  
2 adjusted on each anniversary of that Interest Payment Date as provided in such table.

3 (b) **Mandatory Sinking Fund Redemption.** Certain Bonds may be  
4 designated as Term Bonds in the Bond Purchase Contract and, if not redeemed or purchased at  
5 the City's option prior to maturity, such Bonds shall be redeemed, at a price equal to the  
6 principal amount thereof to be redeemed plus accrued interest, on May 1 in the years and  
7 Sinking Fund Requirements to be set forth in the Bond Purchase Contract.

8 **Section 8. Purchase of Bonds.**

9 (a) **Optional Tender for Purchase During Weekly Interest Rate Period.**  
10 During any Weekly Interest Rate Period that any series of the Bonds is not registered in the  
11 name of the Securities Depository, such Bonds shall be purchased in an Authorized  
12 Denomination (provided that the amount of any such Bonds not to be purchased shall also be in  
13 an Authorized Denomination) from their respective Registered Owner at the option of the  
14 Registered Owner on any Business Day at the Purchase Price, from the sources specified in  
15 Section 8(g), payable in immediately available funds, upon delivery to the Bond Registrar at its  
16 designated office for delivery of Bonds and to the Remarketing Agent of an irrevocable written  
17 notice which states the principal amount of such Bonds to be purchased and the Purchase Date,  
18 which shall be a Business Day not prior to the seventh day after the date of the delivery of such  
19 notice to the Bond Registrar and the Remarketing Agent. Any notice delivered to the Bond  
20 Registrar or the Remarketing Agent after 4:00 p.m., New York time, shall be deemed to have  
21 been received on the succeeding Business Day. Bonds to be so purchased must be delivered at  
22 or prior to 10:00 a.m., New York time, on the Purchase Date to the Bond Registrar at its  
23 designated office for delivery of Bonds accompanied by an instrument of transfer, in form  
24 satisfactory to the Bond Registrar.



1 delivery of Bonds and to the Remarketing Agent by no later than 11:00 a.m., New York time,  
2 on such Business Day, of an irrevocable written notice or an irrevocable telephonic notice,  
3 promptly confirmed by telecopy or other writing, which states the principal amount of such  
4 Bonds to be purchased and the Purchase Date. Any notice delivered to the Bond Registrar or the  
5 Remarketing Agent after 11:00 a.m., New York time, shall be deemed to have been received on  
6 the succeeding Business Day. Bonds to be so purchased must be delivered at or prior to 12:00  
7 noon, New York time, on the Purchase Date to the Bond Registrar at its designated office for  
8 delivery of Bonds accompanied by an instrument of transfer, in form satisfactory to the Bond  
9 Registrar.

10 During any Daily Interest Rate Period that any series of the Bonds are registered in the  
11 name of the Securities Depository, such Bonds shall be purchased in an Authorized  
12 Denomination (provided that the amount of any such Bonds not to be purchased shall also be in  
13 an Authorized Denomination) from the respective Registered Owner or Participant (subject to  
14 confirmation by the Securities Depository to the Bond Registrar that the Participant has the  
15 required ownership interest in the Bonds) at the option of the Registered Owner or Participant  
16 on any Business Day at the Purchase Price, from the sources specified in Section 8(g), payable  
17 in immediately available funds to the Registered Owner (and not to the Participant), upon  
18 delivery to the Bond Registrar at its designated office for delivery of Bonds and to the  
19 Remarketing Agent by no later than 11:00 a.m., New York time, on such Business Day, of an  
20 irrevocable written notice or an irrevocable telephonic notice, promptly confirmed by telecopy  
21 or other writing, which states the principal amount of such Bonds to be purchased and the  
22 Purchase Date. Any notice delivered to the Bond Registrar or the Remarketing Agent after  
23 11:00 a.m., New York time, shall be deemed to have been received on the succeeding Business  
24 Day.

1 Payment of the Purchase Price of such Bonds shall be made by the Bond Registrar by  
2 3:00 p.m., New York time, on the Purchase Date specified in such notice, or as soon as  
3 practicable thereafter, upon the receipt by the Bond Registrar of the Purchase Price in the Bond  
4 Purchase Fund as set forth in Section 12 on the Purchase Date.

5 (c) **Mandatory Tender for Purchase.** Each series of the Bonds shall be  
6 subject to mandatory tender for purchase at the Purchase Price on the first day of each Interest  
7 Rate Period, on each proposed Conversion Date for which notice has been given to the  
8 Registered Owners and on or after each Par Call Date for which notice has been given to the  
9 Registered Owners.

10 Payment of the Purchase Price of a series of the Bonds for which such notice has been  
11 given shall be made by the Bond Registrar by 3:00 p.m., New York time, on the Purchase Date  
12 specified in the notice of Conversion or call, or as soon as practicable thereafter, upon the  
13 receipt by the Bond Registrar of the Purchase Price in the Bond Purchase Fund as set forth in  
14 Section 12 on the Purchase Date. Bonds to be so purchased that are not registered in the name  
15 of the Securities Depository must be delivered at or prior to 10:00 a.m., New York time, on the  
16 Purchase Date to the Bond Registrar at its designated office for delivery of Bonds accompanied  
17 by an instrument of transfer, in form satisfactory to the Bond Registrar.

18 (d) **Mandatory Tender for Purchase upon Termination, Replacement or**  
19 **Expiration of the Credit Facility.** Each series of the Bonds shall be subject to mandatory  
20 tender for purchase at the Purchase Price if at any time the Bond Registrar receives notice that  
21 such series of the Bonds ceases to be subject to purchase pursuant to the Credit Facility then in  
22 effect as a result of (1) the termination, replacement or expiration of such Credit Facility,  
23 including termination at the option of the City in accordance with the terms of any  
24 Reimbursement Agreement or upon an event of default under the Reimbursement Agreement or  
25 (2) a Conversion. The Purchase Date shall be (1) the fifth Business Day preceding any such  
26  
27  
28

1 expiration or termination of such Credit Facility if no Alternate Credit Facility is to be delivered  
2 to the Bond Registrar, (2) the date such Alternate Credit Facility is delivered to the Bond  
3 Registrar or (3) the Conversion Date.

4 Payment of the Purchase Price of such Bonds shall be made by the Bond Registrar by  
5 3:00 p.m., New York time, on the Purchase Date specified in the notice given pursuant to  
6 Section 8(e), or as soon as practicable thereafter, upon the receipt by the Bond Registrar of the  
7 Purchase Price in the Bond Purchase Fund as set forth in Section 12 on the Purchase Date.  
8 Bonds to be so purchased that are not registered in the name of the Securities Depository must  
9 be delivered at or prior to 10:00 a.m., New York time, on the Purchase Date to the Bond  
10 Registrar at its designated office for delivery of Bonds accompanied by an instrument of  
11 transfer, in form satisfactory to the Bond Registrar.

12 (e) **Notice of Mandatory Tender for Purchase.** In connection with any  
13 mandatory tender for purchase of a series of the Bonds in accordance with Section 8(c) or 8(d),  
14 the Bond Registrar shall give the notice required by this Section 8(e) (if applicable, as a part of  
15 the notice given pursuant to Sections 5(d)(3), 5(e)(3), 5(f)(3) or 5(g)(4)). Such notice shall state  
16 (1) in the case of a mandatory tender for purchase pursuant to Section 8(c), the type of Interest  
17 Rate Period to which such series of the Bonds will be converted on the Purchase Date; (2) in the  
18 case of a mandatory tender for purchase pursuant to Section 8(d), that the Credit Facility will  
19 expire, terminate or be replaced and that after the Purchase Date, such series of the Bonds will  
20 no longer be purchased pursuant to the Credit Facility then in effect and that the short-term  
21 ratings applicable to such series of the Bonds may be reduced or withdrawn; (3) that if the  
22 Purchase Price is provided to the Bond Registrar from remarketing or refunding proceeds,  
23 proceeds of a draw on the Credit Facility or other funds made available by the City, such series  
24 of the Bonds will be purchased on the Purchase Date; and (4) that in the case of Bonds that are  
25 not registered in the name of the Securities Depository, the Purchase Price will be payable only

1 upon surrender of such Bonds to the Bond Registrar at its designated office for delivery of  
2 Bonds, accompanied by an instrument of transfer, in form satisfactory to the Bond Registrar,  
3 executed in blank by the Registered Owner or its duly-authorized attorney, with such signature  
4 guaranteed by a commercial bank, trust company or member firm of the New York Stock  
5 Exchange, and that if the Registered Owner of any such Undelivered Bond does not surrender  
6 that Bond to the Bond Registrar for purchase on the Purchase Date, then that Bond shall be  
7 deemed to be an Undelivered Bond, no interest shall accrue on such Bond on and after the  
8 Purchase Date and that the Registered Owner shall have no rights under the Bond Legislation  
9 other than to receive payment of the Purchase Price.

10 (f) **Irrevocable Notice Deemed to be Tender of Bonds; Undelivered**  
11 **Bonds.**

12 (1) The giving of notice by a Registered Owner of a Bond or  
13 Participant as provided in Section 8(a) or 8(b) shall constitute the irrevocable tender for  
14 purchase of each Bond with respect to which such notice is given regardless of whether that  
15 Bond is delivered to the Bond Registrar for purchase on the applicable Purchase Date.

16 (2) If the Registered Owner of a Bond subject to mandatory tender for  
17 purchase that is not registered in the name of the Securities Depository fails to deliver its Bond  
18 to the Bond Registrar at the place and on the Purchase Date and by the time specified, or fails to  
19 deliver its Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in  
20 the amount of the Purchase Price of the Undelivered Bond are available for payment to the  
21 Registered Owner thereof on the Purchase Date and at the time specified, then from and after  
22 the Purchase Date and time of that required delivery (A) the Undelivered Bond shall be deemed  
23 to be purchased and shall no longer be deemed to be outstanding under the Bond Legislation;  
24 (B) interest shall no longer accrue on the Undelivered Bond; and (C) funds in the amount of the  
25 Purchase Price of the Undelivered Bond shall be held uninvested and without liability for  
26  
27  
28

1 interest by the Bond Registrar for the benefit of the Registered Owner thereof, to be paid on  
2 delivery (and proper endorsement) of the Undelivered Bond to the Bond Registrar at its  
3 designated office for delivery of Bonds.

4 (g) **Source of Funds for Payment of Purchase Price.** The Purchase Price  
5 of any Bonds to be purchased on any Purchase Date shall be made from the following sources  
6 and in the following order of priority:

- 7 (1) proceeds of the remarketing of such Bonds;
- 8 (2) proceeds of refunding bonds issued by the City;
- 9 (3) proceeds of a draw on the Credit Facility; and
- 10 (4) other funds made available by the City.

11 **Section 9. Credit Facility; Bank Bonds.**

12 (a) **Draws on Credit Facility.** When a Credit Facility is in effect with  
13 respect to any series of the Bonds, the Bond Registrar shall draw on the Credit Facility in  
14 accordance with Section 12 and in accordance with the terms of the Credit Facility and the  
15 provisions of the Reimbursement Agreement to the extent necessary to pay when due the  
16 principal and Purchase Price of and interest on such series of the Bonds.

17 (b) **Acceptance by Bond Registrar.** If at any time there are delivered to the  
18 Bond Registrar (1) a Credit Facility, (2) any required opinions and information, and (3) all  
19 information required to give the notice of mandatory tender for purchase of a series of the  
20 Bonds, then the Bond Registrar shall accept such Credit Facility and, after the date of the  
21 mandatory tender for purchase established pursuant to Section 8(c) or 8(d), promptly surrender  
22 any Credit Facility then in effect to the issuer thereof for cancellation in accordance with its  
23 terms.



1 Each Remarketing Agent shall be a member of the Financial Industry Regulatory  
2 Authority, Inc. (FINRA), having a combined capital stock, surplus and undivided profits of at  
3 least \$50,000,000, and be authorized by law to perform all the duties imposed upon it by the  
4 Bond Legislation and the Remarketing Agreement. Each Remarketing Agent shall be acceptable  
5 to the Credit Provider (if any). A Remarketing Agent may at any time resign and be discharged  
6 of the duties and obligations created by this Resolution by giving notice to the City, the Bond  
7 Registrar and the Credit Provider (if any). Such resignation shall take effect on the 30th day  
8 after the receipt by the City of the notice of resignation. A Remarketing Agent may be removed  
9 at any time on 15 days prior written notice, by an instrument signed by the Designated  
10 Representative, approved by the Credit Provider (if any), and delivered to the Remarketing  
11 Agent, the Bond Registrar and the Credit Provider.

12 **Section 11. Remarketing of Bonds; Notice of Interest Rates.**

13 (a) **Remarketing.** Upon a mandatory tender for purchase of a series of the  
14 Bonds as required by Section 8(c) or 8(d) or notice of optional tender for purchase of a series of  
15 Bonds under Section 8(a) or 8(b), the Remarketing Agent shall offer for sale and use its best  
16 efforts to sell such Bonds on the Purchase Date and, if not remarketed on the Purchase Date,  
17 thereafter until sold, at the Purchase Price. Bonds shall not be remarketed to the City.

18 (b) **Notice of Purchase and Remarketing.** The Remarketing Agent shall  
19 give notice, in no event later than 9:30 a.m., New York time, on the Purchase Date, by facsimile  
20 transmission, telephone, telecopy, e-mail or similar electronic means promptly confirmed by a  
21 written notice, to the Bond Registrar and the City on each date on which Bonds have been  
22 purchased pursuant to Section 8, specifying the principal amount of such Bonds, if any,  
23 remarketed, and if such Bonds are not registered in the name of the Securities Depository, a list  
24 of the purchasers showing the names and denominations in which such Bonds are to be  
25  
26  
27  
28

1 registered, and the addresses and social security or taxpayer identification numbers of such  
2 purchasers.

3       **Section 12. Bond Purchase Fund.** There shall be created and established with and  
4 maintained by the Bond Registrar a separate trust fund to be designated the “Bond Purchase  
5 Fund.” The Bond Registrar shall further establish within the Bond Purchase Fund a separate  
6 trust account to be designated the “Remarketing Account” and, if a Credit Facility is delivered  
7 in connection with such Conversion, a separate trust account to be designated the “Credit  
8 Facility Purchase Account.” Amounts contributed by the City to the Purchase Price as provided  
9 in Section 8(g) shall be transferred from the Parity Bond Fund to the Bond Registrar and  
10 deposited into the Bond Purchase Fund.

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

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

24       **Section 13. General Authorization.** The Mayor and the Director of Finance and  
25 each of the other appropriate officers of the City are each authorized and directed to do

1 everything as in their judgment may be necessary, appropriate or desirable in order to carry out  
2 the terms and provisions of, and complete the transactions contemplated by, the Bond  
3 Ordinance and this resolution.

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

13       **Section 15. Ratification of Prior Acts.** All acts taken pursuant to the authority of  
14 this resolution but prior to its effective date are ratified, approved and confirmed.



**THE CITY OF SEATTLE, WASHINGTON  
MUNICIPAL LIGHT AND POWER REVENUE BONDS, 2015B (SIFMA INDEX)  
\$100,000,000**

**BOND PURCHASE CONTRACT**

[July \_\_], 2015

City Council  
The City of Seattle  
Seattle, Washington

To the City Council:

Citigroup Global Markets, Inc. (the "Underwriter") offers to enter into this Bond Purchase Contract (the "Purchase Contract") with The City of Seattle, Washington (the "City"). This offer is subject to the City's acceptance by execution and delivery of this Purchase Contract to the Underwriter at or prior to 6:00 p.m., Pacific Daylight Time, on the date first above written, and if not so accepted will be subject to withdrawal by the Underwriter upon notice delivered to the City by the Underwriter at any time prior to the City's acceptance hereof. Upon the City's acceptance of this offer in accordance with the terms hereof, this Purchase Contract will be binding on the City and the Underwriter.

Any capitalized terms used in this Purchase Contract and not otherwise defined herein have the meanings given those terms in the Bond Legislation (as defined in Section 3 of this Purchase Contract).

1. Purchase and Sale. On the terms and conditions and on the basis of the representations, warranties, covenants and agreements hereinafter set forth, the Underwriter agrees to purchase from the City for offering to the public, and the City agrees to sell to the Underwriter for that purpose, all of the City's Municipal Light and Power Revenue Bonds, 2015B (SIFMA Index), in the aggregate principal amount of \$100,000,000 (the "Bonds").

The Bonds will be dated the date of their delivery to the Underwriter, bear interest at the Adjusted SIFMA Rate (based on an Index Floating Rate Spread), payable on the first Business Day of each month, commencing on the date, mature on May 1 in the year, and be subject to redemption and other terms, all as set forth in Exhibit A hereto.

The purchase price for the Bonds is \$ \_\_\_\_\_, which represents the aggregate principal amount of the Bonds less an underwriter's discount of \$ \_\_\_\_\_.

The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the City and the Underwriter, (ii) in connection with this transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the City, (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter or any affiliate of the Underwriter has advised or is currently advising the City on other matters), (iv) the City has consulted with its own legal and financial advisors to the extent it has deemed appropriate in connection with the sale of the Bonds, and (v) the Underwriter has financial and other interests that differ from those of the City.

2. Public Offering. It is a condition to the City's obligation to sell and to deliver the Bonds to the Underwriter that the entire \$100,000,000 aggregate principal amount of the Bonds will be purchased, accepted and paid for by the Underwriter at the Closing (as defined in Section 6), and it is a condition to the Underwriter's obligation to purchase, to accept delivery of, and to pay for the Bonds that the entire \$100,000,000 aggregate principal amount of the Bonds will be issued, sold and delivered by the City at the Closing. The Underwriter intends to make a bona fide initial public offering of all the Bonds at the price shown on Exhibit A.

3. The Bonds; Bond Legislation. The Bonds will be issued in accordance with Titles 35 and 39 of the Revised Code of Washington ("RCW"), as amended (the "Authorizing Statutes"), and the City's charter and pursuant to Ordinance 124633 of the City, passed by the City Council on November 24, 2014 (the "Bond Ordinance"), and Resolution \_\_\_\_\_, adopted by the City Council on [July \_\_], 2015 (the "Sale Resolution," and together with the Bond Ordinance, the "Bond Legislation"). The Bonds are being issued to finance capital improvements to the Light System and to pay costs of issuance of the Bonds, all as described in the Bond Legislation.

4. Preliminary Official Statement; Official Statement.

(a) The City ratifies, approves and confirms the distribution and use by the Underwriter of the Preliminary Official Statement of the City dated [June \_\_], 2015 (together with the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, the "Preliminary Official Statement"), in connection with the public offering and sale of the Bonds by the Underwriter prior to the availability of the Official Statement. The City represents and warrants that the Preliminary Official Statement was deemed final by the City as of its date for purposes of Rule 15c2-12 ("Rule 15c2-12") of the Securities and Exchange Commission (the "SEC") promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except for the omission of information permitted to be omitted by Rule 15c2-12.

(b) The City shall provide, or cause to be provided, to the Underwriter within seven business days after the date of this Purchase Contract (or within such shorter period as may be agreed by the City and the Underwriter or required by applicable rules of the SEC and the Municipal Securities Rulemaking Board (the "MSRB")), a final Official Statement, which shall be in the form of the Preliminary Official Statement with those changes reflecting the terms of this Purchase Contract and other changes as have been approved by the Underwriter (together

with any appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto on or prior to the Closing, the "Official Statement"). The City shall provide copies of the Official Statement in sufficient quantity to permit the Underwriter to comply with Rule 15c2-12 and other applicable rules of the SEC and the MSRB.

(c) The City authorizes the Underwriter to file, to the extent required by applicable SEC or MSRB rule, and the Underwriter agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including submission to the MSRB's Electronic Municipal Market Access system ("EMMA")) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If an amended Official Statement is prepared in accordance with Section 4(e) during the "primary offering disclosure period" (as defined in MSRB Rule G-32), the Underwriter will make the required submission of the amended Official Statement to EMMA.

(d) The Preliminary Official Statement and the Official Statement may be delivered in printed or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the City and the Underwriter.

(e) During the period ending on the 25<sup>th</sup> day after the End of the Underwriting Period (or such other period as may be agreed to by the City and the Underwriter), the City (i) may not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) must notify the Underwriter promptly if any event occurs, or information comes to the attention of the City, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the City shall prepare and furnish to the Underwriter, at the City's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the City and the Underwriter, as the Underwriter may reasonably request. If such notification is given after the Closing, the City also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

(f) For purposes of this Purchase Contract, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 and will occur on the later of (A) the Closing or (B) when the Underwriter no longer retains an unsold balance of the Bonds. Unless otherwise advised in writing by the Underwriter on or prior to the Closing, or otherwise agreed to by the City and the Underwriter, the End of the Underwriting Period will be the date of Closing.

5. Representations, Warranties, Covenants and Agreements of the City. The City represents and warrants to and (as applicable) covenants and agrees with the Underwriter that, as of the date hereof:

(a) The City is duly existing as a municipal corporation of the State of Washington (the "State") and under the Constitution and laws of the State and the City's charter has full legal right, power and authority to issue the Bonds for the purposes described in the Preliminary Official Statement and the Official Statement, as applicable, and to acquire, construct, own, operate, maintain, improve and finance the Light System and to carry on its business as currently being conducted and as proposed to be conducted, as described in the Preliminary Official Statement and the Official Statement, as applicable.

(b) The City has full legal right, power and authority to enter into this Purchase Contract, to pass the Bond Legislation, to carry out and consummate the covenants, agreements and transactions contemplated by this Purchase Contract and the Bond Legislation, and to execute, issue and deliver the Bonds to the Underwriter as provided herein; by official action of the City Council prior to or concurrently with the acceptance hereof, the City Council has duly passed the Bond Legislation in accordance with applicable law and has authorized the approval of the Preliminary Official Statement and the Official Statement and the distribution thereof by the Underwriter; the Bond Legislation is in full force and effect and has not been amended, modified or rescinded; the City Council has duly authorized and approved the execution and delivery of, and the observance and performance by the City of its covenants, agreements and obligations contained in, the Bonds and this Purchase Contract; the City has duly authorized and approved the observance and performance by the City of its covenants, agreements and obligations contained in the Bond Legislation and the consummation by the City of all other transactions contemplated by the Bond Legislation and this Purchase Contract to have been performed or consummated at or prior to the date of Closing; and the City has complied with the terms of the Authorizing Statutes and with the obligations in connection with the issuance of the Bonds on its part contained in the Bond Legislation, the Bonds and this Purchase Contract.

(c) As of the date thereof and the date hereof, (i) insofar as the Light System and its affairs, including its financial affairs and including the information under the caption "THE CITY OF SEATTLE" are concerned, the Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; and (ii) insofar as the descriptions, statements and data, including financial data, of or pertaining to other bodies and their activities contained in the Preliminary Official Statement are concerned, such descriptions, statements and data have been obtained from sources the City believes to be reliable, and the City has no reason to believe that they contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

(d) As of the date thereof, (i) insofar as the Light System and its affairs, including its financial affairs and including the information under the caption "THE CITY OF SEATTLE" are concerned, the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) insofar as the descriptions, statements and data, including financial data, of or pertaining to other bodies and their activities contained in the Official Statement are concerned, such descriptions,

statements and data will have been obtained from sources the City believes to be reliable, and the City will have no reason to believe that they contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

(e) If the Official Statement is supplemented or amended pursuant to Section 4(e) hereof, at the time of each supplement or amendment thereto, (i) insofar as the Light System and its affairs, including its financial affairs and including the information under the caption "THE CITY OF SEATTLE" are concerned, the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) insofar as the descriptions, statements and data will have been obtained from sources the City believes to be reliable, and the City will have no reason to believe that they contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

(f) Between the date hereof and the Closing, except for the City's Municipal Light and Power Revenue Bonds, 2015A, which are expected to be issued on July 9, 2015, as described in the Official Statement, the City will not without the prior written consent of the Underwriter offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, in each case payable from or secured by revenues of the Light System, or enter into any material transaction relating to the Light System, other than in the ordinary course of business, and the City shall promptly disclose to the Underwriter any material adverse change in the condition, financial or physical, of the Light System or its properties.

(g) At or prior to the Closing, as authorized by Section 18 of the Bond Ordinance, the City will enter into an undertaking, in substantially the form set forth as Exhibit B to the Bond Ordinance, to provide certain annual financial information and notices of the occurrence of certain listed events pursuant to paragraph (b)(5) of Rule 15c2-12 (the "Undertaking"). An accurate description of the Undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement and the Official Statement, during the past five years the City has not failed to comply in all material respects with its previous undertakings to provide annual reports and notices of specified events in accordance with Rule 15c2-12.

(h) The City is not currently in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, or other agreement or instrument to which the City is a party or to which the City or any of its properties is otherwise subject, that would have a material effect on the Bonds and the Light System, and no event has occurred and is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument and would have a material effect on the Bonds and the Light System; and to the best of the City's knowledge, the execution and delivery of this Purchase Contract and the Bonds, the passage of the Bond Legislation, and compliance with the provisions of this Purchase Contract, the Bond

Legislation and the Bonds will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, court decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Light System is subject, or by which it or any of its properties is bound, nor will any such execution, delivery, passage or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties of the Light System or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Bond Legislation.

(i) To the best knowledge of the Director of Finance, relying on the advice and opinions of the office of the City Attorney where applicable, and except as may be set forth in the Preliminary Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency or body, public board or body, pending (with process properly served on the City) to which the City is a party (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Bonds; (iii) in any way contesting or affecting the validity of the Bonds, the Bond Legislation, the Undertaking, or this Purchase Contract; (iv) contesting or affecting the exclusion from gross income for federal income tax purposes of interest on the Bonds (to the extent described in the Preliminary Official Statement); (v) contesting the powers of the City or any authority for the issuance of the Bonds or the adoption and passage of the Bond Legislation or consummation of the transactions required in relation to the issuance of the Bonds; (vi) which may result in any material adverse change relating to the business, operations or financial condition of the Light System; or (vii) contesting the completeness or accuracy of the Preliminary Official Statement or asserting that the Preliminary Official Statement contained or contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and to the best knowledge of the Director of Finance, there is no reasonable basis for any successful action, suit, proceeding or inquiry or investigation of the nature described in clauses (i) through (vii) above.

(j) The City will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the City in cooperation with the Underwriter as may be requested (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Underwriter, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, that the City will not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(k) The Bonds and the Bond Legislation conform in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

(l) The Bonds, when issued and delivered in accordance with the Bond Legislation and sold to the Underwriter as provided herein, will be legal, valid and binding obligations of the City, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally, and the owners of the Bonds will be entitled to the benefits of the Bond Legislation; upon such issuance and delivery the Bond Legislation will provide, for the benefit of the owners from time to time of the Bonds, a legally valid and binding pledge of and lien on the funds and accounts pledged to the Bonds under the Bond Legislation and the revenues pledged to such funds and accounts under the Bond Legislation. This Purchase Contract, the Bond Legislation and the Undertaking are legal, valid and binding obligations of the City enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally.

(m) The City will apply the proceeds of the Bonds as provided in the Bond Legislation.

(n) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, court, agency or commission having jurisdiction of the matter that are required for the due authorization of, that would constitute a condition precedent to, or the absence of which would adversely affect the due performance by the City of, its obligations under this Purchase Contract, the Bonds, or the Bond Legislation, have been duly obtained or where required for future performance are expected to be obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(o) The audited financial statements set forth as Appendix C to the Preliminary Official Statement and Official Statement fairly present the financial position of the Light System as of the dates indicated and the results of its operations, the sources and uses of its cash and the changes in fund balances for the periods therein specified to the extent included therein, and except as otherwise specified therein, are in conformity with generally accepted accounting principles applied on a consistent basis, and there has been no material adverse change in the financial condition or results of operations of the Light System since the respective dates thereof, except as disclosed in the Preliminary Official Statement and Official Statement.

(p) The Underwriter may deem any certificate signed by any official of the City and delivered to the Underwriter as a representation and warranty by the City to the Underwriter as to the statements made therein.

6. Closing. At 8:30 a.m., Pacific Time, on [July 23], 2015, or at such other date or time as may be mutually agreed upon by the City and the Underwriter, the City will deliver or cause to be delivered (through DTC's FAST delivery system) to the Underwriter the Bonds duly executed by the City, together with the other documents described in Section 7(d), and the Underwriter will accept such delivery (through DTC's FAST delivery system) and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer, in an aggregate amount equal to that purchase price.

Payment for the Bonds as aforesaid and delivery of the documents described in Section 7(d) will be made at the offices of the Director of Finance in Seattle, Washington, or at such other place as may be mutually agreed upon by the City and the Underwriter. Such payment and delivery is herein called the "Closing." The Underwriter will order CUSIP identification numbers and the City will cause such CUSIP identification numbers to be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto will constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Contract. The Bonds will be prepared and delivered in registered form and will be registered in the name of Cede & Co., as nominee of DTC. Copies of the Bonds will be made available for checking by the Underwriter and its counsel not less than one business day prior to the date of Closing.

7. Closing Conditions. The obligations of the Underwriter hereunder are subject to the performance by the City of its obligations hereunder at or prior to the Closing and are also subject to the following conditions:

(a) The representations of the City contained in this Purchase Contract must be true, complete and correct at the date hereof and on and as of the date of Closing as if made on the date of Closing.

(b) At the time of the Closing (i) the Bond Legislation must be in full force and effect, and must not have been amended, modified or supplemented since the date hereof, except as may be agreed to in writing by the Underwriter; and (ii) the City must perform or have performed its obligations required under or specified in this Purchase Contract and the Bond Legislation to be performed at or prior to the Closing.

(c) At the time of the Closing, no material adverse change will have occurred in the business, operations or financial or physical condition of the Light System or its properties, or in the status of the licenses, permits, real property rights or approvals for facilities of the Light System.

(d) At or prior to the Closing, the Underwriter must receive the following documents, in each case satisfactory in form and substance to the Underwriter and to its counsel, K&L Gates LLP:

(1) The Official Statement and each supplement or amendment, if any, thereto;

(2) Copies of the Bond Legislation, certified by the City Clerk as having been duly passed or adopted by the City Council and as being in full force and effect, with such changes or amendments as may have been agreed to in writing by the Underwriter;

(3) The final approving legal opinion of Foster Pepper PLLC, Bond Counsel, dated the date of Closing, in substantially the form attached to the Official Statement as Appendix B, together with a reliance letter addressed to the Underwriter;

(4) The supplemental opinion of Foster Pepper PLLC, Bond Counsel, addressed to the Underwriter and dated the date of Closing, in substantially the form attached

hereto as Exhibit B, and a reliance letter addressed to the Underwriter with respect to any other opinions delivered by Bond Counsel in connection with the issuance of the Bonds;

(5) A certificate of the City, dated the date of Closing, executed by the General Manager and Chief Executive Officer of the Light Department and the Director of Finance or other authorized officer of the City acceptable to the Underwriter, to the effect that on the date of the Official Statement and on the date of the certificate (i) the representations and warranties of the City contained in this Purchase Contract were and are true and correct in all material respects, and the City has complied with all agreements and covenants and satisfied all conditions contemplated by this Purchase Contract and the Bond Legislation on its part to be performed or satisfied at or prior to the date of Closing; (ii) insofar as the Light System and its affairs, including its financial affairs and including the information under the caption "THE CITY OF SEATTLE", are concerned, the Official Statement did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (iii) insofar as the descriptions, statements and data, including financial data, of or pertaining to other bodies and their activities contained in the Official Statement are concerned, such descriptions, statements and data have been obtained from sources the City believes to be reliable, and the City has no reason to believe that they contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

(6) A certificate of the Director of Finance, dated the date of Closing, to the effect that, to the best of his knowledge, relying on the advice and opinions of the office of the City Attorney where applicable, and except as may be set forth in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, government agency or body, public board or body pending (with process properly served on the City) to which the City is a party (i) in any way questioning the corporate existence of the City or titles of the officers of the City to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds or the collection of revenues pledged or to be pledged to pay the principal of and interest on the Bonds; (iii) in any way contesting or affecting the validity of the Bonds, the Bond Legislation, the Undertaking or this Purchase Contract; (iv) contesting or affecting the exclusion from gross income for federal income tax purposes of interest on the Bonds (to the extent described in the Official Statement); (v) contesting the powers of the City or any authority for the issuance of the Bonds or the adoption and passage of the Bond Legislation or consummation of the transactions required in relation to the issuance of the Bonds; (vi) which may result in any material adverse change relating to the financial condition of the Light System; or (vii) contesting the completeness or accuracy of the Official Statement, or asserting that the Official Statement contained or contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and to the best knowledge of the Director of Finance, there is no reasonable basis for any successful action, suit, proceeding or inquiry or investigation of the nature described in clauses (i) through (vii) above (but in lieu of such certificate, the Underwriter may in its sole discretion accept a letter by the City Attorney or Bond Counsel to the City as to matters referred to in clauses (i) through (vii) of this subparagraph above that in his or her opinion the issues

raised in any such pending or threatened action, suit, proceeding, inquiry or investigation are without substance or that the contentions made therein are without merit);

(7) A certificate of the City's financial advisor to the effect that no facts have come to the attention of the financial advisor that caused them to believe that the Preliminary Official Statement or the Official Statement, as of their respective dates, and the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein for the purposes for which the Preliminary Official Statement or Official Statement was or is to be used or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

(8) A duly executed signature identification certificate;

(9) A parity certificate as required by the ordinances authorizing the outstanding Parity Bonds;

(10) The Undertaking duly executed by a Designated Representative;

(11) An opinion of K&L Gates LLP, counsel to the Underwriter, dated the date of Closing and addressed to the Underwriter, to the effect that (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Bond Legislation is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended, (the "Trust Indenture Act"), and (ii) the Undertaking, together with Section 5(g) of this Purchase Contract, satisfies the requirements contained in paragraph (b)(5) of Rule 15c2-12 for an undertaking for the benefit of the owners and beneficial owners of the Bonds to provide the information at the times and in the manner required by paragraph (b)(5) of Rule 15c2-12; in addition, such counsel shall state in its letter containing the foregoing opinions that although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement and makes no representation that such counsel has independently verified the accuracy, completeness or fairness of any such statements, in such counsel's capacity as Underwriter's counsel, to assist the Underwriter as part of the Underwriter's responsibilities with respect to the Preliminary Official Statement and the Official Statement, such counsel participated in conferences with the Underwriter's representatives and representatives of the City, the City Attorney's Office, the City's financial advisor, the City's Bond Counsel, and others, during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed, and based on such counsel's participation in such conferences and in reliance thereon and on the records, documents, certificates, opinions and matters set forth in such counsel's opinion, and as a matter of fact and not opinion, during the course of such counsel's representation of the Underwriter, no facts came to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriter in connection with the Preliminary Official Statement or the Official Statement that caused such counsel to believe that the Preliminary Official Statement or the Official Statement as of their dates (except for any CUSIP numbers, financial, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion contained therein, information regarding environmental matters, litigation, tax exemption, DTC and its book-entry only system, the surety bond held in

the Reserve Fund and the provider thereof and except for the appendices thereto, as to which such counsel need express no opinion or view), contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that such opinion and representation may not be used, circulated, quoted or otherwise referred to or relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed;

(12) A Blue Sky Memorandum addressed to the Underwriter prepared by counsel to the Underwriter;

(13) A tax certificate and IRS Form 8038-G in form satisfactory to Bond Counsel and duly executed by the City;

(14) The Letter of Representations, executed by the City and accepted by DTC;

(15) A complete transcript of all proceedings relating to the authorization and issuance of the Bonds;

(16) Evidence satisfactory to the Underwriter that Moody's Investors Service and Standard & Poor's Ratings Services have assigned ratings of "\_\_\_" and "\_\_\_" respectively, to the Bonds; and

(17) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of the representations and warranties of the City contained in Section 5 of this Purchase Contract and the due performance or satisfaction by the City at or prior to such time of all covenants and agreements then to be performed and all conditions then to be satisfied by the City pursuant to this Purchase Contract.

8. Termination. The Underwriter may terminate this Purchase Contract, without liability therefor, by notice to the City if at any time after the date of this Purchase Contract and at or prior to the Closing, in the Underwriter's sole and reasonable judgment, any of the following events occurs (each a "Termination Event"):

(a) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, are materially adversely affected by any of the following events:

(i) legislation is enacted by the Congress of the United States or the legislature of the State or is favorably reported out of committee of either body or pending in committee of either body, or is recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision is rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement is made or proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds; or

(ii) there occurs (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, (2) any other calamity or crisis in the financial markets of the United States or elsewhere, (3) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or a payment default on United States Treasury obligations, or (4) a default with respect to the debt obligations of any state of the United States; or

(iii) a general suspension of trading on the New York Stock Exchange or other major exchange, or minimum or maximum prices for trading are fixed and in force, or maximum ranges for prices for securities are required and in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(iv) legislation is enacted by the Congress of the United States or is favorably reported out of committee or pending in committee, or is recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States is rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter is made, to the effect that any obligations of the general character of the Bonds or the Bond Resolution, or any comparable obligations of the City, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or

(v) except as disclosed in or contemplated by the Official Statement, any material adverse change occurs in the affairs of the Light System; or

(vi) any rating of bonds, notes or other obligations of the City payable from or secured by a pledge of revenues of the Light System (including, without limitation, the Bonds) is downgraded, suspended or withdrawn, or a negative credit watch is publicly announced, by Moody's Investors Service or Standard & Poor's Ratings Services; or

(b) any event or circumstance exists that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the City refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(c) a general banking moratorium is declared by federal or State authorities having jurisdiction and is in force; or

(d) a material disruption occurs in securities settlement, payment or clearance services affecting the Bonds; or

(e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters is established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(f) a decision by a court of the United States is rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter is issued or made, to the effect that the issuance, offering or sale of the Bonds, as contemplated by this Purchase Contract or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws on the date of Closing, including the Securities Act, the Exchange Act and the Trust Indenture Act.

Upon the occurrence of a Termination Event and the termination of this Purchase Contract by the Underwriter, all obligations of the City and the Underwriter under this Purchase Contract shall terminate, without further liability, except that the City and the Underwriter shall pay their respective expenses as set forth in Section 9.

9. Expenses. The Underwriter is under no obligation to pay and the City will pay or cause to be paid the expenses incident to the performance of the City's obligations hereunder including but not limited to (a) the cost of preparing the Sale Resolution; (b) the fees and disbursements of Foster Pepper PLLC, the Piper Jaffray & Co, the financial advisor to the City, and any other experts or consultants retained by the City; (c) the costs of preparing, printing and signing the Bonds and the cost of registration of the Bonds; (d) the cost of preparing and printing the Preliminary Official Statement the Official Statement and any supplements or amendments thereto; (e) charges of rating agencies for the ratings of the Bonds; and (f) expenses (included in the expense component of the spread) incurred on behalf of City employees that are incidental to implementing this Purchase Contract, including without limitation meals, transportation and lodging. The Underwriter shall pay (1) the cost of preparing the Blue Sky and legal investment memoranda to be used by it, (2) all advertising expenses incurred by the Underwriter in connection with the public offering of the Bonds, (3) the fees and disbursements of counsel to the Underwriter, and (4) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds.

10. Representations, Warranties and Agreements of Underwriter. The Underwriter represents that it is authorized to take any action under this Purchase Contract required to be taken by it. The Underwriter further agrees to comply with all applicable laws and regulations governing the underwriting of the Bonds. The Underwriter represents that it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and with the MSRB as a municipal bond dealer.

11. Notices. Any notice or other communication to be given to the City under this Purchase Contract (other than the acceptance hereof as specified in Section 1 hereof) may be given by delivering the same in writing to the Debt Manager, The City of Seattle, 700 Fifth Avenue (43rd Floor), Seattle, Washington 98104; any notice or other communication to be given

to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Citigroup Global Markets Inc., 601 Union Street, Suite 5125, Seattle, Washington 98101, Attention: Ben Selberg.

12. Governing Law. The validity, interpretation and performance of this Purchase Contract are governed by the laws of the State of Washington.

13. Parties in Interest. This Purchase Contract when accepted by the City in writing as heretofore specified shall constitute the entire agreement between the City and the Underwriter and is solely for the benefit of the City and the Underwriter (including the successors and assigns thereof). No other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the City in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriter, (b) delivery of and payment for the Bonds hereunder, and (c) any termination of this Purchase Contract.

14. Entire Agreement. This Purchase Contract constitutes the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties. This Purchase Contract shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

15. Headings. The headings of the Sections of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

16. Effectiveness. This Purchase Contract will become effective upon the execution of the acceptance hereof by the Director of Finance or other authorized officer of the City and will be valid and enforceable at the time of such acceptance.

17. Counterparts. This Purchase Contract may be executed in several counterparts, which together will constitute one and the same instrument.

CITIGROUP GLOBAL MARKETS INC.,  
as Underwriter

By: \_\_\_\_\_  
Director

Accepted by the Director of Finance in  
accordance with Resolution \_\_\_\_ of the City  
Council of The City of Seattle, Washington, on  
\_\_\_\_\_, 2015, at \_\_\_\_\_ p.m.

THE CITY OF SEATTLE, WASHINGTON

By: \_\_\_\_\_  
Director of Finance

**EXHIBIT A**

**Terms of the Bonds during Initial Index Floating Rate Period**

Principal Amount: \$100,000,000

Maturity Date: May 1, 20\_\_

Applicable Index: SIFMA Index

Index Floating Rate Spread: \_\_\_\_ basis points

First Interest Payment Date:

End of Initial Index Floating Rate Period/Purchase Date: \_\_\_\_\_

Par Call Date: \_\_\_\_\_

Initial Offering Price: 100%

Stepped Interest Rate: Pursuant to the Bond Resolution, during a Delayed Remarketing Period, the applicable Bonds will bear interest at the "Stepped Interest Rate," which equals: (1) for the period beginning on the applicable Purchase Date and for 90 days thereafter, a per annum interest rate equal to \_\_%, and (2) thereafter, \_\_%.

*Optional Redemption.* The Bonds are subject to redemption at the option of the City on any day on and after the Par Call Date, in whole or in part, at a redemption price of 100% of the principal amount of Bonds called for redemption, plus interest, if any, accrued to the date fixed for redemption.

*Mandatory Redemption.* The Bonds are Term Bonds and, if not redeemed or purchased at the City's option prior to maturity, will be redeemed at a price equal to the principal amount thereof to be redeemed plus accrued interest, on May 1 in the years and amounts as follows:

Year	Sinking Fund Requirement
------	--------------------------

\* Final maturity

**EXHIBIT B**

[LETTERHEAD OF FOSTER PEPPER PLLC]

[Date of Closing]

The City of Seattle  
Seattle, Washington

Citigroup Global Markets Inc.  
Seattle, Washington

Re: The City of Seattle, Washington, Municipal Light and Power Revenue Bonds, 2015B (SIFMA Index)

At the request of The City of Seattle, Washington (the "City"), we have served as bond counsel to the City in connection with its issue of \$100,000,000 aggregate principal amount of Municipal Light and Power Revenue Bonds, 2015B (SIFMA Index) (the "Bonds"). The Bonds are issued pursuant to the laws of the State of Washington and Ordinance 124633 and Resolution \_\_\_\_\_ of the City (collectively, the "Bond Legislation"). The Bonds are being issued to (i) finance certain capital improvements to the Light System, (ii) fund a portion of the reserve requirement, and (iii) pay the costs of issuance of the Bonds, all as set forth in the Bond Legislation. All capitalized terms used and not defined herein have the meanings given them in the Bond Legislation.

This opinion is being delivered to you pursuant to Section 7(d)(5) of the Bond Purchase Contract dated \_\_\_\_\_, 2015 (the "Purchase Contract"), between Citigroup Global Markets Inc., (the "Underwriter") and the City.

We have examined such law and certified proceedings relating to the issuance of the Bonds and other documents as we have deemed necessary to render this opinion.

It is our opinion that:

1. The City is a duly organized and existing first class city under the laws of the State of Washington, and has full legal right, power and authority to acquire, construct, operate, maintain, improve and finance the City's Light System.

2. The City has full legal right, power and authority to (a) pass the Bond Legislation, (b) issue, sell and deliver the Bonds, (c) execute and deliver the Purchase Contract, (d) execute and deliver the Official Statement dated \_\_\_\_\_, relating to the Bonds (the "Official Statement"), and (e) perform its obligations under and carry out the transactions to be carried out by the City pursuant to the Bond Legislation, the Bonds and the Purchase Contract.

3. By official action of the City, the City has duly authorized and approved (a) the passage of the Bond Legislation, (b) the performance by the City of its obligations contained in the Bonds, the Bond Legislation, and the Purchase Contract, and (c) the execution and delivery of the Bonds, the Purchase Contract, and the Official Statement in connection with the sale of the

Bonds. The Bond Legislation and the Purchase Contract are in full force and effect, and each of the Bond Legislation and the Purchase Contract is valid and binding upon the City and is enforceable against the City in accordance with its terms, except only to the extent that enforcement may be limited by bankruptcy, insolvency or other laws affecting creditors' rights and principles of equity if equitable remedies are sought.

4. No recording of the Bond Legislation or any financing statement or other instrument with respect to the Bonds is necessary to create, protect or preserve the rights created under the Bond Legislation or the Bonds or is required for the validity and enforceability thereof.

5. To the best of our knowledge, the passage by the City of the Bond Legislation, the execution and delivery by the City of the Bonds and the Purchase Contract, and the compliance by the City with its obligations under the Bond Legislation, the Bonds, and the Purchase Contract, will not as of this date conflict with any existing law or constitute a material breach of or default under any previously enacted bond-authorizing legislation of the City.

6. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Legislation is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

7. The statements contained in the Preliminary Official Statement and the Official Statement (i) under the captions "DESCRIPTION OF THE BONDS," "USE OF PROCEEDS," "SECURITY FOR THE BONDS," "INITIATIVE AND REFERENDUM," "LEGAL AND TAX INFORMATION – 'Tax Exemption,' 'Certain Other Federal Tax Consequences,' and 'Continuing Disclosure Undertaking'" and (ii) in Appendix B, "Form of Bond Counsel Opinion," and in those portions of Appendix E, "Book-Entry Transfer System" provided by the City are true and accurate and, insofar as such statements purport to summarize certain provisions of the Bonds, the Bond Legislation, the City Documents, state law, federal securities law and federal tax law, correctly summarize such provisions.

8. Although we have not verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the information contained in the Preliminary Official Statement and the Official Statement, including the appendices thereto (except to the extent expressly set forth in paragraph 7 above), we have participated in the preparation of the Official Statement with representatives of the City's Finance Department, the Light System, and the City Attorney's Office, representatives of Piper Jaffray & Co., financial advisor to the City, representatives of the Underwriter and its counsel, and in the course of such participation, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement (except to the extent expressly set forth in paragraph 7 above), no facts have come to our attention that would cause us to believe that the Preliminary Official Statement or the Official Statement (except for financial, engineering and statistical data and information relating to the Credit Provider contained therein, as to which we express no view) as of its date, or as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein for the purposes for which the Preliminary Official Statement and the Official Statement are to be used or necessary in order to

make the statements therein, in light of the circumstances under which they were made, not misleading.

We consent to references to us contained in the Preliminary Official Statement and the Official Statement.

Where we render an opinion "to our knowledge" or "to our attention," our opinion is based solely upon (i) the conscious awareness of facts or other information by the attorneys within the firm who have had active involvement in negotiating or preparing the documents relating to the Bonds or preparing this opinion letter (including subcontracting attorneys under the supervision of those attorneys on this matter), and (ii) written certifications of officers and representatives of the City. We bring to your attention the fact that the foregoing opinions are expressions of our professional judgment on the matters expressly addressed and do not constitute guarantees of result.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. The foregoing opinions are being delivered solely to you in connection with the execution and delivery of the Bonds and may not be relied on by you for any other purpose or by any other person for any purpose without our prior written consent.

---

STATE OF WASHINGTON -- KING COUNTY

--SS.

---

326552

No. 31593 31592

CITY OF SEATTLE, CLERKS OFFICE

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT: TITLE ONLY RESOLUTIONS

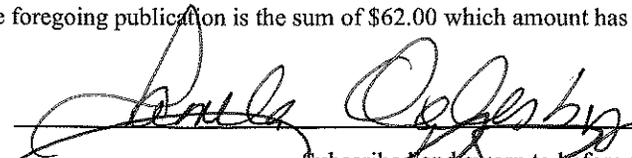
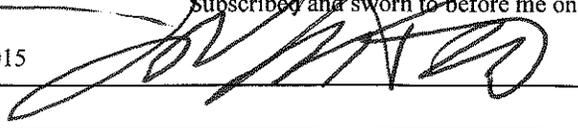
was published on

07/21/15

The amount of the fee charged for the foregoing publication is the sum of \$62.00 which amount has been paid in full.



Affidavit of Publication

  
\_\_\_\_\_  
Subscribed and sworn to before me on  
07/21/2015  
  
\_\_\_\_\_

Notary public for the State of Washington,  
residing in Seattle

## State of Washington, King County

### City of Seattle Title Only Resolutions

The full text of the following legislation, passed by the City Council on June 23, 2015, and published by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

#### Resolution 31593

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, 2016B (SIFMA Index), for the purposes set forth in Ordinance 124633; and confirming, ratifying and approving action taken and to be taken by the Director of Finance and other City officials relating to the issuance and sale of the bonds to the underwriter thereof.

#### Resolution 31592

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, 2015A, for the purposes set forth in Ordinance 124633; and confirming, ratifying and approving action taken and to be taken by the Director of Finance and other City officials relating to the issuance and sale of the bonds to the purchaser thereof.

Date of publication in the Seattle Daily Journal of Commerce, July 21, 2015.  
7/21(326552)