

**CITY OF SEATTLE**  
**ORDINANCE** 126940  
COUNCIL BILL 120685

AN ORDINANCE relating to the electric system of The City of Seattle; amending Ordinance 125460, as amended by Ordinance 125987, to incorporate, ratify, and confirm certain contingent amendments thereto that were to become effective upon the occurrence of certain events that have since occurred and making certain other technical amendments; and ratifying and confirming certain prior acts.

WHEREAS, The City of Seattle (the “City”) owns, operates, and maintains a municipal light and electric power generation, transmission, and distribution system (the “Light System”) and currently has outstanding certain municipal light and power revenue bonds (as identified in Exhibit A, the “Outstanding Parity Bonds”) having a charge and lien upon Gross Revenues of the Light System available after payment of the Operating and Maintenance Expense (“Net Revenue”) prior and superior to all other charges whatsoever, which Outstanding Parity Bonds are designated as Refundable Bonds; and

WHEREAS, pursuant to Ordinance 125460, as amended by Ordinance 125987 (the “Omnibus Refunding Ordinance”), the City has authorized the issuance of municipal light and power revenue bonds for the purpose of refunding Outstanding Parity Bonds or Outstanding Junior Lien Bonds, as defined in this ordinance; and

WHEREAS, the Omnibus Refunding Ordinance contains certain contingent amendments that were to take effect upon the earlier of: (a) the date on which the City obtained consents of the requisite percentage of Registered Owners of the Parity Bonds then outstanding, in accordance with the provisions of the applicable Outstanding Parity Bond Documents; or (b) the date on which certain identified Outstanding Parity Bonds were redeemed or defeased; and

1 WHEREAS, as of August 11, 2023, the Owners of more than 60 percent in aggregate principal  
2 amount of the Parity Bonds currently outstanding have consented to certain amendments  
3 which have therefore become effective; and

4 WHEREAS, for ease of reference and to avoid confusion going forward, the City has therefore  
5 determined that it is in the best interest of the City to restate the Omnibus Refunding  
6 Ordinance to incorporate the terms of the contingent amendments, delete inoperative  
7 provisions, and make certain other technical amendments consistent with subsection  
8 23(a) of the Outstanding Parity Bond Ordinances to cure ambiguities and/or make other  
9 corrections that do not materially adversely affect the interests of the owners of any of the  
10 Outstanding Parity Bonds; and

11 WHEREAS, as set forth in Section 27 of this ordinance, from and after the effective date of this  
12 ordinance, future Refunding Parity Bonds shall be issued under the authority of this  
13 ordinance and within the parameters set forth in this ordinance, without affecting the  
14 outstanding bonds previously issued under the Omnibus Refunding Ordinance;

15 NOW, THEREFORE,

16 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

17 Section 1. **Definitions**. Section 1 of Ordinance 125460, last amended by Ordinance  
18 125987, is amended to read as follows:

19 In this ordinance, the following capitalized terms shall have the meanings set forth in this  
20 section.

21 “**Accreted Value**” means with respect to any Capital Appreciation Bond (a) as of any  
22 Valuation Date, the amount determined for such Valuation Date in accordance with the  
23 applicable Bond Documents, and (b) as of any date other than a Valuation Date, the sum of (i)

1 the Accreted Value on the preceding Valuation Date and (ii) the product of (A) a fraction, the  
2 numerator of which is the number of days having elapsed from the preceding Valuation Date and  
3 the denominator of which is the number of days from such preceding Valuation Date to the next  
4 succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues  
5 during any semiannual period in equal daily amounts on the basis of a year of 12 30-day months,  
6 and (B) the difference between the Accreted Values for such Valuation Dates.

7       **“Acquired Obligations”** means Government Obligations maturing or having guaranteed  
8 redemption prices at the option of the holder at such time or times as may be required to provide  
9 funds sufficient to carry out a Refunding Plan and satisfying the requirements of the Refunded  
10 Bond Documents relating to the Refunded Bonds included in that Refunding Plan. For purposes  
11 of this definition, eligible “Government Obligations” for inclusion in a Refunding Plan shall be  
12 determined in accordance with the applicable Refunded Bond Documents.

13       **“Adjusted Net Revenue”** means Net Revenue, less any deposits into the Rate  
14 Stabilization Account and plus any withdrawals from the Rate Stabilization Account. In  
15 calculating Net Revenue, the City may include the Tax Credit Subsidy Payments the City  
16 expects to receive from the federal government in respect to the interest on any Tax Credit  
17 Subsidy Bonds (or with respect to which the federal government will provide direct payments).  
18 In a Parity Certificate, Adjusted Net Revenue is subject to further adjustment as set forth in  
19 subsection 18(a)(ii) of this ordinance. In a Junior Lien Coverage Certificate, Adjusted Net  
20 Revenue is subject to further adjustment as set forth in subsection 18(b)(ii) of this ordinance.

21       **“Alternate Reserve Security”** means Qualified Insurance or a Qualified Letter of Credit  
22 that is used by the City to satisfy part or all of the Reserve Fund Requirement, and that is not  
23 cancelable on less than five years’ notice.

1           **“Annual Debt Service”** means, with respect to either Parity Bonds (or a series of Parity  
2 Bonds) (**“Annual Parity Bond Debt Service”**) or Junior Lien Bonds (or a series of Junior Lien  
3 Bonds) (**“Annual Junior Lien Debt Service”**), as applicable, the sum of the amounts required  
4 in a calendar year to pay the interest due in such calendar year (excluding interest to be paid from  
5 the proceeds of the sale of bonds), the principal of Serial Bonds maturing in such calendar year,  
6 and the Sinking Fund Requirements for any Term Bonds due in such calendar year. Additionally,  
7 for purposes of this definition:

8           **(a) Calculation of Interest Due – Generally.** Except as otherwise provided in this  
9 definition, interest shall be calculated based on the actual amount of accrued, accreted, or  
10 otherwise accumulated interest that is payable in respect of the relevant series of Parity Bonds or  
11 Junior Lien Bonds, as applicable, taken as a whole, at the rate or rates set forth in the applicable  
12 Bond Documents.

13           **(b) Capital Appreciation Bonds.** The principal and interest portions of the Accreted  
14 Value of Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund  
15 Requirement shall be included in the calculations of accrued and unpaid and accruing interest or  
16 principal in such manner and during such period of time as is specified in the Bond Documents  
17 applicable to such Capital Appreciation Bonds.

18           **(c) Variable Interest Rate Bonds.**

19           **(i) Assumed Interest on Variable Interest Rate Parity Bonds.** The amount of  
20 interest deemed to be payable on any series of Parity Bonds that are Variable Interest Rate Bonds  
21 shall be calculated under the assumption that the interest rate on those bonds is equal to the  
22 highest 12-month rolling average of the SIFMA Municipal Swap Index over the preceding five  
23 years.

1                   (ii) **Assumed Interest on Variable Interest Rate Junior Lien Bonds.** The  
2 amount of interest deemed to be payable on any series of Junior Lien Bonds that are Variable  
3 Interest Rate Bonds shall be calculated on the assumption that the interest rate on those bonds is  
4 equal to the highest 12-month rolling average (ending with the month preceding the date of the  
5 calculation) of the SIFMA Municipal Swap Index over the preceding five years.

6                   (d) **Interest on Bonds with Respect to Which a Payment Agreement is in Force.** In  
7 general, debt service on any bonds (Parity Bonds or Junior Lien Bonds, as applicable) with  
8 respect to which a Payment Agreement is in force shall be based on the net economic effect on  
9 the City expected to be produced by the terms of the applicable Bond Documents and the terms  
10 of the Payment Agreement. For example, if the net effect of the Payment Agreement on a series  
11 of bonds otherwise bearing interest at a variable interest rate is to produce an obligation bearing  
12 interest at a fixed rate, the relevant series of bonds shall be treated as fixed rate bonds. And if the  
13 net effect of the Payment Agreement on a series of bonds otherwise bearing interest at a fixed  
14 interest rate is to produce an obligation bearing interest at a variable interest rate, the relevant  
15 series of bonds shall be treated as Variable Interest Rate Bonds.

16                   Accordingly, the amount of interest deemed to be payable on any series of Parity Bonds  
17 (or Junior Lien Bonds, as applicable) with respect to which a Payment Agreement is in force  
18 shall be an amount equal to the amount of interest that would be payable at the rate or rates  
19 stated in or determined pursuant to the applicable Bond Documents, plus Payment Agreement  
20 Payments, minus Payment Agreement Receipts. For the purposes of calculating as nearly as  
21 practicable Payment Agreement Receipts and Payment Agreement Payments under a Payment  
22 Agreement that includes a variable rate component determined by reference to a pricing  
23 mechanism or index that is not the same as the pricing mechanism or index used to determine the

1 variable rate interest component on the series of bonds to which the Payment Agreement is  
2 related, it shall be assumed that: (i) the fixed rate used in calculating Payment Agreement  
3 Payments will be equal to 105 percent of the fixed rate specified by the Payment Agreement, and  
4 (ii) the pricing mechanism or index specified by the Payment Agreement is the same as the  
5 pricing mechanism or index specified by the applicable Bond Documents. Notwithstanding the  
6 other provisions of this definition, the City shall not be required to (but may in its discretion)  
7 take into account in determining Annual Debt Service the effects of any Payment Agreement that  
8 has a term of ten years or less.

9           **(e) Parity Payment Agreements; Junior Lien Payment Agreements.** For any period  
10 during which Payment Agreement Payments under a Parity Payment Agreement (or Junior Lien  
11 Payment Agreement, as applicable) are taken into account in determining Annual Debt Service  
12 on the related Parity Bonds (or Junior Lien Bonds, as applicable) under subsection (d) of this  
13 definition, no additional debt service shall be taken into account with respect to that Parity  
14 Payment Agreement (or a Junior Lien Payment Agreement, as applicable). However, for any  
15 period during which Payment Agreement Payments are not taken into account under  
16 subsection (d) of this definition because the Parity Payment Agreement (or Junior Lien Payment  
17 Agreement, as applicable) is not then related to any Outstanding Parity Bonds (or Junior Lien  
18 Bonds, as applicable) payments on that Payment Agreement shall be taken into account by  
19 assuming:

20           **(i) If City is Obligated to Make Payments Based on a Fixed Rate.** If the City is  
21 obligated to make Payment Agreement Payments based on a fixed rate and the Qualified  
22 Counterparty is obligated to make payments based on a variable rate index, it shall be assumed  
23 that payments by the City will be based on the assumed fixed payor rate, and that payments by

1 the Qualified Counterparty will be based on a rate equal to the average rate determined by the  
2 variable rate index specified by the Payment Agreement during the four calendar quarters  
3 preceding the quarter in which the calculation is made.

4 **(ii) If City is Obligated to Make Payments Based on a Variable Rate Index.** If  
5 the City is obligated to make Payment Agreement Payments based on a variable rate index and  
6 the Qualified Counterparty is obligated to make payments based on a fixed rate, it shall be  
7 assumed that payments by the City will be based on a rate equal to the average rate determined  
8 by the variable rate index specified by the Payment Agreement during the four calendar quarters  
9 preceding the quarter in which the calculation is made, and that the Qualified Counterparty will  
10 make payments based on the fixed rate specified by the Payment Agreement.

11 **(f) Balloon Bonds.** In calculating Annual Debt Service for any series of Parity Bonds, the  
12 City may in its discretion treat the debt service requirements with respect to Parity Bonds that are  
13 Balloon Bonds (including principal of and interest on such bonds at the applicable rate or rates)  
14 as being amortized in approximately equal annual installments over a period equal to the longer  
15 of 30 years or the remaining term of such series of Parity Bonds.

16 In calculating Annual Debt Service for any series of Junior Lien Bonds, the City may in  
17 its discretion treat the debt service requirements with respect to Junior Lien Bonds that are  
18 Balloon Bonds (including principal of and interest on such bonds at the applicable rate or rates)  
19 as being amortized in approximately equal annual installments over a period equal to the longer  
20 of 30 years or the remaining term of such series of Junior Lien Bonds.

21 **(g) Adjustments for Defeased Bonds.** For purposes of determining compliance with the  
22 rate covenants set forth in subsections 17(a)(ii) and 17(b)(ii) of this ordinance, calculating the  
23 Reserve Fund Requirement, and making coverage ratio calculations in connection with the

1 delivery of a Parity Certificate or Junior Lien Coverage Certificate, Annual Debt Service shall be  
2 adjusted as set forth in subsection 20(d) of this ordinance.

3           **(h) Reimbursement Obligations.** If any payment under a Parity Reimbursement  
4 Obligation is then due and payable, or is then reasonably expected to become due and payable,  
5 the reasonably estimated amount and timing of such payment, calculated in accordance with  
6 applicable generally accepted accounting principles and as reflected in the annual financial  
7 statements of the Light System, shall be included in calculating Annual Debt Service for  
8 purposes of delivering a Parity Certificate. If any payment under a Parity Reimbursement  
9 Obligation, an Intermediate Lien Reimbursement Obligation, or a Junior Lien Reimbursement  
10 Obligation is then due and payable, or is then reasonably expected to become due and payable,  
11 the reasonably estimated amount and timing of such payment, calculated in accordance with  
12 applicable generally accepted accounting principles and as reflected in the annual financial  
13 statements of the Light System, shall be included in calculating Annual Junior Lien Debt Service  
14 for purposes of delivering a Junior Lien Coverage Certificate.

15           **“Authorized Denomination”** means \$5,000 or any integral multiple thereof within a  
16 maturity of a Series, or such other minimum authorized denominations as may be specified in the  
17 applicable Bond Documents.

18           **“Average Annual Debt Service”** means, for purposes of calculating the Reserve Fund  
19 Requirement with respect to all Parity Bonds outstanding at the time of calculation, the sum of  
20 the Annual Parity Bond Debt Service remaining to be paid to the last scheduled maturity of the  
21 applicable Parity Bonds, divided by the number of years such Parity Bonds are scheduled to  
22 remain outstanding.



1           **“Balloon Bonds”** means any series of either Parity Bonds or Junior Lien Bonds, as  
2 applicable, the aggregate principal amount (including Sinking Fund Requirements) of which  
3 becomes due and payable in any calendar year in an amount that constitutes 25 percent or more  
4 of the initial aggregate principal amount of such series.

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

7           **“Bond”** means a municipal light and power revenue bond issued pursuant to this  
8 ordinance.

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

12           **“Bond Documents”** means (a)(i) with respect to any Series of the Bonds, this ordinance  
13 (including any amendatory or supplemental ordinances), (ii) with respect to a series of Parity  
14 Bonds other than a Series of the Bonds, the applicable Parity Bond Ordinance(s), and (iii) with  
15 respect to any Junior Lien Bonds other than a Series of the Bonds, the applicable Junior Lien  
16 Bond Ordinance(s); (b) the authenticated bond form; and (c) the written agreement(s) setting  
17 forth the Bond Sale Terms and additional terms, conditions, or covenants pursuant to which such  
18 bond was issued and sold, as set forth in any one or more of the following (if any): (i) a sale  
19 resolution, (ii) a bond purchase contract (as defined in the applicable authorizing ordinance),  
20 (iii) a bond indenture or a fiscal agent or paying agent agreement (other than the State fiscal  
21 agency contract), and (iv) a direct purchase or continuing covenant agreement.

22           **“Bond Owners’ Trustee”** means a bank or trust company organized under the laws of  
23 the State, or a national banking association, appointed in accordance with subsection 24(e) of this

1 ordinance to act as trustee on behalf of the owners, from time to time, of either the Outstanding  
2 Parity Bonds or the Outstanding Junior Lien Bonds, as the case may be.

3       **“Bond Purchase Contract”** means a written offer to purchase a Series of the Bonds  
4 pursuant to certain Bond Sale Terms, which offer has been accepted by the City in accordance  
5 with this ordinance. In the case of a competitive sale, the Purchaser’s bid for a Series, together  
6 with the official notice of sale and a Pricing Certificate confirming the Bond Sale Terms, shall  
7 comprise the Bond Purchase Contract.

8       **“Bond Register”** means the books or records maintained by the Bond Registrar for the  
9 purpose of registering ownership of each Bond.

10       **“Bond Registrar”** means the Fiscal Agent (unless the Director of Finance appoints a  
11 different person to act as bond registrar with respect to a particular Series), or any successor  
12 bond registrar selected in accordance with the System of Registration.

13       **“Bond Sale Terms”** means the terms and conditions for the sale of a Series of the Bonds  
14 approved by the Director of Finance consistent with the parameters set forth in Section 5 of this  
15 ordinance, including the amount, date or dates, denominations, interest rate or rates (or  
16 mechanism for determining the interest rate or rates), payment dates, final maturity, redemption  
17 rights, price, and other terms, conditions or covenants. In connection with a negotiated sale or  
18 private placement, the Bond Sale Terms shall be set forth in a Bond Purchase Contract; in  
19 connection with a competitive sale, the Bond Sale Terms shall be set forth in a Pricing  
20 Certificate.

21       **“Book-Entry Form”** means a fully registered form in which physical bond certificates  
22 are registered only in the name of the Securities Depository (or its nominee), as Registered  
23 Owner, with the physical bond certificates held by and “immobilized” in the custody of the

1 Securities Depository or its designee, where the system for recording and identifying the transfer  
2 of the ownership interests of the Beneficial Owners in those Bonds is neither maintained by nor  
3 the responsibility of the City or the Bond Registrar.

4           **“Capital Appreciation Bond”** means any Parity Bond or Junior Lien Bond, all or a  
5 portion of the interest on which is compounded and accumulated at the rates or in the manner,  
6 and on the dates, set forth in the applicable Bond Documents, and is payable only upon  
7 redemption or on the maturity date of such Capital Appreciation Bond. A Parity Bond or a Junior  
8 Lien Bond that is issued as a Capital Appreciation Bond, but which later converts to an  
9 obligation on which interest is paid periodically, shall be a Capital Appreciation Bond until the  
10 conversion date and thereafter shall no longer be a Capital Appreciation Bond, but shall be  
11 treated as having a principal amount equal to its Accreted Value on the conversion date. For  
12 purposes of (a) receiving payment of the redemption premium, if any, on a Capital Appreciation  
13 Bond that is redeemed prior to maturity, or (b) computing the principal amount of Parity Bonds  
14 (or Junior Lien Bonds, as applicable) held by the Owner of a Capital Appreciation Bond in  
15 connection with any notice, consent, request, or demand pursuant to this ordinance or for any  
16 purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be  
17 its Accreted Value at the time that such notice, consent, request, or demand is given or made.

18           **“City”** means The City of Seattle, Washington.

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

21           **“Code”** means the Internal Revenue Code of 1986, or any successor thereto, as amended  
22 at any time, and regulations thereunder.

1           **“Continuing Disclosure Agreement”** means, for each Series that is sold in an offering  
2 subject to federal securities regulations requiring a written undertaking to provide continuing  
3 disclosure, a continuing disclosure agreement entered into pursuant to Section 22 of this  
4 ordinance in substantially the form attached to this ordinance as Exhibit B.

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

6           **“Defeasible Bonds”** means the Defeasible Parity Bonds and the Defeasible Junior Lien  
7 Bonds.

8           **“Defeasible Junior Lien Bonds”** means any outstanding Junior Lien Bonds that are  
9 eligible to be defeased pursuant to the Omnibus Defeasance Ordinance.

10           **“Defeasible Parity Bonds”** means any outstanding Parity Bonds that are eligible to be  
11 defeased pursuant to the Omnibus Defeasance Ordinance.

12           **“Director of Finance”** or **“Director”** means the City’s Director of Finance, or such other  
13 official who succeeds to substantially all of the responsibilities of that office.

14           **“Event of Default”** has the meaning given in Section 24 of this ordinance. A “Parity  
15 Bond Event of Default” shall refer to those Events of Default relating to nonpayment of Parity  
16 Bonds, or defaults in respect of the Parity Bond covenants set forth in this ordinance and in the  
17 applicable Parity Bond Documents giving rise to remedies available to the owners of Parity  
18 Bonds. A “Junior Lien Bond Event of Default” shall refer to those Events of Default relating to  
19 nonpayment of Junior Lien Bonds, or in respect of the Junior Lien Bond covenants set forth  
20 herein and in the applicable Junior Lien Bond Documents giving rise to remedies available to the  
21 owners of Junior Lien Bonds.

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

1           **“Future Junior Lien Bonds”** means, with reference to any Series designated as Junior  
2 Lien Bonds, any revenue obligations of the Light System issued or entered into after the Issue  
3 Date of such Series, the payment of which constitutes a charge and lien upon Net Revenue equal  
4 in priority with the charge and lien upon such Net Revenue for the payment of the amounts  
5 required to be paid into the Junior Lien Debt Service Fund to pay and secure payment of the  
6 Junior Lien Bonds (including Junior Lien Payment Agreements and Junior Lien Reimbursement  
7 Obligations), in accordance with the priority of payment set forth in Section 14 of this ordinance.  
8 Future Junior Lien Bonds may include Junior Lien Payment Agreements issued in compliance  
9 with the Junior Lien Additional Bonds Test.

10           **“Future Parity Bond Ordinance”** means any ordinance passed by the City Council  
11 providing for the issuance and sale of a series of Future Parity Bonds, and any other ordinance  
12 amending or supplementing the provisions of any such ordinance.

13           **“Future Parity Bonds”** means, with reference to any Series designated as Parity Bonds,  
14 any revenue obligations of the Light System issued or entered into after the Issue Date of such  
15 Series, the payment of which constitutes a charge and lien upon Net Revenue equal in priority  
16 with the charge and lien upon such Net Revenue for the payment of the amounts required to be  
17 paid into the Parity Bond Fund and the Reserve Fund to pay and secure payment of the Parity  
18 Bonds in accordance with Section 14 of this ordinance. Future Parity Bonds include Parity  
19 Payment Agreements, Parity Reimbursement Obligations, and any other obligations issued in  
20 compliance with the Parity Conditions.

21           **“Government Obligations”** means, unless otherwise limited in the Bond Documents for  
22 a particular Series of the Bonds, any government obligation as that term is defined in RCW  
23 39.53.010, as amended at any time.

1           **“Gross Revenues”** means (a) all income, revenues, receipts and profits derived by the  
2 City through the ownership and operation of the Light System; (b) the proceeds received by the  
3 City directly or indirectly from the sale, lease or other disposition of any of the properties, rights  
4 or facilities of the Light System; (c) Payment Agreement Receipts, to the extent that such  
5 receipts are not offset by Payment Agreement Payments; and (d) the investment income earned  
6 on money held in any fund or account of the City, including any bond redemption funds and the  
7 accounts therein, in connection with the ownership and operation of the Light System. Gross  
8 Revenues do not include: (i) insurance proceeds compensating the City for the loss of a capital  
9 asset; (ii) income derived from investments irrevocably pledged to the payment of any defeased  
10 bonds payable from Gross Revenues; (iii) investment income earned on money in any fund or  
11 account created or maintained solely for the purpose of complying with the arbitrage rebate  
12 provisions of the Code; (iv) any gifts, grants, donations, or other funds received by the City from  
13 any State or federal agency or other person if such gifts, grants, donations, or other funds are the  
14 subject of any limitation or reservation imposed by the donor or grantor or imposed by law or  
15 administrative regulation to which the donor or grantor is subject, limiting the application of  
16 such funds in a manner inconsistent with the application of Gross Revenues hereunder; (v) the  
17 proceeds of any borrowing for capital improvements (or the refinancing thereof); and (vi) the  
18 proceeds of any liability or other insurance (excluding business interruption insurance or other  
19 insurance of like nature insuring against the loss of revenues).

20           **“Intermediate Lien Reimbursement Obligation”** means any payment or  
21 reimbursement obligation incurred under a written agreement entered into in connection with a  
22 series of Parity Bonds or to obtain Qualified Insurance or a Qualified Letter of Credit, under  
23 which the City’s payment obligations are expressly stated to constitute a lien and charge on Net

1 Revenue junior in rank to the lien and charge upon such Net Revenue required to be paid into the  
2 Parity Bond Fund to pay and secure the payment of the Parity Bonds, but senior to the lien and  
3 charge upon such Net Revenue required to be paid into the Junior Lien Debt Service Fund to pay  
4 and secure the payment of the Junior Lien Bonds. For purposes of determining percentages of  
5 ownership of Bonds under this ordinance or under any Bond Documents, Intermediate Lien  
6 Reimbursement Obligations shall be deemed to have no principal amount, and any consent or  
7 similar rights (if any) shall be determined only as set forth in the applicable Intermediate Lien  
8 Reimbursement Obligations.

9       **“Issue Date”** means, with respect to a Bond, the initial date on which that Bond is issued  
10 and delivered to the initial Purchaser in exchange for its purchase price.

11       **“Junior Lien Additional Bonds Test”** means the conditions set forth in subsection  
12 18(b) of this ordinance for issuing additional Junior Lien Bonds (including Junior Lien Payment  
13 Agreements and Junior Lien Reimbursement Obligations).

14       **“Junior Lien Bond”** means, generally, any bond or obligation secured by a lien and  
15 charge on Net Revenue that is junior and subordinate to the lien and charge of the Parity Bonds  
16 and Intermediate Lien Reimbursement Obligations, but prior and superior to other liens and  
17 charges, in accordance with the priority of payment set forth in Section 14 of this ordinance. The  
18 term Junior Lien Bond may refer to (a) any Bond of a Series issued pursuant to this ordinance  
19 that is so designated by the Director of Finance upon satisfaction of the Junior Lien Additional  
20 Bonds Test; (b) any Future Junior Lien Bond; (c) any Junior Lien Payment Agreement; and (d)  
21 any Junior Lien Reimbursement Obligation.

22       **“Junior Lien Bond Documents”** means those Bond Documents applicable to a series of  
23 Junior Lien Bonds.

1           **“Junior Lien Bond Ordinance”** means this ordinance (if used in connection with the  
2 issuance of a series of Junior Lien Bonds authorized hereby) and any future ordinance  
3 authorizing the issuance and sale of any Future Junior Lien Bonds, including any ordinance  
4 amending or supplementing the provisions of any Junior Lien Bond Ordinance.

5           **“Junior Lien Coverage Certificate”** means a certificate delivered pursuant to  
6 subsection 18(b)(ii) of this ordinance, for purposes of satisfying the Junior Lien Additional  
7 Bonds Test in connection with the issuance of Future Junior Lien Bonds.

8           **“Junior Lien Debt Service Fund”** means the special fund of the City known as the  
9 Seattle Municipal Light Revenue Junior Lien Debt Service Fund established within the Light  
10 Fund pursuant to Ordinance 125459 for the purpose of paying and securing the principal of and  
11 interest on Junior Lien Bonds and securing obligations under Junior Lien Payment Agreements  
12 and Junior Lien Reimbursement Obligations.

13           **“Junior Lien Payment Agreement”** means any Payment Agreement that is entered into  
14 in compliance with the Junior Lien Additional Bonds Test, and under which the City’s payment  
15 obligations are expressly stated to constitute a lien and charge on Net Revenue equal in rank with  
16 the lien and charge upon such Net Revenue required to be paid into the Junior Lien Debt Service  
17 Fund to pay and secure the payment of the Junior Lien Bonds in accordance with Section 14 of  
18 this ordinance. For purposes of determining percentages of ownership of Junior Lien Bonds  
19 under this ordinance or under any Bond Documents, Junior Lien Payment Agreements shall be  
20 deemed to have no principal amount, and any consent or similar rights (if any) shall be  
21 determined only as set forth in the applicable Junior Lien Payment Agreement.

22           **“Junior Lien Reimbursement Obligation”** means any reimbursement obligation  
23 incurred under a written reimbursement agreement (or similar agreement) entered into in



1 connection with a series of Junior Lien Bonds to obtain Qualified Insurance or a Qualified Letter  
2 of Credit, under which the City’s payment obligations are expressly stated to constitute a lien and  
3 charge on Net Revenue equal in rank with the lien and charge upon such Net Revenue required  
4 to be paid into the Junior Lien Debt Service Fund to pay and secure the payment of the Junior  
5 Lien Bonds. For purposes of determining percentages of ownership of Junior Lien Bonds under  
6 this ordinance or under any Bond Documents, Junior Lien Reimbursement Obligations shall be  
7 deemed to have no principal amount, and any consent or similar rights (if any) shall be  
8 determined only as set forth in the applicable Junior Lien Reimbursement Obligations.

9           **“Letter of Representations”** means the Blanket Issuer Letter of Representations  
10 between the City and DTC dated October 4, 2006, as amended at any time, or an agreement with  
11 a substitute or successor Securities Depository.

12           **“Light Fund”** means the special fund of that name previously created and established by  
13 the City.

14           **“Light System”** means the municipal light and power generation, transmission, and  
15 distribution system now belonging to or that may later belong to the City.

16           **“Maximum Annual Debt Service”** means, with respect to Parity Bonds (or Junior Lien  
17 Bonds, as applicable), the maximum amount of Annual Debt Service that shall become due in  
18 the current calendar year or in any future calendar year with respect to those Parity Bonds (or  
19 Junior Lien Bonds, as applicable) that are outstanding as of the calculation date.

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

21           **“Net Revenue”** for any period means Gross Revenues less Operating and Maintenance  
22 Expense.

1           **“Omnibus Defeasance Ordinance”** means Ordinance 126220, as amended at any time,  
2 authorizing the defeasance of Defeasible Bonds, or any future ordinance of the City pursuant to  
3 which the Bonds (or any Series of the Bonds) are designated as Defeasible Bonds.

4           **“Omnibus Refunding Ordinance”** means this ordinance, which amends and restates  
5 Ordinance 125460, as amended by Ordinance 125987, and any other future ordinance of the City  
6 pursuant to which the Bonds (or any Series of the Bonds) are designated as Refundable Bonds.

7           **“Operating and Maintenance Expense”** means all reasonable charges incurred by the  
8 City in causing the Light System to be operated and maintained in good repair, working order  
9 and condition, including but not limited to all operating expenses under applicable generally  
10 accepted accounting principles included in the annual audited financial statements of the Light  
11 System, except those excluded in this definition. Operating and Maintenance Expense does not  
12 include: (a) extraordinary, nonrecurring expenses of the Light System or any judgments or  
13 amounts to be paid in settlement of claims against the Light System; (b) non-cash expenses  
14 relating to a mark-to-market treatment of energy-related contracts; (c) any costs or expenses  
15 (including interest expense) for new construction, replacements, or renewals of Light System  
16 property; (d) Deferred Hydroelectric Project Relicensing Costs, the High Ross Capital Payments  
17 (as defined in the Outstanding Parity Bond Ordinances), or other similar payments under any  
18 agreement for the development or licensing of a capital improvement or asset, under which  
19 agreement the City agrees to make periodic payments in respect of its share of the capital  
20 expense; (e) any allowance for depreciation, amortization, or similar recognitions of non-cash  
21 expense items made for accounting purposes only (including non-cash pension expense); (f) any  
22 taxes levied by or paid to the City (or payments in lieu of taxes) upon the properties or earnings

1 of the Light System; or (g) any obligation authorized pursuant to ordinance or resolution  
2 specifically excluding the payment of such obligation from Operating and Maintenance Expense.

3 **“Outstanding Junior Lien Bonds”** means, with reference to a particular Series of Junior  
4 Lien Bonds issued pursuant to this ordinance, those Junior Lien Bonds that are outstanding as of  
5 the Issue Date of such Series.

6 **“Outstanding Parity Bond Ordinances”** means the ordinances authorizing the various  
7 series of Outstanding Parity Bonds.

8 **“Outstanding Parity Bonds”** means, when referencing Parity Bonds outstanding as of  
9 the date of this ordinance, those outstanding Parity Bonds identified in Exhibit A to this  
10 ordinance. When used in reference to a particular date in the future or in reference to a particular  
11 series of Parity Bonds, Outstanding Parity Bonds shall mean those Parity Bonds that are  
12 outstanding as of that future date or as of the issue date of such series.

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

15 **“Parity Bond”** means, generally, any bond or obligation secured by a lien and charge on  
16 Net Revenue that is prior and superior to any other liens or charges whatsoever, in accordance  
17 with the priority of payment set forth in Section 14 of this ordinance. The term Parity Bond may  
18 refer to: (a) the Outstanding Parity Bonds identified in Exhibit A to this ordinance; (b) each  
19 Series of the Bonds designated by the Director of Finance as a Series of Parity Bonds upon  
20 satisfaction of the Parity Conditions; (c) any Future Parity Bonds; and (d) any Parity Payment  
21 Agreement entered into upon satisfaction of the Parity Conditions.

22 **“Parity Bond Documents”** means those Bond Documents applicable to a series of Parity  
23 Bonds.

1           **“Parity Bond Fund”** means the special fund of the City known as the Seattle Municipal  
2 Light Revenue Parity Bond Fund established within the Light Fund pursuant to Ordinance 92938  
3 for the purpose of paying and securing the payment of principal of and interest on Parity Bonds  
4 (including Parity Payment Agreement Payments) and payments under Parity Reimbursement  
5 Obligations.

6           **“Parity Bond Ordinance”** means any ordinance passed by the City Council providing  
7 for the issuance and sale of any Series of Parity Bonds, and any other ordinance amending or  
8 supplementing the provisions of any Parity Bond Ordinance.

9           **“Parity Certificate”** means a certificate delivered pursuant to subsection 18(a)(ii) of this  
10 ordinance, and the corresponding provisions of the Outstanding Parity Bond Ordinances, for  
11 purposes of satisfying the Parity Conditions in connection with the issuance of the Bonds and  
12 any Future Parity Bonds.

13           **“Parity Conditions”** means (a) for purposes of establishing that a Series of the Bonds  
14 may be issued on parity with the Parity Bonds outstanding as of the Issue Date of such Series,  
15 the conditions for issuing Future Parity Bonds set forth in the Parity Bond Ordinances relating to  
16 those Parity Bonds that are then outstanding; and (b) for purposes of issuing Future Parity Bonds  
17 on parity with a Series of the Bonds, the conditions described in the preceding clause (a) together  
18 with the conditions set forth in subsection 18(a) of this ordinance.

19           **“Parity Payment Agreement”** means a Payment Agreement that is entered into in  
20 compliance with the Parity Conditions and under which the City’s payment obligations are  
21 expressly stated to constitute a lien and charge on Net Revenue equal in rank with the lien and  
22 charge upon such Net Revenue required to be paid into the Parity Bond Fund and the Reserve  
23 Fund to pay and secure the payment of principal of and interest on Parity Bonds in accordance

1 with Section 14 of this ordinance. For purposes of determining percentages of ownership of  
2 Parity Bonds under this ordinance or under any Bond Documents, Parity Payment Agreements  
3 shall be deemed to have no principal amount, and any consent or similar rights (if any) shall be  
4 determined only as set forth in the applicable Parity Payment Agreement.

5       **“Parity Reimbursement Obligation”** means any payment or reimbursement obligation  
6 incurred under a written agreement entered into in connection with a series of Parity Bonds or to  
7 obtain Qualified Insurance or a Qualified Letter of Credit (other than Qualified Insurance or a  
8 Qualified Letter of Credit obtained to satisfy all or part of the Reserve Fund Requirement), under  
9 which the City’s payment obligations are expressly stated to constitute a lien and charge on Net  
10 Revenue equal in rank to the lien and charge upon such Net Revenue required to be paid into the  
11 Parity Bond Fund to pay and secure the payment of the principal of and interest on the Parity  
12 Bonds. Parity Reimbursement Obligations accruing as a result of a mandatory tender for  
13 purchase of Parity Bonds shall be excluded from the calculation of Annual Debt Service for all  
14 purposes. For purposes of determining percentages of ownership of Parity Bonds, Parity  
15 Reimbursement Obligations shall be deemed to have no principal amount, and any consent or  
16 similar rights (if any) shall be determined only as set forth in the applicable Parity  
17 Reimbursement Obligation.

18       **“Payment Agreement”** means a written agreement entered into by the City and a  
19 Qualified Counterparty, as authorized by any applicable laws of the State, for the purpose of  
20 managing or reducing the City’s exposure to fluctuations or levels of interest rates, or for other  
21 interest rate, investment, or asset or liability management purposes, and which provides for (i) an  
22 exchange of payments based on interest rates, ceilings, or floors on such payments, (ii) options  
23 on such payments; (iii) any combination of the foregoing, or (iv) any similar device. A Payment

1 Agreement may be entered into on either a current or forward basis. A Payment Agreement must  
2 be entered into in connection with (or incidental to) the issuance, incurrence, or carrying of  
3 particular bonds, notes, bond anticipation notes, commercial paper, or other obligations for  
4 borrowed money (which may include leases, installment purchase contracts, or other similar  
5 financing agreements or certificates of participation in any of the foregoing).

6 **“Payment Agreement Payments”** means the amounts periodically required to be paid  
7 by the City to a Qualified Counterparty pursuant to a Payment Agreement.

8 **“Payment Agreement Receipts”** means the amounts periodically required to be paid by  
9 a Qualified Counterparty to the City pursuant to a Payment Agreement.

10 **“Permitted Investments”** means any investments or investment agreements permitted  
11 for the investment of City funds under the laws of the State, as amended at any time.

12 **“Pricing Certificate”** means a certificate executed by the Director of Finance as of the  
13 pricing date confirming the Bond Sale Terms for the sale of a Series of the Bonds to the  
14 Purchaser in a competitive sale, in accordance with the parameters set forth in Section 5 of this  
15 ordinance.

16 **“Professional Utility Consultant”** means the independent person(s) or firm(s) selected  
17 by the City having a favorable reputation for skill and experience with electric systems of  
18 comparable size and character to the Light System in such areas as are relevant to the purposes  
19 for which they were retained.

20 **“Purchaser”** means the entity or entities who have been selected by the Director of  
21 Finance in accordance with this ordinance as underwriter, purchaser or successful bidder in a  
22 sale of any Series of the Bonds.

1           **“Qualified Counterparty”** means a party (other than the City or a person related to the  
2 City) who is the other party to a Payment Agreement and who is qualified to act as the other  
3 party to a Payment Agreement under any applicable laws of the State.

4           **“Qualified Insurance”** means any municipal bond insurance policy, surety bond, or  
5 similar credit enhancement device, issued by any insurance company licensed to conduct an  
6 insurance business in any state of the United States, by a service corporation acting on behalf of  
7 one or more such insurance companies, or by any other financial institution, the provider of  
8 which, as of the time of issuance of such credit enhancement device, is rated in one of the two  
9 highest rating categories (without regard to gradations within such categories) by at least two  
10 nationally recognized rating agencies.

11           **“Qualified Letter of Credit”** means any letter of credit, standby bond purchase  
12 agreement, or other liquidity facility issued by a financial institution for the account of the City  
13 in connection with the issuance of any Parity Bond or Junior Lien Bond, which institution  
14 maintains an office, agency or branch in the United States and, as of the time of issuance of such  
15 instrument, is rated in one of the two highest rating categories (without regard to gradations  
16 within such categories) by at least two nationally recognized rating agencies.

17           **“Rate Stabilization Account”** means the account of that name previously established in  
18 the Light Fund pursuant to Ordinance 121637.

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

21           **“Record Date”** means, unless otherwise defined in the Bond Documents, in the case of  
22 each interest or principal payment date, the Bond Registrar’s close of business on the 15th day of  
23 the month preceding such interest or principal payment date. With regard to redemption of a

1 Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on  
2 the day prior to the date on which the Bond Registrar sends the notice of redemption to the  
3 Registered Owner(s) of the affected Bonds.

4 **“Refundable Bonds”** means the Refundable Parity Bonds and the Refundable Junior  
5 Lien Bonds.

6 **“Refundable Junior Lien Bonds”** means any then outstanding Junior Lien Bonds that  
7 are eligible to be refunded pursuant to the Omnibus Refunding Ordinance.

8 **“Refundable Parity Bonds”** means any then outstanding Parity Bonds that eligible to be  
9 refunded pursuant to the Omnibus Refunding Ordinance.

10 **“Refunded Bond Documents”** means those Bond Documents applicable to the original  
11 issuance of a series of Refunded Bonds.

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

14 **“Refunding Junior Lien Bonds”** means Future Junior Lien Bonds that satisfy the  
15 applicable Junior Lien Additional Bonds Test and are issued pursuant to this ordinance (or  
16 another Future Junior Lien Bond Ordinance) for the purpose of refunding any Refundable Junior  
17 Lien Bonds.

18 **“Refunding Parity Bonds”** means Future Parity Bonds that satisfy the applicable Parity  
19 Conditions and are issued pursuant to this ordinance (or another Future Parity Bond Ordinance)  
20 for the purpose of refunding any Refundable Parity Bonds.

21 **“Refunding Plan”** means the plan approved by the Director of Finance pursuant to the  
22 delegation set forth herein to accomplish the refunding of Refundable Bonds. Each Refunding  
23 Plan must identify the maturities and series of Refundable Bonds to be refunded thereby, and



1 must provide for their defeasance and/or refunding, substantially as follows, with such additional  
2 detail and adjustments to be set forth in the Refunding Trust Agreement (including, without  
3 limitation, adjustments to permit a crossover refunding or the refunding of variable rate bonds)  
4 as the Director of Finance may deem necessary or desirable:

5 (a) The City shall issue a Series of the Bonds (which may be combined within the Series  
6 with Bonds of the same seniority, authorized hereunder or separately) and, upon receipt, shall  
7 deposit the proceeds of the sale of such Series, together with such other money as may be  
8 included in the plan by the Director of Finance, into a refunding escrow or trust account held by  
9 the Refunding Trustee;

10 (b) Upon receipt of a certification or verification by a certified public accounting firm or  
11 other financial advisor that the amounts deposited with it will be sufficient to accomplish the  
12 refunding as described in such Refunding Trust Agreement, the Refunding Trustee shall invest  
13 such escrow deposits in the Acquired Obligations specified therein (unless directed in the  
14 Refunding Trust Agreement to hold such deposits uninvested) and shall establish a beginning  
15 cash balance; and

16 (c) As further directed in the Refunding Trust Agreement, the Refunding Trustee shall  
17 apply the amounts received as interest on and maturing principal of such Acquired Obligations  
18 (together with any cash balance in the refunding trust account) to call, pay, and redeem those  
19 Refundable Bonds on the dates and times identified in the plan, and (if so directed) to pay the  
20 administrative costs of carrying out the foregoing.

21 If the Director of Finance serves as the Refunding Trustee, the Director of Finance shall  
22 approve a written Refunding Plan (which need not be set forth in a Refunding Trust Agreement)  
23 providing that the escrow funds are to be held separate and apart from all other funds of the City

1 and are to be applied substantially as set forth above. A Refunding Plan may provide for the  
2 issuance of Refunding Parity Bonds or Refunding Junior Lien Bonds to refund any Refundable  
3 Bonds, regardless of whether such Refundable Bonds are Parity Bonds or Junior Lien Bonds,  
4 provided that the conditions of Section 18 of this ordinance are met as of the Issue Date of such  
5 Refunding Bonds.

6 **“Refunding Trust Agreement”** means an escrow or trust agreement between the City  
7 and a Refunding Trustee, as described in Section 25(d) of this ordinance.

8 **“Refunding Trustee”** means the Director of Finance, or a financial institution selected  
9 by the Director of Finance, serving in the capacity of refunding trustee or escrow agent under a  
10 Refunding Trust Agreement.

11 **“Registered Owner”** means, with respect to a Bond, the person in whose name that  
12 Bond is registered on the Bond Register. For so long as a Series of the Bonds is in Book-Entry  
13 Form under a Letter of Representations, the Registered Owner of such Series shall mean the  
14 Securities Depository.

15 **“Reserve Fund”** means that special fund of the City known as the Municipal Light and  
16 Power Bond Reserve Fund, established pursuant to Ordinance 71917 and maintained pursuant to  
17 the Outstanding Parity Bond Ordinances and this Ordinance as a separate account within the  
18 Light Fund to secure the payment of the Parity Bonds.

19 **“Reserve Fund Requirement”** means, for any Series of Bonds designated as Parity  
20 Bonds, the Reserve Fund Requirement established in the Bond Sale Terms for that Series and  
21 any other Series issued as part of a single “issue” of Parity Bonds, consistent with Section 15 of  
22 this ordinance. For any series of Future Parity Bonds, the Reserve Fund Requirement means the  
23 requirement specified for that series in the bond sale terms associated with that issue. The

1 aggregate Reserve Fund Requirement for all Parity Bonds shall be the sum of the Reserve Fund  
2 Requirements for each series of Parity Bonds. For purposes of this definition, “issue” means all  
3 Series of Parity Bonds issued and sold pursuant to a common set of bond sale terms. For the  
4 purposes of calculating the Reserve Fund Requirement only, the City shall deduct from Annual  
5 Debt Service the Tax Credit Subsidy Payments the City is scheduled to claim from the federal  
6 government in respect of the interest on a series of Parity Bonds that are Tax Credit Subsidy  
7 Bonds (or with respect to which the federal government is otherwise scheduled to provide direct  
8 payments).

9           **“Rule 15c2-12”** means Rule 15c2-12 promulgated by the SEC under the Securities  
10 Exchange Act of 1934, as amended at any time.

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

12           **“SIFMA Municipal Swap Index”** means the Securities Industry and Financial Markets  
13 Association (SIFMA) Municipal Swap Index, calculated and published by Bloomberg and  
14 overseen by SIFMA’s Municipal Swap Index Committee, or a substantially similar recognized  
15 market successor index representing a seven-day market index comprised of certain high-grade  
16 tax-exempt variable rate demand obligations.

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

21           **“Serial Bond”** means any Parity Bond or Junior Lien Bond maturing in a specified year,  
22 for which no Sinking Fund Requirements are mandated.

1           **“Series”** means, when capitalized in this ordinance, a series of the Bonds issued pursuant  
2 to this ordinance.

3           **“Sinking Fund Account”** means (a) with respect to Parity Bonds, any account created in  
4 the Parity Bond Fund to amortize the principal or make mandatory redemptions of Parity Bonds  
5 that are Term Bonds; and (b) with respect to Junior Lien Bonds, any account created in the  
6 Junior Lien Debt Service Fund to amortize the principal or make mandatory redemptions of  
7 Junior Lien Bonds that are Term Bonds.

8           **“Sinking Fund Requirement”** means, for any calendar year, the principal portion (and  
9 required redemption premium, if any) of any Term Bond that is required to be purchased,  
10 redeemed, paid at maturity, or paid into any Sinking Fund Account for such calendar year, as  
11 established in the applicable Bond Documents.

12           **“State”** means the State of Washington.

13           **“State Auditor”** means the office of the Auditor of the State or such other department or  
14 office of the State authorized and directed by State law to make audits.

15           **“System of Registration”** means the system of registration for the City’s bonds and  
16 other obligations, established pursuant to Seattle Municipal Code Chapter 5.10, as amended at  
17 any time.

18           **“Tax Credit Subsidy Bond”** means any Taxable Bond that is designated by the City as a  
19 tax credit bond pursuant to the Code and as a “qualified bond” under Section 6431 or similar  
20 provision of the Code, and with respect to which the City is eligible to claim a Tax Credit  
21 Subsidy Payment.

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

1           **“Tax-Exempt Bond”** means any Parity Bond or Junior Lien Bond, the interest on which  
2 is intended, as of the Issue Date, to be excludable from gross income for federal income tax  
3 purposes.

4           **“Taxable Bond”** means any Parity Bond or Junior Lien Bond, the interest on which is  
5 not intended, as of the Issue Date, to be excludable from gross income for federal income tax  
6 purposes.

7           **“Term Bond”** means any Parity Bond or Junior Lien Bond that is issued subject to  
8 mandatory redemption in periodic Sinking Fund Requirements prior to its maturity date.

9           **“Valuation Date”** means, with respect to any Capital Appreciation Bond, the date or  
10 dates, determined as set forth in the applicable Bond Documents, on which specific Accreted  
11 Values are assigned to that Capital Appreciation Bond.

12           **“Variable Interest Rate”** means any interest rate that fluctuates during the stated term of  
13 a bond (or during a stated period during which the bond is designated as a Variable Interest Rate  
14 Bond), whether due to a remarketing, a market index reset, or other mechanism set forth in the  
15 applicable Bond Documents. The Bond Documents for any Series of the Bonds bearing interest  
16 at a Variable Interest Rate shall set forth: (a) the available method(s) of computing interest (the  
17 “interest rate modes”); (b) the particular period or periods of time (or manner of determining  
18 such period or periods of time) for which each value of such Variable Interest Rate (or each  
19 interest rate mode) shall remain in effect; (c) provisions for conversion from one interest rate  
20 mode to another and for setting or resetting the interest rates; and (d) the time or times upon  
21 which any change in such Variable Interest Rate (or any conversion of interest rate modes) shall  
22 become effective.

1           **“Variable Interest Rate Bond”** means, for any period of time, any Parity Bond or Junior  
2 Lien Bond that bears interest at a Variable Interest Rate during that period. A bond shall not be  
3 treated as a Variable Interest Rate Bond if the net economic effect of (a) interest rates on a  
4 particular series of Parity Bonds (or Junior Lien Bonds, as applicable), as set forth in the  
5 applicable Bond Documents, and (b) either (i) interest rates on another series of Parity Bonds (or  
6 Junior Lien Bonds, as applicable) issued at substantially the same time, or (ii) a Payment  
7 Agreement related to that particular series, in either case, is to produce obligations that bear  
8 interest at a fixed interest rate. Any Parity Bond or Junior Lien Bond with respect to which a  
9 Payment Agreement is in force shall be treated as a Variable Interest Rate Bond if the net  
10 economic effect of the Payment Agreement is to produce an obligation that bears interest at a  
11 Variable Interest Rate.

12           Section 2. **Finding With Respect to Refunding**. Section 2 of Ordinance 125460, last  
13 amended by Ordinance 125987, is amended to read as follows:

14           The City Council finds that the irrevocable deposit of money and securities with a  
15 Refunding Trustee, verified or certified as to sufficiency in accordance with a Refunding Plan  
16 approved pursuant to this ordinance, will discharge and satisfy the obligations of the City as to  
17 the Refunded Bonds identified therein, including all pledges, charges, trusts, covenants and  
18 agreements under the applicable Refunded Bond Documents. Immediately upon such deposit,  
19 the Refunded Bonds identified in such Refunding Plan shall be defeased and shall no longer be  
20 deemed to be outstanding under the applicable Refunded Bond Documents.

21           Section 3. **Authorization of Bonds; Due Regard Finding**. Section 3 of Ordinance  
22 125460, last amended by Ordinance 125987, is amended to read as follows:

1           (a) **The Bonds.** To refund outstanding Refundable Bonds, the City is authorized to issue  
2 municipal light and power revenue refunding bonds payable from the sources described in  
3 Section 13 of this ordinance and secured as either Parity Bonds or Junior Lien Bonds, as  
4 determined by the Director of Finance in accordance with Section 5 of this ordinance. All  
5 municipal light and power revenue bonds and other obligations designated at any time as  
6 Refundable Bonds are eligible to be refunded under this ordinance. The Bonds authorized by this  
7 ordinance may be issued in multiple Series in a maximum aggregate principal amount not to  
8 exceed the amount stated in Section 5 of this ordinance for the purposes of: (a) providing funds,  
9 from time to time, to carry out the current or advance refunding of all or a portion of the  
10 outstanding Refundable Bonds pursuant to an approved Refunding Plan; (b) providing for the  
11 Reserve Fund Requirement (if any); (c) capitalizing interest on the Bonds (if necessary) and  
12 paying costs of issuance; and (d) for other Light System purposes approved by ordinance. The  
13 Bonds may be issued in multiple Series and may be combined with other municipal light and  
14 power revenue bonds authorized separately. The Bonds shall be designated municipal light and  
15 power revenue bonds, shall be numbered separately and shall have any name, year, series, or  
16 other labels as deemed necessary or appropriate by the Director of Finance. Any Series of the  
17 Bonds designated as Junior Lien Bonds shall bear a designation clearly indicating that such  
18 Bonds are Junior Lien Bonds.

19           (b) **City Council Finding.** The City Council finds that, in creating the Parity Bond Fund,  
20 the Reserve Fund, and the Junior Lien Debt Service Fund (collectively, the “Bond Funds”), and  
21 in fixing the amounts to be paid into those funds in accordance with this ordinance and the  
22 parameters for the Bond Sale Terms set forth in Section 5 of this ordinance, the City Council has  
23 exercised due regard for the cost of operation and maintenance of the Light System, and is not

1 setting aside into such Bond Funds a greater amount than in the judgment of the City Council,  
2 based on the rates established from time to time consistent with subsection 17(a)(ii) of this  
3 ordinance, will be sufficient, in the judgment of the City Council, to meet all expenses of  
4 operation and maintenance of the Light System and to provide the amounts previously pledged  
5 for the payment of all outstanding obligations payable out of Gross Revenues and pledged for the  
6 payment of the Bonds. Therefore, the City Council finds that the issuance and sale of the Bonds  
7 is in the best interest of the City and is in the public interest.

8 Section 4. **Manner of Sale of the Bonds.** Section 4 of Ordinance 125460, last amended  
9 by Ordinance 125987, is amended to read as follows:

10 The Director of Finance may provide for the sale of each Series by competitive sale,  
11 negotiated sale, limited offering, or private placement, and may select and enter into agreements  
12 with remarketing agents or providers of liquidity with respect to Variable Interest Rate Bonds.  
13 The Purchaser of each Series shall be chosen through a selection process acceptable to the  
14 Director of Finance. The Director of Finance is authorized to specify a date and time of sale and  
15 a date and time for the delivery of each Series; in the case of a competitive sale, to provide an  
16 official notice of sale including bid parameters and other bid requirements, and to provide for the  
17 use of an electronic bidding mechanism; to provide for and determine matters relating to the  
18 forward or delayed delivery of a Series of the Bonds, if deemed desirable; and to specify such  
19 other matters and take such other action as in the Director's determination may be necessary,  
20 appropriate, or desirable in order to carry out the sale of each Series. Each Series must be sold on  
21 Bond Sale Terms consistent with the parameters set forth in Section 5 of this ordinance.



1           Section 5. **Appointment of Designated Representative; Bond Sale Terms**. Section 5 of  
2 Ordinance 125460, last amended by Ordinance 125987, is amended to read as follows:

3           (a) **Designated Representative**. The Director of Finance is appointed to serve as the  
4 City’s designated representative in connection with the issuance and sale of the Bonds in  
5 accordance with RCW 39.46.040(2) and this ordinance.

6           (b) **Parameters for Bond Sale Terms**. The Director of Finance is authorized to approve,  
7 on behalf of the City, Bond Sale Terms for the sale of the Bonds in one or more Series, and in  
8 connection with each such sale, to execute a Bond Purchase Contract (or, in the case of a  
9 competitive sale, a Pricing Certificate) confirming the Bond Sale Terms and such related  
10 agreements as may be necessary or desirable, consistent with the following parameters:

11           (i) **Maximum Principal Amount**. The maximum aggregate principal amount of  
12 Bonds issued to carry out each Refunding Plan may not exceed 125 percent of the stated  
13 principal amount of those Refundable Bonds selected for refunding in that Refunding Plan.

14           (ii) **Date or Dates**. Each Bond shall be dated its Issue Date, as determined by the  
15 Director of Finance.

16           (iii) **Denominations**. The Bonds shall be issued in Authorized Denominations.

17           (iv) **Interest Rate(s)**. Each Bond shall bear interest from its Issue Date or from  
18 the most recent date to which interest has been paid or duly provided, whichever is later, unless  
19 otherwise provided in the applicable Bond Documents. Each Series of the Bonds shall bear  
20 interest at one or more fixed interest rates or Variable Interest Rates. The true interest cost for  
21 any fixed rate Series may not exceed a rate of 10 percent per annum. The Bond Documents for  
22 any Series may provide for multiple interest rates and interest rate modes, and may provide  
23 conditions and mechanisms for the Director of Finance to effect a conversion from one mode to

1 another. Nothing in this ordinance shall be interpreted to prevent the Bond Documents for any  
2 Series from including a provision for adjustments to interest rates during the term of the Series  
3 upon the occurrence of certain events specified in the applicable Bond Documents.

4           (v) **Payment Dates.** Interest shall be payable on dates acceptable to the Director  
5 of Finance. Principal shall be payable on dates acceptable to the Director of Finance, which shall  
6 include payment at the maturity of each Bond; in accordance with any Sinking Fund  
7 Requirements applicable to Term Bonds; and otherwise in accordance with any redemption or  
8 tender provisions.

9           (vi) **Final Maturity.** The final maturity of any Series of the Bonds shall be  
10 determined by the Director of Finance, consistent with chapter 39.53 RCW and other applicable  
11 State law, as amended at any time.

12           (vii) **Redemption Prior to Maturity.** The Bond Sale Terms may include  
13 redemption and tender provisions, as determined by the Director of Finance in the Director's  
14 discretion, consistent with Section 8 of this ordinance and subject to the following:

15                   (A) **Optional Redemption.** The Director of Finance may designate any  
16 Bond as subject to optional redemption prior to its maturity, consistent with subsection 8(a) of  
17 this ordinance. Any Bond that is subject to optional redemption prior to maturity must be callable  
18 on at least one or more date(s) occurring not more than 10-1/2 years after the Issue Date.

19                   (B) **Mandatory Redemption.** The Director of Finance may designate any  
20 Bond as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in  
21 principal payment amounts set forth as Sinking Fund Requirements, consistent with subsection  
22 8(b) of this ordinance.

1                                   **(C) Extraordinary Redemption.** The Director of Finance may designate  
2 any Bond as subject to extraordinary optional redemption or extraordinary mandatory  
3 redemption upon the occurrence of an extraordinary event, as such event or events may be set  
4 forth in the applicable Bond Documents, consistent with subsection 8(c) of this ordinance.

5                                   **(D) Tender Options.** The Director of Finance may designate any Variable  
6 Interest Rate Bond as subject to tender options, as set forth in the applicable Bond Documents.

7                                   **(viii) Price.** The Director of Finance may approve in the Bond Sale Terms an  
8 aggregate purchase price for each Series of the Bonds that is, in the Director’s judgment, the  
9 price that produces the most advantageous borrowing cost for the City for that Series, consistent  
10 with the parameters set forth in this ordinance and in any applicable bid documents.

11                                   **(ix) Other Terms and Conditions.**

12                                   **(A) Refunding Findings; Approval of Refunding Plan.** As of the Issue  
13 Date of each Series, the Director of Finance must approve a Refunding Plan (which may be set  
14 forth in a Refunding Trust Agreement) and find that such Refunding Plan is necessary to  
15 accomplish one or more of the purposes set forth in RCW 39.53.020, as amended at any time,  
16 and is consistent with the City’s debt policies then in effect, including, if applicable, a finding  
17 that the Refunding Plan will achieve an acceptable level of debt service savings.

18                                   **(B) Satisfaction of Parity Conditions or Junior Lien Additional Bonds**  
19 **Test.** For each Series of the Bonds, the Director of Finance must designate such Series of the  
20 Bonds as a series of either Parity Bonds or Junior Lien Bonds. For a Series to be designated as  
21 Parity Bonds, the Director of Finance must find to the Director’s satisfaction that, as of the Issue  
22 Date, the Parity Conditions have been met or satisfied so that such Series is permitted to be  
23 issued as Parity Bonds. For a Series to be designated as Junior Lien Bonds, the Director of

1 Finance must find to the Director’s satisfaction that, as of the Issue Date, the Junior Lien  
2 Additional Bonds Test has been met or satisfied so that such Series is permitted to be issued as  
3 Junior Lien Bonds.

4 **(C) Additional Terms, Conditions, and Agreements.** The Bond Sale  
5 Terms for any Series may provide for Qualified Insurance, a Qualified Letter of Credit or other  
6 liquidity facility, Parity Reimbursement Obligation, Intermediate Lien Reimbursement  
7 Obligation, Junior Lien Reimbursement Obligation, or any other Payment Agreement as the  
8 Director of Finance may find necessary or desirable, and may include such additional terms,  
9 conditions, and covenants, as may be necessary or desirable, including but not limited to:  
10 restrictions on investment of Bond proceeds and pledged funds (including any escrow  
11 established for the defeasance of any of the Bonds), provisions for the conversion of interest rate  
12 modes, provisions for the reimbursement of a credit enhancement provider or Qualified  
13 Counterparty, and requirements to give notice to or obtain the consent of a credit enhancement  
14 provider or a Qualified Counterparty. The Director of Finance is authorized to execute, on behalf  
15 of the City, such additional certificates and agreements as may be necessary or desirable to  
16 reflect such terms, conditions, and covenants.

17 **(D) Parity Bond Reserve Fund Requirement.** The Bond Sale Terms for  
18 any Series of Parity Bonds must establish the Reserve Fund Requirement for such Series and  
19 must set forth the method for satisfying any such requirement, consistent with Section 15 of this  
20 ordinance and the Parity Conditions. The Reserve Fund Requirement for any such Series may  
21 not be set at a level that would cause the aggregate Reserve Fund Requirement to exceed the  
22 least of (1) 125 percent of Average Annual Debt Service on all Parity Bonds outstanding, (2)

1 Maximum Annual Debt Service on all Parity Bonds outstanding, or (3) 10 percent of the  
2 proceeds of the outstanding Parity Bonds.

3 (E) **Tax Status of the Bonds.** The Director of Finance may designate any  
4 Series of the Bonds as Tax-Exempt Bonds, Taxable Bonds, or Tax Credit Subsidy Bonds,  
5 consistent with Section 21 of this ordinance.

6 Section 6. **Bond Registrar; Registration and Transfer of Bonds.** Section 6 of  
7 Ordinance 125460, last amended by Ordinance 125987, is amended to read as follows:

8 (a) **Registration and Bond Registrar.** The Bonds shall be issued only in registered form  
9 as to both principal and interest and shall be recorded on the Bond Register. The Fiscal Agent is  
10 appointed to act as Bond Registrar for each Series of the Bonds, unless otherwise determined by  
11 the Director of Finance.

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

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

21 The Bond Registrar shall be responsible for its representations contained in the Bond  
22 Registrar's certificate of authentication on the Bonds. The Bond Registrar may become an  
23 Owner of Bonds with the same rights it would have if it were not the Bond Registrar and, to the

1 extent permitted by law, may act as depository for and permit any of its officers or directors to  
2 act as members of, or in any other capacity with respect to, any committee formed to protect the  
3 rights of Owners.

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

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

1 substitute Securities Depository appointed by the City or such substitute Securities Depository's  
2 successor; or (iii) to any person if the Bond is no longer held in Book-Entry Form.

3           Upon the resignation of the Securities Depository from its functions as depository, or  
4 upon a determination by the Director of Finance to discontinue utilizing the then-current  
5 Securities Depository, the Director of Finance may appoint a substitute Securities Depository. If  
6 the Securities Depository resigns from its functions as depository and no substitute Securities  
7 Depository can be obtained, or if the Director of Finance determines not to utilize a Securities  
8 Depository, then the Bonds shall no longer be held in Book-Entry Form and ownership may be  
9 transferred only as provided in this ordinance.

10           Nothing in this ordinance shall prevent the Bond Sale Terms from providing that a Series  
11 of the Bonds shall be issued in certificated form without utilizing a Securities Depository, and  
12 that the Bonds of such Series shall be registered as of their Issue Date in the names of the  
13 Owners thereof, in which case ownership may be transferred only as provided in this ordinance.

14           **(d) Lost or Stolen Bonds.** In case any Bond or Bonds shall be lost, stolen or destroyed,  
15 the Bond Registrar may authenticate and deliver a replacement Bond or Bonds of like amount,  
16 date, tenor, and effect to the Registered Owner(s) thereof upon the Registered Owner(s)' paying  
17 the expenses and charges of the City in connection therewith and upon filing with the Bond  
18 Registrar evidence satisfactory to the Bond Registrar that such Bond or Bonds were actually lost,  
19 stolen or destroyed and of Registered Ownership thereof, and upon furnishing the City with  
20 indemnity satisfactory to both.

1           Section 7. **Payment of Bonds.** Section 7 of Ordinance 125460, last amended by  
2 Ordinance 125987, is amended to read as follows:

3           (a) **Payment.** Each Bond shall be payable in lawful money of the United States of  
4 America on the dates and in the amounts as provided in the Bond Documents for that Series.  
5 Principal of and interest on each Bond designated as a Parity Bond shall be payable solely out of  
6 the Parity Bond Fund. Principal of and interest on each Bond designated as a Junior Lien Bond  
7 shall be payable solely out of the Junior Lien Debt Service Fund. The Bonds shall not be general  
8 obligations of the City. No Bonds of any Series shall be subject to acceleration under any  
9 circumstances.

10           (b) **Bonds Held in Book-Entry Form.** Principal of and interest on each Bond held in  
11 Book-Entry Form shall be payable in the manner set forth in the Letter of Representations.

12           (c) **Bonds Not Held in Book-Entry Form.** Interest on each Bond not held in Book-Entry  
13 Form shall be payable by electronic transfer on the interest payment date, or by check or draft of  
14 the Bond Registrar mailed on the interest payment date to the Registered Owner at the address  
15 appearing on the Bond Register on the Record Date. The City, however, shall not be required to  
16 make electronic transfers except pursuant to a request by a Registered Owner in writing received  
17 at least ten days prior to the Record Date and at the sole expense of the Registered Owner.  
18 Principal of each Bond not held in Book-Entry Form shall be payable upon presentation and  
19 surrender of the Bond by the Registered Owner to the Bond Registrar.



1           Section 8. **Redemption and Purchase of Bonds**. Section 8 of Ordinance 125460, last  
2 amended by Ordinance 125987, is amended to read as follows:

3           (a) **Optional Redemption**. All or some of the Bonds of any Series may be subject to  
4 redemption prior to their stated maturity dates at the option of the City on the dates and terms set  
5 forth in the applicable Bond Documents.

6           (b) **Mandatory Redemption**. All or some of the Bonds of any Series may be designated  
7 as Term Bonds, subject to mandatory redemption in Sinking Fund Requirements, as set forth in  
8 the applicable Bond Documents. If not redeemed or purchased at the City’s option prior to  
9 maturity, Term Bonds (if any) must be redeemed, at a price equal to 100 percent of the principal  
10 amount to be redeemed, plus accrued interest, on the dates and in the years and Sinking Fund  
11 Requirements as set forth in the applicable Bond Documents.

12           If the City optionally redeems or purchases a principal portion of a Term Bond prior to its  
13 maturity, the principal amount that is so redeemed or purchased (irrespective of its redemption or  
14 purchase price) shall be credited against the remaining Sinking Fund Requirements for that Term  
15 Bond in the manner directed by the Director of Finance. In the absence of direction by the  
16 Director of Finance, credit shall be allocated among the remaining Sinking Fund Requirements  
17 for that Term Bond on a *pro rata* basis.

18           (c) **Extraordinary Redemption**. All or some of the Bonds of any Series may be subject  
19 to extraordinary optional redemption or extraordinary mandatory redemption prior to maturity  
20 upon the occurrence of an extraordinary event at the prices, in the principal amounts, and on the  
21 dates, all as set forth in the applicable Bond Documents.

22           (d) **Selection of Bonds for Redemption; Partial Redemption**. If fewer than all of the  
23 outstanding Bonds of a Series are to be redeemed at the option of the City, the Director of

1 Finance shall select the maturity or maturities to be redeemed. If less than all of the principal  
2 amount of a maturity of the selected Series is to be redeemed and such Series is held in Book-  
3 Entry Form, the portion of such maturity to be redeemed shall be selected for redemption by the  
4 Securities Depository in accordance with the Letter of Representations. If the Series selected for  
5 redemption is not then held in Book-Entry Form, the portion of such maturity to be redeemed  
6 shall be selected by the Bond Registrar using such method of random selection as the Bond  
7 Registrar shall determine. All or a portion of the principal amount of any Bond that is to be  
8 redeemed may be redeemed in any applicable Authorized Denomination. If less than all of the  
9 outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond  
10 Registrar there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds,  
11 at the option of the Registered Owner) of the same Series, seniority, maturity, and interest rate in  
12 any Authorized Denomination in the aggregate principal amount to remain outstanding.

13 (e) **Purchase.** The City reserves the right and option to purchase any or all of the Bonds  
14 at any time at any price acceptable to the City plus accrued interest to the date of purchase.

15 Section 9. **Notice of Redemption; Rescission of Notice.** Section 9 of Ordinance 125460,  
16 last amended by Ordinance 125987, is amended to read as follows:

17 Unless otherwise set forth in the applicable Bond Documents, the City must cause notice  
18 of any intended redemption of Bonds to be given not fewer than 20 nor more than 60 days prior  
19 to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of  
20 any Bond to be redeemed at the address appearing on the Bond Register on the Record Date, and  
21 the requirements of this sentence shall be deemed to have been fulfilled when notice has been  
22 mailed as so provided, whether or not it is actually received by the Owner of any Bond. Interest

1 on Bonds called for redemption shall cease to accrue on the date fixed for redemption unless the  
2 Bond or Bonds called are not redeemed when presented pursuant to the call.

3 In the case of an optional or extraordinary optional redemption, the notice may state that  
4 the City retains the right to rescind the redemption notice and the related redemption of Bonds by  
5 giving a notice of rescission to the affected Registered Owners at any time on or prior to the  
6 scheduled redemption date. Any notice of optional redemption that is rescinded by the Director  
7 of Finance shall be of no effect, and the Bonds for which the notice of redemption has been  
8 rescinded shall remain outstanding.

9 Section 10. **Failure to Pay Bonds.** Section 10 of Ordinance 125460, last amended by  
10 Ordinance 125987, is amended to read as follows:

11 If any Bond is not paid when properly presented at its maturity or redemption date, the  
12 City shall be obligated to pay, solely from the sources pledged to that Bond in this ordinance,  
13 interest on that Bond at the same rate provided on that Bond from and after its maturity or  
14 redemption date until that Bond, principal (including redemption premium, if any), and interest,  
15 is paid in full or until sufficient money for its payment in full is on deposit in the Parity Bond  
16 Fund (if such Bond is a Parity Bond) or the Junior Lien Debt Service Fund (if such Bond is a  
17 Junior Lien Bond) and that Bond has been called for payment by giving notice of that call to the  
18 Registered Owner of that Bond. The exercise of remedies of Owners of the Bonds are limited as  
19 set forth in Section 24 of this ordinance.

20 Section 11. **Form and Execution of Bonds.** Section 11 of Ordinance 125460, last  
21 amended by Ordinance 125987, is amended to read as follows:

22 The Bonds shall be typed, printed or reproduced in a form consistent with the provisions  
23 of this ordinance and State law; shall be signed by the Mayor and Director of Finance, either or

1 both of whose signatures may be manual or in facsimile; and the seal of the City or a facsimile  
2 reproduction thereof shall be impressed or printed thereon.

3           Only Bonds bearing a certificate of authentication in substantially the following form  
4 (with the designation, year, and Series adjusted consistent with this ordinance), manually signed  
5 by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of  
6 this ordinance: “This Bond is one of the fully registered The City of Seattle, Washington,  
7 Municipal Light and Power [Refunding] Revenue Bonds, [Year], [Series] [and/or Seniority, if  
8 applicable], described in [this ordinance].” Junior Lien Bonds shall bear the words “Junior Lien”  
9 in their name in the foregoing certificate of authentication. The authorized signing of a certificate  
10 of authentication shall be conclusive evidence that the Bond so authenticated has been duly  
11 executed, authenticated, and delivered and is entitled to the benefits of this ordinance.

12           If any official whose manual or facsimile signature appears on a Bond ceases to be an  
13 official of the City authorized to sign bonds before the Bond bearing that official’s manual or  
14 facsimile signature is authenticated or delivered by the Bond Registrar or issued by the City, that  
15 Bond nevertheless may be authenticated, issued, and delivered and, when authenticated, issued  
16 and delivered, shall be as binding on the City as though that person had continued to be an  
17 official of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City  
18 by any person who, on the actual date of signing of the Bond, is an official of the City authorized  
19 to sign bonds, although that person did not hold the required office on the Issue Date of that  
20 Series of the Bonds.

21           Section 12. **Deposit and Use of Proceeds.** Section 12 of Ordinance 125460, last  
22 amended by Ordinance 125987, is amended to read as follows:

1           Unless otherwise provided in the applicable Bond Documents, the principal proceeds and  
2 net premium, if any, received from the sale and delivery of each Series of the Bonds, in the  
3 amount necessary to carry out the applicable Refunding Plan, shall be deposited with the  
4 Refunding Trustee and used in accordance with the provisions of this section to discharge the  
5 obligations of the City relating to the Refunded Bonds identified therein.

6           The Director of Finance may use the principal proceeds and any net premium to pay for  
7 costs of issuance of the Bonds, and the Director of Finance also may incur and account for costs  
8 of issuance that are not included as part of the bond proceeds and net premium, including but not  
9 limited to any underwriter's discount. Net premium and accrued interest received from the sale  
10 and delivery of a Series of the Bonds, if any, that is not necessary to carry out the Refunding  
11 Plan, shall be paid or allocated into the Parity Bond Fund (or Junior Lien Bond Fund, as  
12 applicable) and used to pay interest on that Series.

13           Until needed to carry out the applicable Refunding Plan and to pay the costs described  
14 herein, the principal proceeds of each Series of the Bonds shall be held or invested (and the  
15 investment earnings shall be applied) in accordance with the Refunding Trust Agreement, and  
16 the money deposited with the Refunding Trustee, including the Acquired Obligations and any  
17 investment earnings, shall be held irrevocably, invested and applied in accordance with the  
18 provisions of the respective Refunded Bond Documents, this ordinance, the Refunding Trust  
19 Agreement, chapter 39.53 RCW, and other applicable State law. Earnings subject to a federal tax  
20 or rebate requirement may be withdrawn from any such fund or account and used for those tax or  
21 rebate purposes.

22           The Director of Finance may pay principal of and interest on a Series of the Bonds with  
23 any proceeds of that Series (including interest earnings thereon) remaining after applying such

1 proceeds to carry out the Refunding Plan, or after the City Council has determined that the  
2 expenditure of such Bond proceeds for those purposes is no longer necessary or appropriate.

3           Section 13. **Security for the Bonds; Designation as Parity Bonds or Junior Lien**

4 **Bonds**. Section 13 of Ordinance 125460, last amended by Ordinance 125987, is amended to read  
5 as follows:

6           The Bonds shall not constitute general obligations of the City, the State or any political  
7 subdivision of the State or a charge upon any general fund or upon any money or other property  
8 of the City, the State or any political subdivision of the State not specifically pledged by this  
9 ordinance.

10           (a) **Parity Bonds**. Each Series of the Bonds that is designated as Parity Bonds shall be a  
11 special limited obligation of the City payable from and secured solely by Gross Revenues  
12 available after payment of Operating and Maintenance Expense (“Net Revenue”) and by money  
13 in the Parity Bond Fund and the Reserve Fund. Net Revenue is pledged to make the payments  
14 into the Parity Bond Fund and the Reserve Fund required by Sections 14 and 15 of this  
15 ordinance, which pledge shall constitute a lien and charge upon such Net Revenue prior and  
16 superior to all other charges whatsoever. Each Series of the Bonds designated as Parity Bonds  
17 shall be issued on parity with the Outstanding Parity Bonds and all Future Parity Bonds, without  
18 regard to date of issuance or authorization and without preference or priority of right or lien.

19           (b) **Junior Lien Bonds**. Each Series of the Bonds that is designated as Junior Lien Bonds  
20 shall be a special limited obligation of the City payable from and secured solely by Net Revenue  
21 and by money in the Junior Lien Debt Service Fund. The Net Revenue is pledged to make the  
22 payments into the Junior Lien Debt Service Fund required by Sections 14 and 16 of this  
23 ordinance, which pledge shall constitute a lien and charge upon such Net Revenue (i.e., Gross

1 Revenues available after payment of Operating and Maintenance Expense of the Light System  
2 pursuant to subsection 14(a) of this ordinance) that is (i) subordinate only to the payments to be  
3 made into the Parity Bond Fund required by subsections 14(b) through (d) of this ordinance, and  
4 (ii) prior and superior to all other charges whatsoever. Each Series of the Bonds designated as  
5 Junior Lien Bonds shall be issued on parity with the lien and charge of any then outstanding  
6 Junior Lien Bonds and all Future Junior Lien Bonds, without regard to date of issuance or  
7 authorization and without preference or priority of right or lien. Nothing in this ordinance  
8 prevents the City from issuing revenue bonds or other obligations that are a charge or lien upon  
9 Net Revenues subordinate to the payments required to be made into the Junior Lien Debt Service  
10 Fund and the Reserve Fund, and any subfund, account, or subaccount within the foregoing funds.

11 Section 14. **Priority Expenditure of Gross Revenues; Flow of Funds.** Section 14 of  
12 Ordinance 125460, last amended by Ordinance 125987, is amended to read as follows:

13 Gross Revenues shall be deposited as received in the Light Fund and used for the  
14 following purposes only, in the following order of priority:

15 (a) To pay the Operating and Maintenance Expense of the Light System;

16 (b) To make, when due, all payments into the Parity Bond Fund required to be made in  
17 order to pay the interest on and principal of all Parity Bonds, including all Parity Bond Sinking  
18 Fund Requirements, and all net payments under Parity Payment Agreements, and to make all  
19 payments required to be made (if any) in respect of Parity Reimbursement Obligations;

20 (c) To make all payments required to be made (if any) into the Reserve Fund necessary to  
21 satisfy the Reserve Fund Requirement, to make all payments (if any) required to be made under  
22 subsection 15(c)(i)(B) of this ordinance into a special account within the Light Fund for the

1 replacement of an Alternate Reserve Security as to which the City has received a notice of  
2 cancellation, and to pay any reimbursement obligations under any Alternate Reserve Security;

3 (d) To make all payments required to be made (if any) in respect of Intermediate Lien  
4 Reimbursement Obligations;

5 (e) To make all payments into the Junior Lien Debt Service Fund required to be made in  
6 order to pay the interest on and principal of all Junior Lien Bonds, including all net payments  
7 under Junior Lien Payment Agreements and all Junior Lien Reimbursement Obligations, when  
8 due;

9 (f) To make all required payments into any revenue bond redemption fund created to pay  
10 and secure the payment of the principal of and interest on any revenue bonds or short-term  
11 obligations of the City having a charge and lien upon Net Revenue subordinate to the lien  
12 thereon for the payment of the principal of and interest on the Parity Bonds and the Junior Lien  
13 Bonds; and

14 (g) Without priority, for any of the following purposes: to retire by redemption or  
15 purchase any outstanding revenue bonds or revenue obligations of the Light System; to make  
16 necessary additions, betterments, repairs, extensions, and replacements of the Light System; to  
17 pay City taxes or other payments in lieu of taxes payable from Gross Revenues; to make deposits  
18 to the Rate Stabilization Account; or for any other lawful Light System purpose.

19 Section 15. **Parity Bond Fund; Reserve Fund**. Section 15 of Ordinance 125460, last  
20 amended by Ordinance 125987, is amended to read as follows:

21 The special funds of the City known as the Parity Bond Fund and the Reserve Fund have  
22 been previously created and shall be maintained as special funds for the sole purpose of paying  
23 the principal of (including redemption premium, if any) and interest on the Parity Bonds as the



1 same shall become due. The Director of Finance may create subfunds, accounts, or subaccounts  
2 in the Parity Bond Fund and the Reserve Fund to pay or secure the payment of Parity Bonds as  
3 long as the maintenance of such subfunds, accounts, or subaccounts does not conflict with the  
4 rights of the owners of the Parity Bonds. Principal of (including redemption premium, if any)  
5 and interest on the Parity Bonds shall be payable solely out of the Parity Bond Fund.

6 (a) **Required Payments into the Parity Bond Fund and Reserve Fund.** So long as any  
7 Parity Bonds (including any Parity Payment Agreements or Parity Reimbursement Obligations)  
8 are outstanding, the City shall set aside and pay out of Net Revenue certain fixed amounts,  
9 without regard to any fixed proportion, namely:

10 (i) Into the Parity Bond Fund, on or prior to the respective dates on which such  
11 payments shall become due and payable, an amount sufficient, together with other money on  
12 deposit therein, to pay without priority or preference among the following items: (A) the interest  
13 (including net payments due under Parity Payment Agreements) then due on the Outstanding  
14 Parity Bonds, (B) the maturing principal of the Outstanding Parity Bonds (including any Sinking  
15 Fund Requirements then due), and (C) any payments then due in respect of Parity  
16 Reimbursement Obligations; and

17 (ii) Into the Reserve Fund, an amount necessary to provide for the Reserve Fund  
18 Requirement within the time and manner required by this ordinance and the Bond Sale Terms,  
19 including all payments required to be made under subsection 14(c) of this ordinance.

20 To meet the required payments to be made into the Parity Bond Fund and the Reserve  
21 Fund, the Director of Finance may transfer any money from any funds or accounts of the City  
22 legally available therefor, except bond redemption funds, refunding escrow funds, or defeasance  
23 funds. The Director of Finance may provide for the purchase, redemption or defeasance of any

1 Parity Bonds by the use of money on deposit in any subfund, account, or subaccount in the Parity  
2 Bond Fund or Reserve Fund, so long as the money remaining in those subfunds, accounts, or  
3 subaccounts is sufficient to satisfy the required deposits with respect to the remaining Parity  
4 Bonds.

5 (b) **Parity Bond Fund.** The Parity Bond Fund has been previously created for the sole  
6 purpose of paying the principal of and interest on the Parity Bonds as the same shall become due.  
7 Each Series of the Bonds designated as Parity Bonds shall be payable (including principal,  
8 Sinking Fund Requirements, redemption premium (if any), and interest) out of the Parity Bond  
9 Fund. Money in the Parity Bond Fund shall, to the fullest extent practicable and reasonable, be  
10 invested and reinvested at the direction of the Director of Finance solely in, and obligations  
11 deposited in such accounts shall consist of, Permitted Investments. Earnings on money and  
12 investments in the Parity Bond Fund shall be deposited in and used for the purposes of that fund.

13 (c) **Reserve Fund.** The Reserve Fund has been previously created for the purpose of  
14 securing the payment of the principal of and interest on all Parity Bonds (including all net  
15 payments due under any Parity Payment Agreements, if any). Money held in the Reserve Fund  
16 shall, to the fullest extent practicable and reasonable, be invested and reinvested at the direction  
17 of the Director of Finance solely in, and obligations deposited in such accounts shall consist of,  
18 Permitted Investments. Earnings on money and investments in the Reserve Fund shall be  
19 deposited in that fund and credited against amounts required to be deposited therein until the  
20 Reserve Fund is fully funded, and thereafter such earnings shall be deposited in the Parity Bond  
21 Fund.

22 (i) **Reserve Fund Requirement.** The Bond Sale Terms for each Series of the  
23 Bonds shall establish the amount (if any) to be added to the aggregate Reserve Fund

1 Requirement (if any) for such Series, and the method for providing for such incremental addition  
2 to the Reserve Fund deposit, subject to the following:

3 (A) In connection with the issuance of Future Parity Bonds, the City shall  
4 provide the amounts required for deposit into the Reserve Fund (1) at one time on the Issue Date,  
5 or (2) in periodic deposits of Net Revenue (or any other legally available source of funds), so that  
6 by five years from the date of such Future Parity Bonds there will have been paid into the  
7 Reserve Fund an amount that, together with the money already on deposit therein, will be at least  
8 equal to the Reserve Fund Requirement for the Parity Bonds scheduled to be outstanding at the  
9 end of that five-year period.

10 (B) The City may obtain one or more Alternate Reserve Securities for  
11 specific amounts required to be paid into the Reserve Fund. The amount available to be drawn  
12 upon under each such Alternate Reserve Security shall be credited against the amounts needed to  
13 satisfy the Reserve Fund Requirement. In the event of receipt of any notice of cancellation of an  
14 Alternate Reserve Security, the City shall (and, in preparation for the expiration of any such  
15 Alternate Reserve Security in accordance with its terms, the City may) either: (1) obtain a  
16 substitute Alternate Reserve Security in the amount necessary to satisfy the Reserve Fund  
17 Requirement on the date any such cancellation (or expiration) becomes effective, or (2) create a  
18 special account in the Light Fund and deposit therein amounts necessary to replace the Alternate  
19 Reserve Security upon its expiration or cancellation. In the case of receipt of a notice of  
20 cancellation, such periodic deposits are to be made on or before the 25th day of each of the  
21 60 calendar months succeeding receipt of such notice, in an amount equal to 1/60 of the amount  
22 necessary (together with other money and investments then on deposit in the Reserve Fund) to  
23 satisfy the expected Reserve Fund Requirement on the date such cancellation shall become

1 effective, taking into account scheduled redemptions of Parity Bonds and disregarding any  
2 incremental additional amounts that may become necessary due to the issuance of Future Parity  
3 Bonds subsequent to the date of such notice of cancellation. Such amounts shall be transferred  
4 from Net Revenue available in the Light Fund after making provision for the required payments  
5 into the Parity Bond Fund, in accordance with Section 14 of this ordinance. Amounts on deposit  
6 in such special account are preliminarily earmarked for the replacement of such Alternate  
7 Reserve Security and shall not be available to pay debt service on Parity Bonds or for any other  
8 purpose of the City, and shall be transferred to the Reserve Fund on the effective date of any  
9 cancellation or expiration of the Alternate Reserve Security to make up the deficiency caused  
10 thereby. In the event that the Reserve Fund is completely depleted and all Alternate Reserve  
11 Securities have been fully drawn, the amounts in that special account may be withdrawn and  
12 treated as Gross Revenues available to be used in accordance with the flow of funds set forth in  
13 Section 14 of this ordinance. If and when a substitute Alternate Reserve Security having a  
14 sufficient value or policy limit is obtained, amounts held in that special account may be  
15 transferred back to the Light Fund and treated as Gross Revenues available to be used in  
16 accordance with the flow of funds set forth in Section 14 of this ordinance.

17 (C) If the amount on deposit in the Reserve Fund is less than the Reserve  
18 Fund Requirement (taking into account the five-year period referred to in paragraph (A) of this  
19 subsection), the City shall transfer to the Reserve Fund money in an amount sufficient to restore  
20 the Reserve Fund to the Reserve Fund Requirement within 12 months after the date of such  
21 deficiency. The City shall transfer such amount first from Net Revenue available in accordance  
22 with the priority of payment in Section 14 of this ordinance, and only thereafter from money in  
23 any construction fund or account established with respect to any issue of Parity Bonds, first

1 taking money from the unrestricted portion thereof, then taking money from the restricted  
2 portion thereof. If the amount in the Reserve Fund is greater than the Reserve Fund Requirement,  
3 the City may then withdraw such excess from the Reserve Fund and deposit such excess in the  
4 Light Fund.

5           (ii) **Use of Reserve Fund to Refund Parity Bonds.** If any Parity Bonds are to be  
6 refunded, the money set aside in the Reserve Fund to secure the payment of such Parity Bonds  
7 may be used to retire such Parity Bonds, or may be transferred to any reserve fund or account  
8 which may be created to secure the payment of any bonds issued to refund such Parity Bonds, as  
9 long as the money left remaining in the Reserve Fund is at least equal, together with all Alternate  
10 Reserve Securities, to the Reserve Fund Requirement.

11           (iii) **Use of Reserve Fund to Pay Debt Service.** If the money in the Parity Bond  
12 Fund is insufficient to meet maturing installments of either interest on or principal of and interest  
13 on the Parity Bonds (including net amounts payable under any Parity Payment Agreements),  
14 such deficiency shall be made up from the Reserve Fund by the withdrawal of money or  
15 proceeds of Alternate Reserve Securities, as the case may be. Any deficiency created in the  
16 Reserve Fund by reason of any such withdrawal or claim against an Alternate Reserve Security  
17 shall then be made up out of Net Revenue or out of any other legally available funds of the City.

18           (iv) **Withdrawals From Reserve Fund.** Money in the Reserve Fund may be  
19 withdrawn by the City for any lawful purpose as long as the aggregate of any money and  
20 Alternate Reserve Securities remaining on deposit in the Reserve Fund is at least equal to the  
21 Reserve Fund Requirement for the Parity Bonds then outstanding. The City reserves the right to  
22 substitute one or more Alternate Reserve Securities for money previously deposited in the  
23 Reserve Fund and to withdraw such excess to the extent described in the preceding sentence.

1 Any withdrawals from subaccounts within the Reserve Fund shall be made on a *pro rata* basis,  
2 except when the terms of an Alternate Reserve Security require all cash and investments in the  
3 Reserve Fund to be withdrawn before any draw or claim is made on the Alternate Reserve  
4 Security, or unless the City receives an opinion of Bond Counsel to the effect that such *pro rata*  
5 withdrawal is not required to maintain the federal tax benefits (if any) of any then outstanding  
6 Parity Bonds issued as Tax-Exempt Bonds or Tax Credit Subsidy Bonds. If multiple Alternate  
7 Reserve Securities are on deposit in the Reserve Fund, draws on such Alternate Reserve  
8 Securities shall be made on a *pro rata* basis.

9 Section 16. **Junior Lien Debt Service Fund**. Section 16 of Ordinance 125460, last  
10 amended by Ordinance 125987, is amended to read as follows:

11 (a) **Use of Junior Lien Debt Service Fund**. The Director of Finance is authorized (and,  
12 in conjunction with the issuance of Junior Lien Bonds, is directed) to create and maintain a  
13 special fund of the City known as the Junior Lien Debt Service Fund for the sole purpose of  
14 paying the principal of (including redemption premium, if any) and interest on the Junior Lien  
15 Bonds as the same shall become due. The Junior Lien Debt Service Fund shall consist of a  
16 Principal and Interest Account and such additional subfunds, accounts, or subaccounts as the  
17 Director of Finance may find it necessary or convenient to create in order to pay or secure the  
18 payment of Junior Lien Bonds, as long as the maintenance of such subfunds, accounts, or  
19 subaccounts does not conflict with the rights of the owners of the Junior Lien Bonds or the Parity  
20 Bonds.

21 Each Series of the Bonds designated as Junior Lien Bonds shall be payable (including  
22 principal, Sinking Fund Requirements, redemption premium (if any), and interest) out of the  
23 Junior Lien Debt Service Fund. Money in the Junior Lien Debt Service Fund shall, to the fullest

1 extent practicable and reasonable, be invested and reinvested at the direction of the Director of  
2 Finance solely in, and obligations deposited in such accounts shall consist of, Permitted  
3 Investments. Earnings on money and investments in the Junior Lien Debt Service Fund shall be  
4 deposited in and used for the purposes of that fund.

5           **(b) Required Payments Into the Junior Lien Debt Service Fund.** So long as any  
6 Junior Lien Bonds (including any Junior Lien Payment Agreements) are outstanding, the City  
7 shall set aside and pay out of Net Revenue certain fixed amounts, without regard to any fixed  
8 proportion, namely, into the Principal and Interest Account of the Junior Lien Debt Service  
9 Fund, on or prior to the respective dates on which such payments shall become due and payable,  
10 an amount sufficient, together with other money on deposit therein, to pay the interest on and the  
11 principal of the Junior Lien Bonds, including net payments due on Junior Lien Payment  
12 Agreements and all payments under Junior Lien Reimbursement Obligations, as the same shall  
13 become due. To meet the required payments to be made into the Junior Lien Debt Service Fund,  
14 the Director of Finance may transfer any money from any funds or accounts of the City legally  
15 available therefor, except the Parity Bond Fund, the Reserve Fund, other bond redemption funds,  
16 refunding escrow funds, or defeasance funds. The Director of Finance may provide for the  
17 purchase, redemption or defeasance of any Junior Lien Bonds by the use of money on deposit in  
18 any subfund, account, or subaccount in the Junior Lien Debt Service Fund, so long as the money  
19 remaining in those subfunds, accounts, or subaccounts is sufficient to satisfy the required  
20 deposits with respect to the remaining Junior Lien Bonds.

21           Section 17. **Bond Covenants.** Section 17 of Ordinance 125460, last amended by  
22 Ordinance 125987, is amended to read as follows:

1           **(a) Parity Bond Covenants.** The City covenants with the Owner of each Bond that is  
2 designated as a Parity Bond, for so long as such Bond remains outstanding, as follows:

3                           **(i) Sale or Disposition of the Light System.**

4                           (A) The City may dispose of all or substantially all of the Light System  
5 only if the City simultaneously causes all of the Parity Bonds to be, or be deemed to be, no  
6 longer outstanding.

7                           (B) Except as provided below, the City will not dispose of any part of the  
8 Light System in excess of 5 percent of the value of the net utility plant of the Light System in  
9 service unless prior to such disposition: (1) there has been filed with the Director of Finance a  
10 certificate of a Professional Utility Consultant stating that such disposition will not impair the  
11 ability of the City to comply with the rate covenant set forth in subsection 17(a)(ii) of this  
12 ordinance, in which the Professional Utility Consultant may make those assumptions permitted  
13 in delivering a Parity Certificate under subsection 18(a) of this ordinance; or (2) provision is  
14 made for the payment, redemption or other retirement of a principal amount of Parity Bonds  
15 equal to the greater of the following amounts: (I) an amount which will be in the same proportion  
16 to the net principal amount of Parity Bonds then outstanding (defined as the total principal  
17 amount of Parity Bonds then outstanding less the amount of cash and investments in the Parity  
18 Bond Fund) that Gross Revenues for the twelve preceding months attributable to the part of the  
19 Light System being sold or disposed of bears to the total Gross Revenues for such period; or  
20 (II) an amount which will be in the same proportion to the net principal amount of Parity Bonds  
21 then outstanding that the book value of the part of the Light System being sold or disposed of  
22 bears to the book value of the entire Light System immediately prior to such sale or disposition.



1 (C) Notwithstanding the foregoing, the City may dispose of any portion of  
2 the Light System that has become unserviceable, inadequate, obsolete, worn out or unfit to be  
3 used, or no longer necessary for, material to, or useful in the operation of the Light System.

4 (D) If the ownership of all or part of the Light System is transferred from  
5 the City through the operation of law, the City shall reconstruct or replace the transferred portion  
6 using any proceeds of the transfer unless the City Council determines that such reconstruction or  
7 replacement is not in the best interests of the City and the Owners of the Parity Bonds, in which  
8 case any proceeds shall be used to purchase, defease, or redeem Parity Bonds prior to maturity.

9 (ii) **Rates and Charges.** The City will establish from time to time and maintain  
10 such rates for electric energy as will maintain the Light System in sound financial condition and  
11 provide sufficient revenues to pay all Operating and Maintenance Expense, to pay into the Parity  
12 Bond Fund the amounts that are required by this ordinance to be applied to the payment of the  
13 principal of and interest on the Parity Bonds until the Parity Bonds shall have been paid in full,  
14 and to pay all bonds, warrants, and indebtedness for which any revenues of the Light System  
15 shall have been pledged.

16 (iii) **Operation and Maintenance of the Light System.** The City will operate the  
17 properties of the Light System in an efficient manner and at a reasonable cost; will maintain,  
18 preserve and keep, or cause to be maintained, preserved and kept, the properties of the Light  
19 System and every part and parcel thereof in good repair, working order, and condition; and from  
20 time to time will make or cause to be made all necessary and proper repairs, renewals and  
21 replacements thereto so that at all times the business carried on in connection therewith will be  
22 properly and advantageously conducted.

1                   (iv) **Books and Financial Statements.** The City will keep and maintain proper  
2 books of account for the Light System in accordance with generally accepted accounting  
3 principles applicable to governmental utilities; will generally adhere to the uniform system of  
4 accounts prescribed by the State Auditor’s Office and the Federal Energy Regulatory  
5 Commission (if any); and will prepare, on or before 180 days after the end of each calendar year,  
6 annual financial statements showing reasonable detail, including a balance sheet, an income  
7 statement, and a statement of cash flows or other such statement. Copies of such financial  
8 statements shall be placed on file in the office of the Director of Finance and shall be open to  
9 inspection at any reasonable time by any owner of any Parity Bonds. A copy of such financial  
10 statements shall be sent to any owner of Parity Bonds upon request in writing setting forth the  
11 name and address to which such financial statements may be sent.

12                   (b) **Junior Lien Bond Covenants.** The City covenants with the Owner of each Bond that  
13 is designated as a Junior Lien Bond, for so long as such Junior Lien Bond remains outstanding,  
14 as follows:

15                   (i) **Sale or Disposition of the Light System.** The City may dispose of all or  
16 substantially all of the Light System only if the City simultaneously causes all of the Junior Lien  
17 Bonds to be, or be deemed to be, no longer outstanding. The City will not dispose of any part of  
18 the Light System in excess of 5 percent of the value of the net utility plant of the Light System in  
19 service except upon compliance with the covenant set forth in subsection 17(a)(i)(B) of this  
20 ordinance. Notwithstanding the foregoing, the City may dispose of any portion of the Light  
21 System that has become unserviceable, inadequate, obsolete, worn out or unfit to be used, or no  
22 longer necessary, material to, or useful in the operation of the Light System.

1                   (ii) **Rates and Charges.** The City will establish from time to time and maintain  
2 such rates for electric energy as will maintain the Light System in sound financial condition and  
3 provide sufficient revenues to pay all Operating and Maintenance Expense; to pay into the Parity  
4 Bond Fund the amounts that are required by this ordinance to be applied to the payment of the  
5 principal of and interest on the Parity Bonds until the Parity Bonds shall have been paid in full;  
6 to pay into the Junior Lien Debt Service Fund the amounts that are required by this ordinance to  
7 be paid into such fund, in accordance with the priority of payment set forth in Section 14 of this  
8 ordinance, until the Junior Lien Bonds (including Junior Lien Payment Agreements and Junior  
9 Lien Reimbursement Obligations) shall have been paid in full; and to pay all other bonds,  
10 warrants, and indebtedness for which any revenues of the Light System shall have been pledged.

11                   (iii) **Operation and Maintenance of the Light System.** The City will operate the  
12 properties of the Light System in an efficient manner and at a reasonable cost; will maintain,  
13 preserve, and keep, or cause to be maintained, preserved, and kept, the properties of the Light  
14 System and every part and parcel thereof in good repair, working order and condition; and from  
15 time to time will make or cause to be made all necessary and proper repairs, renewals, and  
16 replacements thereto so that at all times the business carried on in connection therewith will be  
17 properly and advantageously conducted.

18                   (iv) **Books and Financial Statements.** The City will keep and maintain proper  
19 books of account for the Light System in accordance with generally accepted accounting  
20 principles applicable to governmental utilities; will generally adhere to the uniform system of  
21 accounts prescribed by the State Auditor's Office and the Federal Energy Regulatory  
22 Commission (if any); and will prepare, on or before 180 days after the end of each calendar year,  
23 annual financial statements showing reasonable detail, including a balance sheet, an income

1 statement, and a statement of cash flows or other such statement. Copies of such financial  
2 statements shall be placed on file in the office of the Director of Finance and shall be open to  
3 inspection at any reasonable time by any owner of any Junior Lien Bonds. A copy of such  
4 financial statements shall be sent to any owner of Junior Lien Bonds upon request in writing  
5 setting forth the name and address to which such financial statements may be sent.

6 Section 18. **Additional Bonds**. Section 18 of Ordinance 125460, last amended by  
7 Ordinance 125987, is amended to read as follows:

8 (a) **Future Parity Bonds**. The City reserves the right to issue Future Parity Bonds (which  
9 includes entering into Future Parity Payment Agreements or Future Parity Reimbursement  
10 Obligations) for any lawful purpose of the City's Light System if the Parity Conditions are met  
11 and complied with as of the date of issuance of such Future Parity Bonds, or as of the effective  
12 date of the Parity Payment Agreement or Parity Reimbursement Obligation, as appropriate.

13 If the Parity Conditions are met and complied with, then payments into the Parity Bond  
14 Fund with respect to such Future Parity Bonds shall rank equally with the payments out of the  
15 Net Revenue required to be made into the Parity Bond Fund by this ordinance. Nothing in this  
16 subsection 18(a) shall prevent the City from (i) issuing revenue bonds or other obligations that  
17 are a charge upon Net Revenue junior and inferior to the payments required to be made  
18 therefrom into the Parity Bond Fund for the payment of the Parity Bonds, provided that such  
19 subordinate obligations may not be subject to acceleration under any circumstances; or (ii)  
20 issuing Refunding Parity Bonds to refund maturing Parity Bonds of the City for the payment of  
21 which money is not otherwise available.

1                   (i) **Parity Conditions.** The Parity Conditions are as follows:

2                               (A) No deficiency may then exist in the Parity Bond Fund or in any of the  
3 accounts therein; and

4                               (B) Provision must be made to satisfy the Reserve Fund Requirement for  
5 the Parity Bonds then outstanding plus any additional amount required (if any) in connection  
6 with the issuance and sale of the proposed Future Parity Bonds in accordance with subsection  
7 15(c) of this ordinance; and

8                               (C) There must be on file with the City a Parity Certificate as described in  
9 subsection 18(a)(ii) of this ordinance. If the proposed Future Parity Bonds (or any portion  
10 thereof) are to be issued for the purpose of refunding outstanding Parity Bonds and the Annual  
11 Debt Service on the refunding portion of the proposed Future Parity Bonds is not more than  
12 \$5,000 greater than the Annual Debt Service on the Parity Bonds to be refunded thereby, then no  
13 Parity Certificate shall be required as to that portion issued for refunding purposes. If the  
14 requirements of the preceding sentence are not satisfied, Refunding Parity Bonds may  
15 alternatively be issued upon delivery of a Parity Certificate.

16                   (ii) **Parity Certificate.** A Parity Certificate required by subsection 18(a)(i) of this  
17 ordinance may be provided by either the Director of Finance or by a Professional Utility  
18 Consultant, as follows:

19                               (A) A Parity Certificate may be prepared by the Director of Finance,  
20 demonstrating that the amount of Adjusted Net Revenue in any 12 consecutive months out of the  
21 most recent 24 months preceding the delivery of the proposed series of Future Parity Bonds (the  
22 “Base Period”) was not less than 125 percent of Maximum Annual Debt Service in any future  
23 calendar year on all Parity Bonds then outstanding and the proposed series of Future Parity

1 Bonds. For the purposes of a Parity Certificate delivered under this subsection (A), the Director  
2 of Finance shall reflect in that certificate any adjustment in the rates, fees, and charges for the  
3 services of the Light System that will become effective at any time prior to or within six months  
4 after the delivery of the proposed Future Parity Bonds, by including in the amount of Adjusted  
5 Net Revenue the amount that the Director estimates would have been collected in the Base  
6 Period if such new rates, fees, and charges had been in effect for the entire Base Period.

7 (B) A Parity Certificate may be prepared by a Professional Utility  
8 Consultant, demonstrating that the amount of Adjusted Net Revenue (which may be further  
9 adjusted as provided in paragraphs (a)(ii)(B)(1) through (5) of this section) in any 12 consecutive  
10 months out of the most recent 24 months preceding the delivery of the proposed Series of Future  
11 Parity Bonds (the “Base Period”) is not less than 125 percent of the amount of Maximum Annual  
12 Debt Service in any future calendar year on all Parity Bonds then outstanding and the proposed  
13 Future Parity Bonds. For the purposes of a certificate delivered under this subsection (a)(ii),  
14 Adjusted Net Revenue may be further adjusted by the Professional Utility Consultant using any  
15 or all of the following methods reflecting the conditions and requirements as may be appropriate  
16 to the circumstances:

17 (1) If the purpose for which the proposed Future Parity Bonds are  
18 being issued is to acquire operating electric utility properties having an earnings record, the  
19 Professional Utility Consultant shall estimate the effect on Adjusted Net Revenue for the Base  
20 Period of the acquisition of such electric utility properties and the integration thereof into the  
21 Light System, and shall further adjust Adjusted Net Revenue for the Base Period to give effect to  
22 such estimate. Any such estimate shall be based upon the operating experience and records of the

1 City and upon any available financial statements and records relating to the earnings of such  
2 electric utility properties to be acquired.

3 (2) If any changes to rates, fees, or charges imposed by the City on  
4 sales of power, energy, or other services furnished by the Light System that were not in effect  
5 during the entire Base Period have been adopted by the City Council and are in effect on the date  
6 of sale of the proposed Future Parity Bonds (or effective date of the proposed Parity Payment  
7 Agreement) or are to go into effect not later than 12 months after such date, the Professional  
8 Utility Consultant may, if such changes resulted in increases in such rates, fees, or charges, and  
9 shall, if such changes resulted in reductions in such rates, fees, or charges, further adjust  
10 Adjusted Net Revenue for the Base Period to reflect any change in such Adjusted Net Revenue  
11 that would have occurred if the changed rates, fees, or charges had been in effect during the  
12 entire Base Period.

13 (3) If the purpose for which the proposed Future Parity Bonds are  
14 being issued is to acquire or construct generation or transmission facilities required to furnish or  
15 make available to the Light System additional power and energy, or transmission facilities  
16 required to enable the City to sell additional power and energy, the Professional Utility  
17 Consultant may further adjust Adjusted Net Revenue for the Base Period by (I) deducting the  
18 amount of the estimated increase in Operating and Maintenance Expense resulting from the  
19 acquisition or construction of such facilities in their first year of full operation, (II) adding any  
20 additional revenues to be derived from the sale or transmission of such additional power and  
21 energy pursuant to executed power sales contracts, and (III) adding an amount equal to the  
22 estimated cost of the power and energy that would have been replaced or displaced by such  
23 facilities had such additional power and energy in excess of the power and energy to be sold

1 pursuant to paragraph (a)(ii)(B)(2) of this section been used in the Light System during the Base  
2 Period.

3 (4) If any customers were added to the Light System during the  
4 Base Period or thereafter (and prior to the date of the Professional Utility Consultant's  
5 certificate), Adjusted Net Revenue may be further adjusted as if such added customers were  
6 customers of the Light System during the entire Base Period.

7 (5) If extensions of or additions to the Light System (not described  
8 in paragraph (a)(ii)(B)(3) of this section) are in the process of construction on the date of the  
9 Professional Utility Consultant's certificate, or if the proceeds of the proposed Future Parity  
10 Bonds are to be used to acquire or construct extensions of or additions to the Light System (not  
11 described in paragraph (a)(ii)(B)(3) of this section), Adjusted Net Revenue for the Base Period  
12 may be further adjusted by adding any additional revenues not included in the preceding  
13 paragraphs that will be derived from such additions and extensions, and deducting the estimated  
14 increase in Operating and Maintenance Expense resulting from such additions and extensions.

15 In rendering any Parity Certificate under this subsection (a)(ii)(B), the Professional  
16 Utility Consultant may rely upon the following documents, which shall be attached to the Parity  
17 Certificate: financial statements of the Light System, certified by the Director of Finance,  
18 showing income and expenses for the period upon which the same are based and a balance sheet  
19 as of the end of such period; financial statements of the Light System certified by the Office of  
20 the State Auditor of the State (or any successor thereto); or financial statements of the Light  
21 System certified by a certified public accountant for as much of such period as any examination  
22 by such accountant has been made and completed. If two or more of such statements are



1 inconsistent with each other, the Professional Utility Consultant shall rely on the statements  
2 certified by the Director of Finance.

3           **(b) Future Junior Lien Bonds.** The City reserves the right to issue Future Junior Lien  
4 Bonds (which term includes Junior Lien Payment Agreements and Junior Lien Reimbursement  
5 Obligations) for any lawful purpose of the City’s Light System if the Junior Lien Additional  
6 Bonds Test is met and complied with as of the date of issuance of such Future Junior Lien  
7 Bonds, or as of the effective date of the Junior Lien Payment Agreement or Junior Lien  
8 Reimbursement Obligation, as appropriate.

9           If the Junior Lien Additional Bonds Test is met and complied with, then payments into  
10 the Junior Lien Debt Service Fund with respect to such Future Junior Lien Bonds shall rank  
11 equally with the payments out of Net Revenue required to be made into the Junior Lien Debt  
12 Service Fund by this ordinance. Nothing in this subsection (b) shall prevent the City from (i)  
13 issuing revenue bonds or other obligations that are a charge upon Net Revenue junior and  
14 inferior to the payments required to be made therefrom into the Junior Lien Debt Service Fund  
15 for the payment of the Junior Lien Bonds, provided that such subordinate obligations may not be  
16 subject to acceleration under any circumstances; or (ii) issuing Refunding Junior Lien Bonds for  
17 the purpose of refunding Outstanding Junior Lien Bonds to fund or refund maturing Junior Lien  
18 Bonds of the City for the payment of which money is not otherwise available.

19           **(i) Junior Lien Additional Bonds Test.** The Junior Lien Additional Bonds Test  
20 is as follows:

21                           (A) No deficiency may then exist in the Junior Lien Debt Service Fund or  
22 in any of the accounts therein; and

1 (B) No default may have occurred that is then continuing with respect to  
2 any then outstanding Parity Bonds or Junior Lien Bonds; and

3 (C) There must be on file with the City a Junior Lien Coverage Certificate  
4 as described in subsection 18(b)(ii) of this ordinance. If the proposed Future Junior Lien Bonds  
5 (or any portion thereof) are to be issued for the purpose of refunding outstanding Junior Lien  
6 Bonds and the Annual Debt Service on the refunding portion of the proposed Future Junior Lien  
7 Bonds is not more than \$5,000 greater than the Annual Debt Service on the Junior Lien Bonds to  
8 be refunded thereby, then no Junior Lien Coverage Certificate shall be required as to that portion  
9 issued for refunding purposes. If the requirements of the preceding sentence are not satisfied,  
10 Refunding Junior Lien Bonds may alternatively be issued upon delivery of a Junior Lien  
11 Coverage Certificate.

12 (ii) **Junior Lien Coverage Certificate.** A Junior Lien Coverage Certificate  
13 required by subsection 18(b)(i) may be provided by either the Director of Finance or by a  
14 Professional Utility Consultant, as follows:

15 (A) A Junior Lien Coverage Certificate may be prepared by the Director  
16 of Finance, demonstrating that the amount of Adjusted Net Revenue in any 12 consecutive  
17 months out of the most recent 24 months preceding the delivery of the proposed Series of Future  
18 Junior Lien Bonds (the “Base Period”) was not less than 115 percent of Maximum Annual Debt  
19 Service in any future calendar year on all Parity Bonds, Intermediate Lien Reimbursement  
20 Obligations (if any), and Junior Lien Bonds then outstanding plus the proposed Series of Future  
21 Junior Lien Bonds. For the purposes of a Junior Lien Coverage Certificate delivered under this  
22 subsection (A), the Director of Finance shall reflect in that certificate any adjustment in the rates,  
23 fees, and charges for the services of the Light System that will become effective at any time prior

1 to or within six months after the delivery of the proposed Future Junior Lien Bonds, by including  
2 in the amount of Adjusted Net Revenue the amount that the Director estimates would have been  
3 collected in the Base Period if such new rates, fees, and charges had been in effect for the entire  
4 Base Period.

5 (B) A Junior Lien Coverage Certificate may be prepared by a Professional  
6 Utility Consultant, demonstrating that the amount of Adjusted Net Revenue (which may be  
7 further adjusted as provided in subsection 18(a)(ii)(B)(1) through (B)(5) of this ordinance) in any  
8 12 consecutive months out of the most recent 24 months preceding the delivery of the proposed  
9 Future Junior Lien Bonds (the “Base Period”) not less than 115 percent of Maximum Annual  
10 Debt Service in any future calendar year on all Parity Bonds and Junior Lien Bonds then  
11 outstanding plus the proposed Future Junior Lien Bonds.

12 Section 19. **Rate Stabilization Account.** Section 19 of Ordinance 125460, last amended  
13 by Ordinance 125987, is amended to read as follows:

14 The City may at any time deposit in the Rate Stabilization Account Net Revenue and any  
15 other money received by the Light System and available to be used therefor. Thereafter, the City  
16 may withdraw any or all of the money from the Rate Stabilization Account for inclusion in  
17 Adjusted Net Revenue for any applicable year of the City. Such deposits or withdrawals may be  
18 made up to and including the date 90 days after the end of the applicable year for which the  
19 deposit or withdrawal will be included as Adjusted Net Revenue.

20 Section 20. **Refunding or Defeasance of Bonds.** Section 20 of Ordinance 125460, last  
21 amended by Ordinance 125987, is amended to read as follows:

1           **(a) Bonds Designated as Refundable Bonds and as Defeasible Bonds.** Each Series of  
2 the Bonds authorized by this ordinance is designated as “Refundable Bonds” and as “Defeasible  
3 Bonds” for purposes of this ordinance and the Omnibus Defeasance Ordinance, respectively.

4           **(b) Refunding; Defeasance.** The City may issue refunding bonds pursuant to the laws of  
5 the State or use money available from any other lawful source (i) to pay when due the principal  
6 of (including redemption premium, if any) and interest on any Bond, or any portion thereof,  
7 included in a refunding or defeasance plan (the “Defeased Bonds”); (ii) to redeem and retire,  
8 release, refund, or defease the Defeased Bonds; and (iii) to pay the costs of such refunding or  
9 defeasance. If money and/or Government Obligations maturing at a time or times and in an  
10 amount sufficient (together with known earned income from the investment thereof) to redeem  
11 and retire, release, refund, or defease the Defeased Bonds in accordance with their terms, is set  
12 aside in a special trust fund or escrow account irrevocably pledged to such redemption,  
13 retirement, or defeasance (the “Trust Account”), then all right and interest of the Owners of the  
14 Defeased Bonds in the covenants of this ordinance and in Net Revenue and the funds and  
15 accounts pledged to the payment of such Defeased Bonds, other than the right to receive the  
16 funds so set aside and pledged, thereafter shall cease and become void. Such Owners thereafter  
17 shall have the right to receive payment of the principal (or redemption price) of and interest on  
18 the Defeased Bonds from the Trust Account. After such a Trust Account is established and  
19 funded as set forth above, the Defeased Bonds shall be deemed to be no longer outstanding and  
20 the Director of Finance may then apply any money in any other fund or account established for  
21 the payment or redemption of the Defeased Bonds to any lawful purpose.

22           **(c) Notice of Defeasance or Refunding.** Unless otherwise specified in the applicable  
23 Bond Documents, notice of refunding or defeasance shall be given, and selection of Bonds for

1 any partial refunding or defeasance shall be conducted, in the manner set forth in this ordinance  
2 for the redemption of Bonds.

3 (d) **Annual Debt Service Calculation Adjustments for Defeased Bonds.** If the  
4 refunding or defeasance plan provides (i) that the Defeased Bonds (or the refunding bonds issued  
5 to redeem those Defeased Bonds) are to be secured by money and/or Government Obligations  
6 pending the redemption of the Defeased Bonds, and (ii) that certain money and/or Government  
7 Obligations are pledged irrevocably for the redemption of the Defeased Bonds, then only the  
8 debt service on such Bonds as are not Defeased Bonds (and any refunding bonds, the payment of  
9 which is not so secured by the refunding plan) shall be included in the calculation of Annual  
10 Debt Service.

11 Section 21. **Federal Tax Matters.** Section 21 of Ordinance 125460, last amended by  
12 Ordinance 125987, is amended to read as follows:

13 The Bond Documents may include such additional terms and covenants relating to  
14 federal tax matters as the Director of Finance deems necessary or appropriate, including the  
15 following:

16 (a) **Tax-Exempt Bonds.** For each Series of the Bonds issued as Tax-Exempt Bonds, the  
17 City covenants that it will take all actions, consistent with the terms of such Series as set forth in  
18 this ordinance and the applicable Bond Documents, that are reasonably within its power and  
19 necessary to prevent interest on that Series from being included in gross income for federal  
20 income tax purposes. The City further covenants that it will neither take any action nor make or  
21 permit any use of gross proceeds of that Series (or other funds of the City treated as gross  
22 proceeds of that Series) at any time during the term of such Series that will cause interest on such  
23 Series to be included in gross income for federal income tax purposes. The City also covenants

1 that, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to any  
2 Series issued as Tax-Exempt Bonds, it will take all actions necessary to comply (or to be treated  
3 as having complied) with that requirement in connection with that Series (including the  
4 calculation and payment of any penalties that the City may elect to pay as an alternative to  
5 calculating rebatable arbitrage and the payment of any other penalties if required under Section  
6 148 of the Code) to prevent interest on such Bonds from being included in gross income for  
7 federal income tax purposes.

8 (b) **Taxable Bonds; Tax Credit Subsidy Bonds.** For each Series of the Bonds issued as  
9 Taxable Bonds or as Tax Credit Subsidy Bonds, the Director of Finance is authorized to make  
10 provision in the Bonds and other Bond Documents, to execute additional written agreements, and  
11 to make additional covenants on behalf of the City, all as the Director may deem necessary or  
12 appropriate in order to obtain, maintain, and administer such tax status. In the case of Tax Credit  
13 Subsidy Bonds, such additional covenants and agreement may include (without limiting the  
14 generality of the foregoing) those necessary in order for the City (i) to receive from the United  
15 States Treasury the applicable Tax Credit Subsidy Payments in respect of such Tax Credit  
16 Subsidy Bonds, and (ii) to ensure that such Tax Credit Subsidy Bonds otherwise become and  
17 remain eligible for tax benefits under the Code.

18 Section 22. **Official Statement; Continuing Disclosure.** Section 22 of Ordinance  
19 125460, last amended by Ordinance 125987, is amended to read as follows:

20 (a) **Preliminary Official Statement.** The Director of Finance and other appropriate City  
21 officials are directed to cause the preparation of and review the form of a preliminary official  
22 statement in connection with each sale of one or more Series to the public. For the sole purpose  
23 of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, the Director of Finance is

1 authorized to deem that preliminary official statement final as of its date, except for the omission  
2 of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to  
3 potential purchasers of the Bonds of a preliminary official statement that has been deemed final  
4 in accordance with this subsection 22(a).

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

12 (c) **Undertaking to Provide Continuing Disclosure.** To meet the requirements of  
13 paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for a Series of the  
14 Bonds, the Director of Finance is authorized to execute a written Continuing Disclosure  
15 Agreement with respect to that Series, in substantially the form attached to this ordinance as  
16 Exhibit B.

17 Section 23. **Supplemental or Amendatory Bond Documents.** Section 23 of Ordinance  
18 125460, last amended by Ordinance 125987, is amended to read as follows:

19 This ordinance and the other applicable Bond Documents for any Series of the Bonds  
20 may not be supplemented or amended in any respect subsequent to the Issue Date of such Series,  
21 except in accordance with and subject to the provisions of this section.

22 (a) **Amendments Without Bond Owners' Consent.** From time to time and at any time,  
23 without the consent of or notice to the owners of any Parity Bonds or Junior Lien Bonds, the City

1 may supplement or amend the Bond Documents applicable to any Series of the Bonds for any of  
2 the purposes set forth in this subsection (a). Any such supplement or amendment may be passed,  
3 adopted, or otherwise approved in writing by the City, without requiring the consent of the  
4 registered owners of any Parity Bonds or Junior Lien Bonds, but may become effective only  
5 upon receipt by the City of an opinion of Bond Counsel to the effect that such supplement or  
6 amendment is permitted by the terms of this ordinance. The City shall deliver a copy of any such  
7 supplement or amendment to each Rating Agency prior to its passage, adoption, or approval (as  
8 applicable) by the City. The types of supplements and amendments permitted under this  
9 subsection (a) are as follows:

10 (i) To add to any Parity Bond Documents (or to any Junior Lien Bond  
11 Documents, as applicable) additional covenants and agreements that do not adversely affect the  
12 interests of the owners of any Parity Bonds (or, as to Junior Lien Bond Documents, the interests  
13 of the owners of any Junior Lien Bonds) then outstanding, or to surrender any right or power  
14 reserved to or conferred upon the City in any Bond Documents.

15 (ii) To cure any ambiguities or to cure, correct, or supplement any defective  
16 provision in any Bond Documents, in regard to matters or questions arising under such Bond  
17 Documents, as the City may deem necessary or desirable and not inconsistent with this  
18 ordinance, and which do not materially adversely affect the interests of the owners of any Parity  
19 Bonds or Junior Lien Bonds then outstanding.

20 (iii) To make such changes as may be necessary to permit the Bonds to be held in  
21 registered certificate form or in Book-Entry Form, as the case may be, and to make similar  
22 amendments or modifications of a technical nature.



1                   **(b) Amendments Permitted Upon Bond Owners’ Consent.**

2                   **(i) Parity Bond Documents.** With the consent of the registered owners  
3 representing not less than 60 percent in aggregate principal amount of the Parity Bonds then  
4 outstanding, the City may pass, adopt, or otherwise provide its written approval of any  
5 supplement or amendment to add to, change, or eliminate any provision of the Bond Documents  
6 applicable to a Series of the Bonds designated as Parity Bonds in any manner other than a  
7 supplement or amendment effecting a change described in subsection 23(c)(i) of this ordinance.

8                   **(ii) Junior Lien Bond Documents.** With the consent of the registered owners  
9 representing not less than 60 percent in aggregate principal amount of the Junior Lien Bonds  
10 then outstanding, the City may pass, adopt, or otherwise approve in writing any supplement or  
11 amendment to add to, change, or eliminate any provision of the Bond Documents applicable to a  
12 Series of the Bonds designated as Junior Lien Bonds in any manner other than a supplement or  
13 amendment effecting a change described in subsection 23(c)(ii) of this ordinance.

14                   **(c) Amendments Prohibited Except Upon Unanimous Consent.**

15                   **(i) Amendments to Parity Bond Documents.** Nothing contained in this section  
16 shall permit or be construed as permitting an amendment or supplement that would:

17                   (A) Except upon consent from the registered owners of or on behalf of all  
18 Parity Bonds so affected, extend the fixed maturity of any Parity Bond, reduce the rate of interest  
19 on any Parity Bond (other than a change in interest rate permitted under the applicable Parity  
20 Bond Documents then in effect), extend the times of payment of interest from their respective  
21 due dates, reduce the principal amount of any Parity Bond, or reduce any redemption premium;  
22 or

1 (B) Except upon consent from the registered owners of or on behalf of all  
2 of the Parity Bonds then outstanding, reduce the percentage of ownership required under  
3 subsection 23(b)(i) of the ordinance to approve any supplement or amendment.

4 (ii) **Amendments to Junior Lien Bond Documents.** Nothing contained in this  
5 section shall permit or be construed as permitting an amendment or supplement that would:

6 (A) Except upon consent from the registered owners of or on behalf of all  
7 Junior Lien Bonds so affected, extend the fixed maturity of any Junior Lien Bond, reduce the rate  
8 of interest on any Junior Lien Bond (other than a change in interest rate permitted under the  
9 applicable Junior Lien Bond Documents then in effect), extend the times of payment of interest  
10 from their respective due dates, reduce the principal amount of any Junior Lien Bond, or reduce  
11 any redemption premium; or

12 (B) Except upon consent from the registered owners of or on behalf of all  
13 of the Junior Lien Bonds then outstanding, reduce the percentage of ownership required under  
14 subsection 23(b)(ii) of the ordinance to approve any supplement or amendment.

15 (d) **Notice and Consents.** If at any time the City passes, adopts, or otherwise approves in  
16 writing a supplement or amendment for any of the purposes requiring consent under subsection  
17 23(b) or 23(c) of this ordinance, it shall provide a notice to each registered owner and to each  
18 Rating Agency, briefly summarizing the nature of the proposed supplement or amendment and  
19 stating that a copy of such supplement or amendment is on file at the office of the City Clerk. It  
20 shall not be necessary to obtain consent to or approval of the particular form of any proposed  
21 supplement or amendment, but it shall be sufficient if the consent shall approve the substance  
22 thereof. For purposes of determining whether consents representing the requisite percentage of

1 principal amount of Parity Bonds or Junior Lien Bonds have been obtained, the Accreted Value  
2 of Capital Appreciation Bonds shall be deemed to be the principal amount.

3 (e) **Effect of Amendment or Supplement.** Upon the effective date of any amendment or  
4 supplement to any Bond Documents, such Bond Documents shall be deemed to be amended and  
5 modified in accordance with such amendment or supplement. Thereafter, the respective rights,  
6 duties, and obligations of the City under the applicable Bond Documents shall be determined,  
7 exercised, and enforced subject in all respects to such supplement or amendments, and all the  
8 terms and conditions of any such supplement or amendment shall be deemed to be a part of the  
9 terms and conditions of those Bond Documents for any and all purposes. The effective dates of  
10 such amendments and supplements shall be as follows:

11 (i) An amendment and supplement permitted under subsection 23(a) of this  
12 ordinance shall become effective immediately upon (A) the passage, adoption, or other approval  
13 of such amendment or supplement (or upon the effective date of such document as stated therein,  
14 if any), and (B) the delivery of the required opinion of Bond Counsel stating that such  
15 amendment or supplement is permitted under this ordinance.

16 (ii) A supplement or amendment permitted under subsection 23(b) or 23(c) of this  
17 ordinance shall become effective on the date on which the City has received the written consents  
18 of the requisite percentage of registered owners. If the requisite percentage of registered owners  
19 of Parity Bonds or Junior Lien Bonds, as applicable, have given their consent to any such  
20 amendment or supplement, no owner of any Bond shall have any right (i) to object to the  
21 passage, adoption, or approval of such supplement or amendment, (ii) to object to any of the  
22 terms and provisions contained therein or the operation thereof, (iii) in any manner to question  
23 the propriety of the passage, adoption, or approval thereof, (iv) to enjoin or restrain the City, or

1 any authorized official thereof, from passing, adopting, or otherwise approving the same, or (v)  
2 to enjoin or restrain the City, any authorized official thereof, or the Bond Registrar from taking  
3 any action pursuant to the provisions thereof.

4 (f) **Notation on Bonds.** Any Bonds executed and delivered after the effective date of any  
5 amendment or supplement that is passed, adopted, or otherwise approved in writing pursuant to  
6 this section may include a notation as to any matter provided for in such amendment or  
7 supplement. The City may, in its discretion, prepare and deliver replacement bonds, modified to  
8 reflect any such amendment or supplement, to the registered owner(s) thereof upon surrender of  
9 the original bonds for cancellation.

10 Section 24. **Defaults and Remedies.** Section 24 of Ordinance 125460, last amended by  
11 Ordinance 125987, is amended to read as follows:

12 (a) **Parity Bond Events of Default.** Each of the following shall constitute an Event of  
13 Default with respect to the Bonds designated as Parity Bonds, except as set forth in subsection  
14 24(c) of this ordinance:

15 (i) If a default is made in the payment of the principal of (including Sinking Fund  
16 Requirements and any redemption premium thereon, if any) or interest on any Parity Bond when  
17 the same shall become due and payable; or

18 (ii) If the City defaults in the observance and performance of any other of the  
19 Parity Bond covenants, conditions, or agreements on the part of the City set forth in this  
20 ordinance or the applicable Parity Bond Documents (except as otherwise provided herein or in  
21 such Parity Bond Documents) and such default or defaults shall have continued for a period of  
22 six months (the “cure period”) after the City shall have received from the registered owners of  
23 not less than 25 percent in principal amount of the Parity Bonds then outstanding (or from a

1 Bond Owners’ Trustee duly appointed as set forth in subsection 24(e) of this ordinance) a written  
2 notice specifying and demanding the cure of such default. However, if such default is one that  
3 cannot be completely remedied within the cure period, it shall not be an Event of Default with  
4 respect to the Parity Bonds, so long as the City has taken active steps within the cure period to  
5 remedy the default and is diligently pursuing such remedy.

6 (b) **Junior Lien Bond Events of Default.** Each of the following shall constitute an Event  
7 of Default with respect to the Bonds designated as Junior Lien Bonds, except as set forth in  
8 subsection 24(c) of this ordinance:

9 (i) If a default is made in the payment of the principal of (including Sinking Fund  
10 Requirements and any redemption premium thereon, if any) or interest on any Junior Lien Bond  
11 when the same shall become due and payable; or

12 (ii) If the City defaults in the observance and performance of any other of the  
13 Junior Lien Bond covenants, conditions, or agreements on the part of the City set forth in this  
14 ordinance or the applicable Junior Lien Bond Documents (except as otherwise provided for in  
15 this ordinance or in such Junior Lien Bond Documents) and such default or defaults shall have  
16 continued for a period of six months (the “cure period”) after the City shall have received from  
17 the registered owners of not less than 25 percent in principal amount of the Junior Lien Bonds  
18 then outstanding (or from a Bond Owners’ Trustee duly appointed as set forth in subsection (e)  
19 of this section) a written notice specifying and demanding the cure of such default. However, if  
20 such default is one which cannot be completely remedied within the cure period, it shall not be  
21 an Event of Default with respect to the Bonds as long as the City has taken active steps within  
22 the cure period to remedy the default and is diligently pursuing such remedy.

1           (c) **Exceptions.** Notwithstanding anything in this section to the contrary, the failure of the  
2 City or any obligated person to comply with a Continuing Disclosure Agreement shall not  
3 constitute an Event of Default, and the sole remedy of any holder of any Parity Bond or Junior  
4 Lien Bond, as applicable, shall be to seek an order of specific performance from an appropriate  
5 court to compel the City to comply with the Continuing Disclosure Agreement. For purposes of  
6 determining whether an Event of Default has occurred and is continuing with respect to the rate  
7 covenant set forth in subsection 17(a)(ii) or 17(b)(ii) of this ordinance, if such covenant is met  
8 for any fiscal year, it shall be deemed to have been met for all prior fiscal years.

9           (d) **Remedies; No Acceleration.** In the case of a Parity Bond Event of Default, an owner  
10 of a Parity Bond shall have the remedies set forth in Section 10 of this ordinance and in the  
11 applicable Parity Bond Documents, as limited by subsection 24(e) of this ordinance. In the case  
12 of a Junior Lien Bond Event of Default, the owner of a Junior Lien Bond shall have the remedies  
13 set forth in Section 10 of this ordinance and in the applicable Junior Lien Bond Documents, as  
14 limited by subsection 24(e) of this ordinance. Nothing contained in this ordinance shall, in any  
15 event or under any circumstance, be deemed to authorize the acceleration of the maturity of  
16 principal on the Bonds, and the remedy of acceleration is expressly denied to the registered  
17 owners of the Bonds under any circumstances including, without limitation, upon the occurrence  
18 and continuance of an Event of Default.

19           (e) **Bond Owners' Trustee.** A Bond Owners' Trustee appointed in the manner provided  
20 in this section, and each successor thereto, is declared to be a trustee for all of the owners of the  
21 Parity Bonds (in the case of a Parity Bond Event of Default) or all of the owners of the Junior  
22 Lien Bonds (in the case of a Junior Lien Bond Event of Default), as applicable, and is  
23 empowered to exercise all the rights and powers herein conferred on the Bond Owners' Trustee.

1                   **(i) Appointment of Bond Owners’ Trustee; Removal.** Upon the occurrence and  
2 continuance of an Event of Default described in subsection 24(a) of this ordinance, the registered  
3 owners of 25 percent in principal amount of the then outstanding Parity Bonds (or upon the  
4 occurrence and continuance of an Event of Default described in subsection 24(b) of this  
5 ordinance, the registered owners of 25 percent in principal amount of the then outstanding Junior  
6 Lien Bonds) may appoint a Bond Owners’ Trustee by an instrument or concurrent instruments in  
7 writing signed by such registered owners (or by their duly authorized attorneys-in-fact) and  
8 delivered to such Bond Owners’ Trustee, with notification of such appointment given to the City.  
9 That appointment shall become effective immediately upon acceptance thereof by the Bond  
10 Owners’ Trustee. The entity acting as Bond Owners’ Trustee may be removed at any time, and a  
11 successor Bond Owners’ Trustee may be appointed, by the registered owners of more than 50  
12 percent in principal amount of the Parity Bonds then outstanding (in the case of a Parity Bond  
13 Event of Default) or 50 percent in principal amount of the Junior Lien Bonds then outstanding  
14 (in the case of a Junior Lien Bond Event of Default), as applicable, by an instrument or  
15 concurrent instruments in writing signed and acknowledged by such registered owners or by  
16 their duly authorized attorneys-in-fact.

17                   **(ii) Cure of Event of Default.** If the Bond Owners’ Trustee furnishes to the City  
18 a certificate stating that, in its sole judgment, an Event of Default that has occurred has been  
19 cured, such Event of Default shall be conclusively deemed to be cured, and the City, the Bond  
20 Owners’ Trustee, and the registered owners of the Parity Bonds or Junior Lien Bonds, as  
21 applicable, shall be restored to the same rights and position which they would have held if no  
22 Event of Default had occurred.

1                    **(iii) Suits at Law or in Equity.** Upon the occurrence of an Event of Default and  
2 during the continuance thereof, the Bond Owners’ Trustee in its discretion may (and, upon the  
3 written request of the registered owners of not less than 25 percent in principal amount of the  
4 Parity Bonds (or Junior Lien Bonds, as applicable) then outstanding, shall) take such steps and  
5 institute such suits, actions, or other proceedings, all as it may deem appropriate for the  
6 protection and enforcement of the rights of the registered owners of the Parity Bonds (or Junior  
7 Lien Bonds, as applicable), to collect any amounts due and owing to or from the City, or to  
8 obtain other appropriate relief, and may enforce the specific performance of any covenant,  
9 agreement or condition contained in this ordinance or set forth in any of the applicable Bond  
10 Documents.

11                    Any action, suit, or other proceedings instituted by the Bond Owners’ Trustee hereunder  
12 shall be brought in its name as the Bond Owners’ Trustee and all such rights of action upon or  
13 under any of the Parity Bonds (or Junior Lien Bonds, as applicable) or the provisions of this  
14 ordinance may be enforced by the Bond Owners’ Trustee without the possession of any of those  
15 Parity Bonds (or Junior Lien Bonds, as applicable) and without the production of the same at any  
16 trial or proceedings relative thereto except where otherwise required by law.

17                    **(iv) Effect of Appointment of Bond Owners’ Trustee.** Any suit, action, or  
18 proceeding instituted by the Bond Owners’ Trustee shall be brought for the ratable benefit of all  
19 of the owners of the Parity Bonds (or Junior Lien Bonds, as applicable), subject to the provisions  
20 of this ordinance. The respective owners, by taking and holding the same, shall be conclusively  
21 deemed irrevocably to appoint the Bond Owners’ Trustee the true and lawful trustee of the  
22 respective owners, with authority to institute any such action, suit, or proceeding; to receive as  
23 trustee and deposit in trust any sums becoming distributable on account of those Parity Bonds; to



1 execute any paper or documents for the receipt of money; and to do all acts with respect thereto  
2 that the owner might have done in person. Nothing herein shall be deemed to authorize or  
3 empower the Bond Owners' Trustee to consent to accept or adopt, on behalf of any owner of the  
4 Parity Bonds (or Junior Lien Bonds, as applicable), any plan of reorganization or adjustment  
5 affecting the Parity Bonds (or Junior Lien Bonds, as applicable) or any right of any registered  
6 owner thereof, or to authorize or empower the Bond Owners' Trustee to vote the claims of the  
7 registered owners thereof in any receivership, insolvency, liquidation, bankruptcy,  
8 reorganization, or other proceeding to which the City is a party.

9           **(v) Bond Owners' Direction of Proceedings.** By an instrument or concurrent  
10 instruments in writing executed and delivered to the Bond Owners' Trustee, the owners of more  
11 than 50 percent in aggregate principal amount of the Parity Bonds (or Junior Lien Bonds, as  
12 applicable) then outstanding, shall be entitled to control and direct the enforcement of all rights  
13 and remedies granted to the owners (or the Bond Owners' Trustee for the benefit of the owners)  
14 under the applicable Bond Documents. Notwithstanding the foregoing, the Bond Owners'  
15 Trustee shall have the right to decline to follow any such direction which in the opinion of the  
16 Bond Owners' Trustee, in reasonable reliance on advice of counsel, would be unjustly  
17 prejudicial to owners not parties to such direction.

18           **(vi) Limitation on Remedies; Limitations on Individual Actions.** No owner of  
19 a Parity Bond, in the case of a Parity Bond Event of Default (or owner of a Junior Lien Bond, in  
20 the case of a Junior Lien Bond Event of Default) shall have any right in any manner whatever by  
21 its action to affect, disturb, or prejudice the security pledged in this ordinance or the rights of any  
22 other owners, or to enforce any right under the applicable Bond Documents or applicable law  
23 except in the manner provided in this section, and that all proceedings at law or in equity to

1 enforce any such right shall be instituted, had, and maintained in the manner herein provided and  
2 for the equal and ratable benefit and protection of all owners of the Parity Bonds (or Junior Lien  
3 Bonds, as applicable), subject to the provisions of this ordinance.

4           (vii) **Limitations on Individual Actions.** No owner of a Parity Bond (or Junior  
5 Lien Bond, as applicable) shall have any right to institute any action, suit, or proceeding at law or  
6 in equity for the enforcement of same unless (A) such owner previously shall have given to the  
7 Bond Owners' Trustee written notice of the occurrence of an Event of Default; (B) the owners of  
8 more than 50 percent in aggregate principal amount of the then-outstanding Parity Bonds (in the  
9 case of a Parity Bond Event of Default) or 50 percent in aggregate principal amount of the then  
10 outstanding Junior Lien Bonds (in the case of a Junior Lien Bond Event of Default) shall have  
11 made a written request to the Bond Owners' Trustee to exercise the powers granted above or to  
12 institute such suit, action, or proceeding in its own name; (C) such owners shall have tendered to  
13 the Bond Owners' Trustee reasonable indemnity against the costs, expenses, and liabilities to be  
14 incurred in compliance with such request; and (D) the Bond Owners' Trustee shall have refused  
15 or omitted to comply with such request for a period of 60 days after such written request shall  
16 have been received by, and said tender of indemnity shall have been made to, the Bond Owners'  
17 Trustee. The conditions set forth in (A) through (D) in the preceding sentence are hereby  
18 declared to be conditions precedent to the exercise by any owner of a Parity Bond (in the case of  
19 a Parity Bond Event of Default) or by any owner of a Junior Lien Bond (in the case of a Junior  
20 Lien Bond Event of Default) of any remedy under the applicable Bond Documents or under  
21 applicable law.

22           (viii) **Duties and Obligations of Bond Owners' Trustee.** The Bond Owners'  
23 Trustee shall not be liable except for the performance of such duties as are specifically set forth

1 in this ordinance. During any period in which an Event of Default has occurred and is continuing  
2 as to the Parity Bonds (or the Junior Lien Bonds, as applicable) the Bond Owners' Trustee shall  
3 exercise such of the rights and powers vested in it by this ordinance, and shall use the same  
4 degree of care and skill in its exercise, as a prudent person would exercise or use under the  
5 circumstances in the conduct of that person's own affairs. The Bond Owners' Trustee shall have  
6 no liability for any act or omission to act hereunder except for the Bond Owners' Trustee's own  
7 negligent action, its own negligent failure to act or its own willful misconduct. The duties and  
8 obligations of the Bond Owners' Trustee shall be determined solely by the express provisions of  
9 this ordinance, and no implied powers, duties or obligations of the Bond Owners' Trustee shall  
10 be read into this ordinance. The Bond Owners' Trustee shall not be required to expend or risk its  
11 own funds or otherwise incur individual liability in the performance of any of its duties or in the  
12 exercise of any of its rights or powers as the Bond Owners' Trustee, except as may result from  
13 its own negligent action, its own negligent failure to act or its own willful misconduct. The fees  
14 and expenses of the Bond Owners' Trustee shall be borne by the owners of the Parity Bonds (or  
15 Junior Lien Bonds, as applicable) and not by the City. A Bond Owners' Trustee may require  
16 such security and indemnity as may be reasonable against the costs, expenses, and liabilities that  
17 may be incurred in the performance of its duties. The Bond Owners' Trustee shall not be bound  
18 to recognize any person as a registered owner of any Parity Bond (or Junior Lien Bond, as  
19 applicable) until their title thereto, if disputed, has been established to its reasonable satisfaction.  
20 The Bond Owners' Trustee may consult with counsel, and the opinion of such counsel shall be  
21 full and complete authorization and protection in respect of any action taken or suffered by it  
22 hereunder in good faith and in accordance with the opinion of such counsel. The Bond Owners'

1 Trustee shall not be answerable for any neglect or default of any person, firm, or corporation  
2 employed and selected by it with reasonable care.

3 Section 25. **The Refunding Plan**. Section 25 of Ordinance 125460, last amended by  
4 Ordinance 125987, is amended to read as follows:

5 (a) **Approval of Refunding Plan; Appointment of Refunding Trustee.** The Director of  
6 Finance is authorized and directed to select a Refunding Trustee and execute a Refunding Trust  
7 Agreement setting forth a Refunding Plan for each series of Refundable Bonds (or portion  
8 thereof) to be refunded pursuant to this ordinance, in accordance with subsection 25(d). Multiple  
9 Refunding Plans may be combined in a single Refunding Trust Agreement. The Refunding Plan  
10 shall be carried out, and proceeds of the Bonds shall be applied, in accordance with this  
11 ordinance, the respective Refunded Bond Documents, the Refunding Trust Agreement, and the  
12 laws of the State. Nothing in this ordinance shall prevent the issuance of Refunding Parity Bonds  
13 for the purpose of refunding Refundable Junior Lien Bonds, or the issuance of Refunding Junior  
14 Lien Bonds for the purpose of refunding Refundable Parity Bonds, provided that the  
15 requirements of Section 18 of this ordinance and the Parity Conditions (if the Refunding Bonds  
16 are designated as Parity Bonds) or Junior Lien Additional Bonds Test (if the Refunding Bonds  
17 are designated as Junior Lien Bonds) are met as of the Issue Date of such series of Refunding  
18 Bonds.

19 (b) **Acquisition of Acquired Obligations.** To the extent practicable and desirable, the  
20 Refunding Plan shall provide for the Refunding Trustee's purchase of Acquired Obligations  
21 bearing such interest and maturing as to principal and interest in such amounts and at such times  
22 as to provide (together with a beginning cash balance, if necessary) for the timely payment of the  
23 amounts required to be paid by the Refunding Plan. The Acquired Obligations shall be listed and

1 more particularly described in a schedule attached to the Refunding Trust Agreement, subject to  
2 substitution as set forth in subsection 25(c).

3           **(c) Substitution of Acquired Obligations.** The City reserves the right at any time to  
4 substitute cash or other Government Obligations (as defined in the applicable Refunded Bond  
5 Documents) for the Acquired Obligations if the City obtains a verification by a nationally  
6 recognized independent certified public accounting firm reasonably acceptable to the Refunding  
7 Trustee confirming that the payments of principal of and interest on the substitute obligations, if  
8 paid when due, together with the cash to be held by the Refunding Trustee, will be sufficient to  
9 carry out the Refunding Plan. If the applicable Series of the Bonds (or the applicable Refunded  
10 Bonds) were issued as Tax-Exempt Bonds, then prior to such substitution, the City must also  
11 obtain an opinion from Bond Counsel to the effect that the disposition and substitution or  
12 purchase of such securities will not cause the interest on the applicable Series of the Bonds (or of  
13 the applicable Refunded Bonds) issued as Tax-Exempt Bonds to be included in gross income for  
14 federal income tax purposes and that such disposition and substitution or purchase is in  
15 compliance with the statutes and regulations applicable to the Series of the Bonds. Any surplus  
16 money resulting from the sale, transfer, other disposition or redemption of the Acquired  
17 Obligations and the substitutions therefor shall be released from the trust estate and may be used  
18 for any lawful City purpose.

19           **(d) Refunding Trust Agreement.** In connection with any Series of the Bonds, the  
20 Director of Finance is authorized to execute one or more Refunding Trust Agreements with one  
21 or more Refunding Trustees, setting forth the duties, obligations and responsibilities of the  
22 Refunding Trustee in connection with carrying out the applicable Refunding Plan. Each  
23 Refunding Trust Agreement and Refunding Plan must, among other things: (1) identify the

1 Refundable Bonds to be refunded thereby; (2) contain the elements set forth in the definition of  
2 Refunding Plan set forth in this ordinance, including provide for the issuance of the Series of the  
3 Bonds and describing the method for carrying out the refunding of the Refunded Bonds  
4 (including authorizing and directing the Refunding Trustee to use the money deposited with it to  
5 purchase the Acquired Obligations (or substitute obligations) and to apply such money along  
6 with the maturing principal of and interest on such obligations to make the payments required to  
7 be made by the Refunding Plan); and (3) shall provide for the giving of notices of defeasance  
8 and redemption, as required under the Refunded Bond Documents. The Refunding Trust  
9 Agreement may additionally provide for the payment of the costs of issuance of the Series and  
10 the costs of administering the Refunding Plan (including without limitation, all necessary and  
11 proper fees, compensation, and expenses of the Refunding Trustee and all other costs incidental  
12 to the setting up of the escrow to accomplish the Refunding Plan), and for such other related  
13 matters as the Director of Finance may deem necessary or expedient.

14 Section 26. **Redemption of the Refunded Bonds**. Section 26 of Ordinance 125460, last  
15 amended by Ordinance 125987, is amended to read as follows:

16 The Director of Finance is authorized on behalf of the City to take such actions as may be  
17 necessary or convenient to call the Refunded Bonds for redemption. Such call for redemption of  
18 the Refunded Bonds shall identify the Refunded Bonds, redemption dates, and redemption prices  
19 (expressed as a percentage of the stated principal amount) and shall be irrevocable after the Issue  
20 Date of the applicable Series of the Bonds. The dates on which the Refunded Bonds are to be  
21 called for redemption shall be, in the judgment of the Director of Finance, the earliest practical  
22 dates on which those Refunded Bonds may be called for redemption. The proper City officials  
23 are authorized and directed to give or cause to be given such notices as required, at the times and

1 in the manner required pursuant to the Refunded Bond Documents, in order to carry out the  
2 Refunding Plan.

3           Section 27. **Effect on Prior Omnibus Refunding Ordinance; Outstanding Bonds**

4 **Declared Refundable.** It is the intent of the City Council that this ordinance reflect the fact that  
5 the holders of more than 60 percent of the currently outstanding Parity Bonds have consented to  
6 the amendments previously designated as becoming effective on the Parity Covenant Date and  
7 on the Second Parity Covenant Date as those terms are defined in Ordinance 125460, as  
8 amended by Ordinance 125987 (as amended, the “2018 Omnibus Refunding Ordinance”). To  
9 avoid ambiguity and for ease of reference, Sections 1 through 26 of the 2018 Omnibus  
10 Refunding Ordinance are amended and restated as set forth in Sections 1 through 26 of this  
11 ordinance. As of the effective date of this ordinance, this ordinance shall be referred to as the  
12 “Omnibus Refunding Ordinance” and future Refunding Bonds shall be issued under this  
13 ordinance. All outstanding Parity Bonds previously designated as “Refundable Bonds” under the  
14 2018 Omnibus Refunding Ordinance are hereby designated as Refundable Bonds under this  
15 ordinance. If any provision of this ordinance is found by a court of law to be inapplicable to any  
16 bonds outstanding as of the effective date of this amendatory ordinance, the amendments  
17 contained herein shall be of no force or effect with respect to those outstanding bonds, and the  
18 provisions of the ordinance under which those outstanding Bonds were issued shall continue in  
19 effect with respect to those bonds only.

20           Section 28. **General Authorization.** In addition to the specific authorizations in this  
21 ordinance, the Mayor and the Director of Finance and each of the other appropriate officials of  
22 the City are each authorized and directed to do everything as in the judgment of such official  
23 may be necessary, appropriate, or desirable in order to carry out the terms and provisions of, and

1 complete the transactions contemplated by, this ordinance. In particular and without limiting the  
2 foregoing:

3 (a) The Director of Finance, in the Director’s discretion and without further action by the  
4 City Council, (i) may issue requests for proposals to provide underwriting services or financing  
5 facilities (including, without limitation, Qualified Insurance, a Qualified Letter of Credit, or other  
6 credit support or liquidity facility) and may execute engagement letters and other agreements  
7 with underwriters and other financial institutions (including providers of liquidity or credit  
8 support) based on responses to such requests; (ii) may select and make decisions regarding the  
9 Bond Registrar, fiscal or paying agents, and any Securities Depository for each Series of the  
10 Bonds; (iii) may take any and all actions necessary or convenient to provide for the conversion of  
11 interest rate modes for any Series in accordance with the applicable Bond Documents; and (iv)  
12 may take such actions on behalf of the City as are necessary or appropriate for the City to  
13 designate, qualify, or maintain the tax-exempt treatment with respect to any Series issued as Tax-  
14 Exempt Bonds, to receive from the United States Treasury the applicable Tax Credit Subsidy  
15 Payments in respect of any Series issued as Tax Credit Subsidy Bonds, and to otherwise receive  
16 any other federal tax benefits relating to any Series of the Bonds that are available to the City;  
17 and

18 (b) The Mayor and the Director of Finance are each separately authorized to execute and  
19 deliver (i) any and all contracts or other documents as are consistent with this ordinance and for  
20 which the City’s approval is necessary or to which the City is a party (including but not limited  
21 to agreements with escrow agents, refunding or defeasance trustees, liquidity or credit support  
22 providers, providers of Qualified Insurance or Alternate Reserve Securities, remarketing agents,  
23 underwriters, lenders or other financial institutions, fiscal or paying agents, Qualified



1 Counterparties, custodians, and the Bond Registrar); and (ii) such other contracts or documents  
2 incidental to the issuance and sale of any Series of the Bonds; the establishment of the interest  
3 rate or rates on a Bond; or the conversion, tender, purchase, remarketing, or redemption of a  
4 Bond, as may in the judgment of the Mayor or Director of Finance, as applicable, be necessary or  
5 appropriate.

6 Section 29. **Severability**. The provisions of this ordinance are declared to be separate and  
7 severable. The invalidity of any clause, sentence, paragraph, subdivision, section, subsection, or  
8 portion of this ordinance, or the invalidity of its application to any person or circumstance, does  
9 not affect the validity of the remainder of this ordinance or the validity of its application to other  
10 persons or circumstances.

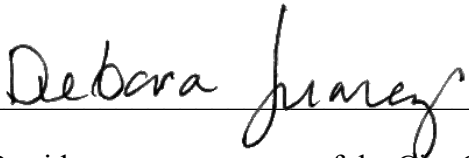
11 Section 30. **Ratification of Prior Acts**. Any action consistent with the authority of this  
12 ordinance taken prior to its effective date is ratified and confirmed.

13 Section 31. **Section Headings**. Section headings in this ordinance are nonsubstantive.

14 Section 32. **Exhibits**. Exhibit A to the Omnibus Refunding Ordinance is replaced in its  
15 entirety, as set forth in Exhibit A to this ordinance. Exhibit B to the Omnibus Refunding  
16 Ordinance is replaced in its entirety, as set forth in Exhibit B to this ordinance. Exhibit C to this  
17 ordinance shows the cumulative amendments to the original text of Ordinance 125460, as  
18 enacted, using double underlining to indicate added text and using double parentheses and  
19 strikethrough formatting to indicate deleted text.

1 Section 33. **Effective Date.** This ordinance shall take effect and be in force 30 days after  
2 its approval by the Mayor, but if not approved and returned by the Mayor within ten days after  
3 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.


4 Passed by the City Council the 21st day of November, 2023,  
5 and signed by me in open session in authentication of its passage this 21st day of  
6 November, 2023.

7   
8 President \_\_\_\_\_ of the City Council

9  Approved /  returned unsigned /  vetoed this 1st day of December, 2023.

10   
11 Bruce A. Harrell, Mayor

12 Filed by me this 1st day of December, 2023.

13   
14 Scheereen Dedman, City Clerk

15 (Seal)

16 Attachments:  
17 Exhibit A – Outstanding Parity Bonds  
18 Exhibit B – Form of Continuing Disclosure Agreement  
19 Exhibit C – Description of Amendments Showing Underline/Strikethrough Format  
20

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2

**EXHIBIT A**

**OUTSTANDING PARITY BONDS**

Issue Name	Dated Date	Original Par Amount	Bond Legislation		
			New Money Ord.	Refunding Ord.	Bond Sale Res.
Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds – Direct Payment)	5/26/2010	\$181,625,000	Ord. 123169	--	Res. 31213
Municipal Light and Power Revenue Bonds, 2010C (Taxable Recovery Zone Economic Development Bonds – Direct Payment)	5/26/2010	\$13,275,000	Ord. 123169	--	Res. 31213
Municipal Light and Power Improvement Revenue Bonds, 2011B (Taxable New Clean Renewable Energy Bonds – Direct Payment)	2/8/2011	\$10,000,000	Ord. 123483	Ord. 121941 (as amended by Ord. 122838)	Res. 31263
Municipal Light and Power Improvement and Refunding Revenue Bonds, 2012A	7/17/2012	\$293,280,000	Ord. 123752	Ord. 121941 (as amended by Ord. 122838)	Res. 31390
Municipal Light and Power Improvement Revenue Bonds, 2012C (Taxable New Clean Renewable Energy Bonds – Direct Payment)	7/17/2012	\$43,000,000	Ord. 123752	--	Res. 31390
Municipal Light and Power Improvement and Refunding Revenue Bonds, 2014	11/05/2014	\$265,210,000	Ord. 124336	Ord. 124335 (amending and restating Ord. 121941)	Res. 31552
Municipal Light and Power Revenue Bonds, 2015A	7/9/2015	\$171,850,000	Ord. 124633	--	Res. 31592
Municipal Light and Power Revenue Bonds, 2016A (Taxable New Clean Renewable Energy Bonds – Direct Payment)	01/28/2016	\$31,870,000	Ord. 124916	--	Res. 31646
Municipal Light and Power Refunding Revenue Bonds, 2016B	01/28/2016	\$116,875,000	Ord. 124916	Ord. 124335 (amending and restating Ord. 121941) as amended by Ord. 124916	Res. 31646

Issue Name	Dated Date	Original Par Amount	Bond Legislation		
			New Money Ord.	Refunding Ord.	Bond Sale Res.
Municipal Light and Power Improvement and Refunding Revenue Bonds, 2016C	09/28/2016	\$160,815,000	Ord. 124916	Ord. 124335 (amending and restating Ord. 121941) as amended by Ord. 124916	Res. 31707
Municipal Light and Power Improvement and Refunding Revenue Bonds, 2017C	09/28/2017	\$385,530,000	Ord. 125198	Ord. 124335 (amending and restating Ord. 121941) as amended by Ord. 124916	Res. 31771
Municipal Light and Power Improvement Revenue Bonds, 2018, Series A	06/19/2018	\$263,755,000	Ord. 125459	--	--
Municipal Light and Power Improvement Revenue Bonds, 2019, Series A	10/16/2019	\$210,540,000	Ord. 125711	--	--
Municipal Light and Power Refunding Revenue Bonds, 2019, Series B	11/05/2019	\$140,275,000	--	125460	--
Municipal Light and Power Improvement Revenue Bonds, 2020, Series A (Green Bonds)	8/5/2020	\$198,305,000	Ord. 125987	--	--
Municipal Light and Power Improvement and Refunding Revenue Bonds, 2021, Series A	7/15/2021	\$259,795,000	Ord. 126221	Ord. 125460 (as amended by Ord. 125987)	--
Municipal Light and Power Refunding Revenue Bonds, 2021, Series B (SIFMA Index)	08/10/2021	\$100,620,000	--	Ord. 125460 (as amended by Ord. 125987)	--
Municipal Light and Power Improvement and Refunding Revenue Bonds, 2022	07/13/2022	\$257,715,000	Ord. 126481	Ord. 125460 (as amended by Ord. 125987)	--
Municipal Light and Power Improvement and Refunding Revenue Bonds, 2023A	07/27/2023	\$273,625,000	Ord. 126713	Ord. 125460 (as amended by Ord. 125987)	--

Issue Name	Dated Date	Original Par Amount	Bond Legislation		
			New Money Ord.	Refunding Ord.	Bond Sale Res.
Municipal Light and Power Refunding Revenue Bonds, 2023B (Variable Rate Demand Bonds)	10/26/2023	\$85,840,000	--	Ord. 125460 (as amended by Ord 125987)	--

1

**EXHIBIT B**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

The City of Seattle, Washington (the “City”), makes the following written undertaking (the “Undertaking”) for the benefit of the Owners of the City’s Municipal Light and Power Refunding Revenue Bonds, [Year] [Series] (the “Bonds”), for the sole purpose of assisting the underwriter for the Bonds in meeting the requirements of paragraph (b)(5) of Rule 15c2-12 (the “Rule”), as applicable to a participating underwriter for the Bonds. Capitalized terms used but not defined below shall have the meanings given in Ordinance \_\_\_\_\_ (the “Bond Ordinance”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events.

The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the Municipal Securities Rulemaking Board (the “MSRB”), in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(i) Annual financial information and operating data regarding the Municipal Light and Power System (the “Light System”) of the type included in the final official statement for the Bonds and described in subsection (b) of this section (“annual financial information”). The timely filing of unaudited financial statements shall satisfy the requirements and filing deadlines pertaining to the filing of annual financial statements under subsection (b), provided that audited financial statements are to be filed if and when they are otherwise prepared and available to the City.

(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices

1 or determinations with respect to the tax status of the Bonds, or other material events affecting the tax  
2 status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls  
3 (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers;  
4 (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if  
5 material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City, as  
6 such “Bankruptcy Events” are defined in the Rule; (13) the consummation of a merger, consolidation,  
7 or acquisition involving the City or the sale of all or substantially all of the assets of the City other than  
8 in the ordinary course of business, the entry into a definitive agreement to undertake such an action or  
9 the termination of a definitive agreement relating to any such actions, other than pursuant to its terms,  
10 if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if  
11 material; (15) incurrence of a financial obligation of the City, if material, or agreement to covenants,  
12 events of default, remedies, priority rights, or other similar terms of a financial obligation of the City,  
13 any of which affect holders of the Bonds, if material; and (16) any default, event of acceleration,  
14 termination event, modification of terms, or other similar event under the terms of a financial obligation  
15 of the City, any of which reflect financial difficulties.

16 For purposes of this Undertaking, the term “financial obligation” shall mean a debt  
17 obligation; a derivative instrument entered into in connection with, or pledged as security or a source  
18 of payment for, an existing or planned debt obligation; or a guarantee of either a debt obligation or a  
19 derivative instrument entered into in connection with, or pledged as security or a source of payment  
20 for, an existing or planned debt obligation. The term “financial obligation” does not include municipal  
21 securities as to which a final official statement has been provided to the MSRB consistent with the  
22 Rule.

23 (iii) Timely notice of a failure by the City to provide required annual financial  
24 information on or before the date specified in subsection (b) of this section.

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

4                   (i)    Shall consist of (1) annual financial statements of the Light System prepared in  
5 accordance with applicable generally accepted accounting principles applicable to governmental units  
6 (except as otherwise noted therein), as such principles may be changed from time to time and as  
7 permitted by applicable state law; (2) a statement of outstanding Parity Bonds, Junior Lien Bonds (if  
8 any), and any other bonded indebtedness secured by Net Revenue of the Light System; (3) debt service  
9 coverage ratios for the then-Outstanding Parity Bonds, Junior Lien Bonds (if any) and any other bonded  
10 indebtedness secured by Net Revenue of the Light System; (4) sources of Light System power and the  
11 MWh produced by those sources; and (5) the average number of customers, revenues, and energy sales  
12 by customer class;

13                   (ii)   Shall be provided not later than the last day of the ninth month after the end of  
14 each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be  
15 changed as required or permitted by state law, commencing with the City’s fiscal year ending  
16 December 31, 20\_\_; and

17                   (iii)   May be provided in a single document or multiple documents, and may be  
18 incorporated by specific reference to documents available to the public on the Internet website of the  
19 MSRB or filed with the Securities and Exchange Commission.

20           (c)    Amendment of Undertaking. This Undertaking is subject to amendment after the  
21 primary offering of the Bonds without the consent of any Owner or holder of any Bond, or of any  
22 broker, dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB,  
23 under the circumstances and in the manner permitted by the Rule, including:



1 (i) The amendment may only be made in connection with a change in  
2 circumstances that arises from a change in legal requirements, change in law, or change in the identity,  
3 nature, or status of the City, or type of business conducted by the City;

4 (ii) The Undertaking, as amended, would have complied with the requirements of  
5 the Rule at the time of the primary offering, after taking into account any amendments or interpretations  
6 of the Rule, as well as any change in circumstances; and

7 (iii) The amendment does not materially impair the interests of holders, as  
8 determined either by parties unaffiliated with the City (e.g., bond counsel or other counsel familiar  
9 with federal securities laws), or by an approving vote of bondholders pursuant to the terms of the Bond  
10 Ordinance at the time of the amendment.

11 The City will give notice to the MSRB of the substance (or provide a copy) of any amendment  
12 to this Undertaking and a brief statement of the reasons for the amendment. If the amendment changes  
13 the type of annual financial information to be provided, the annual financial information containing  
14 the amended financial information will include a narrative explanation of the effect of that change on  
15 the type of information to be provided.

16 (d) Beneficiaries. This Undertaking shall inure to the benefit of the City and any Owner  
17 of Bonds, and shall not inure to the benefit of or create any rights in any other person.

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

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

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

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

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

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

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

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

**EXHIBIT C**

**AMENDED AND RESTATED  
ORDINANCE 125460**

*The text below displays the cumulative amendments to Sections 1 through 26 of Ordinance 125460 that were set forth in and adopted pursuant to (i) Ordinance 125987 and (ii) the ordinance to which this exhibit is attached. These amendments include technical amendments as permitted by Section 23(a) of the Omnibus Refunding Ordinance and the effect of certain amendments permitted by Section 23(b) of the Omnibus Refunding Ordinance that went into effect upon the occurrence of the following: (A) the collection of the requisite percentage of bondholder consents, (B) the occurrence of the Parity Covenant Date, or (C) the occurrence of the Second Parity Covenant Date (as those terms were defined in the Ordinance 125460, as amended by Ordinance 125987). Text that has been added is indicated using double underlining and text that has been deleted is indicated using strikethrough formatting enclosed in double parentheses.*

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. **Definitions.** ~~((As used in))~~In this ordinance, the following capitalized terms shall have the meanings set forth ~~((below))~~in this section.

“**Accreted Value**” means with respect to any Capital Appreciation Bond (a) as of any Valuation Date, the amount determined for such Valuation Date in accordance with the applicable Bond Documents, and (b) as of any date other than a Valuation Date, the sum of (i) the Accreted Value on the preceding Valuation Date and (ii) the product of (A) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date, calculated based on the assumption that Accreted Value accrues during any semiannual period in equal daily amounts on the basis of a year of ~~((twelve))~~12 30-day months, and (B) the difference between the Accreted Values for such Valuation Dates.

“**Acquired Obligations**” means Government Obligations maturing or having guaranteed redemption prices at the option of the holder at such time or times as may be required to provide

1 funds sufficient to carry out a Refunding Plan, and satisfying the requirements of the Refunded  
2 Bond Documents relating to the Refunded Bonds included in that Refunding Plan. For purposes  
3 of this definition, eligible “Government Obligations” for inclusion in a Refunding Plan shall be  
4 determined in accordance with the applicable Refunded Bond Documents.

5 **“Adjusted Net Revenue”** means Net Revenue, less any deposits into the Rate  
6 Stabilization Account((;)) and plus any withdrawals from the Rate Stabilization Account. In  
7 calculating Net Revenue, the City may include the Tax Credit Subsidy Payments the City  
8 expects to receive from the federal government in respect to the interest on any Tax Credit  
9 Subsidy Bonds (or with respect to which the federal government will provide direct payments).  
10 In a Parity Certificate, Adjusted Net Revenue is subject to further adjustment as set forth in  
11 ((~~Subsection~~))subsection 18(a)(ii) of this ordinance. In a Junior Lien Coverage Certificate,  
12 Adjusted Net Revenue is subject to further adjustment as set forth in ((~~Subsection~~))subsection  
13 18(b)(ii) of this ordinance.

14 **“Alternate Reserve Security”** means Qualified Insurance or a Qualified Letter of Credit  
15 that is used by the City to satisfy part or all of the Reserve Fund Requirement, and ((~~which~~))that  
16 is not cancelable on less than five years’ notice.

17 **“Annual Debt Service”** means, with respect to either Parity Bonds (or a series of Parity  
18 Bonds) (**“Annual Parity Bond Debt Service”**) or Junior Lien Bonds (or a series of Junior Lien  
19 Bonds) (**“Annual Junior Lien Debt Service”**), as applicable, the sum of the amounts required  
20 in a calendar year to pay the interest due in such calendar year (excluding interest to be paid from  
21 the proceeds of the sale of bonds), the principal of Serial Bonds maturing in such calendar year,  
22 and the Sinking Fund Requirements for any Term Bonds due in such calendar year. Additionally,  
23 for purposes of this definition:

1           **(a) Calculation of Interest Due – Generally.** Except as otherwise provided

2 ~~((below))~~in this definition, interest shall be calculated based on the actual amount of accrued,  
3 accreted, or otherwise accumulated interest that is payable in respect of the relevant series of  
4 Parity Bonds or Junior Lien Bonds, as applicable, taken as a whole, at the rate or rates set forth in  
5 the applicable Bond Documents.

6           **(b) Capital Appreciation Bonds.** The principal and interest portions of the Accreted

7 Value of Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund  
8 Requirement shall be included in the calculations of accrued and unpaid and accruing interest or  
9 principal in such manner and during such period of time as is specified in the Bond Documents  
10 applicable to such Capital Appreciation Bonds.

11           **(c) Variable Interest Rate Bonds.**

12           **(i) Assumed Interest on Variable Interest Rate Parity Bonds.** The amount

13 of interest deemed to be payable on any series of Parity Bonds that are Variable Interest Rate  
14 Bonds shall be calculated ~~((on the assumption that the interest rate on those bonds is equal to the  
15 rate that is 90% of the average RBI during the four calendar quarters ending at least 15 days  
16 preceding the quarter in which the calculation is made. Upon the Parity Covenant Date, the  
17 following sentence shall replace the immediately preceding sentence: The amount of interest  
18 deemed to be payable on any series of Junior Lien Bonds that are Variable Interest Rate Bonds  
19 shall be calculated on))~~under the assumption that the interest rate on those bonds is equal to the  
20 highest 12-month rolling average of the SIFMA Municipal Swap Index over the preceding  
21 ~~((ten))~~five years. ~~((And, upon the redemption or defeasance of all of the Outstanding Parity  
22 Bonds identified in Exhibit A to this ordinance, a five-year look back period shall be substituted  
23 for the ten-year period referenced in the immediately preceding sentence.))~~

1                   (ii)     **Assumed Interest on Variable Interest Rate Junior Lien Bonds.** The  
2 amount of interest deemed to be payable on any series of Junior Lien Bonds that are Variable  
3 Interest Rate Bonds shall be calculated on the assumption that the interest rate on those bonds is  
4 equal to the highest 12-month rolling average (ending with the month preceding the date of the  
5 calculation) of the SIFMA Municipal Swap Index over the preceding five years.

6                   (d)     **Interest on Bonds with Respect to Which a Payment Agreement is in Force.**  
7 In general, debt service on any bonds (Parity Bonds or Junior Lien Bonds, as applicable) with  
8 respect to which a Payment Agreement is in force shall be based on the net economic effect on  
9 the City expected to be produced by the terms of the applicable Bond Documents and the terms  
10 of the Payment Agreement. For example, if the net effect of the Payment Agreement on a series  
11 of bonds otherwise bearing interest at a variable interest rate is to produce an obligation bearing  
12 interest at a fixed rate, the relevant series of bonds shall be treated as fixed rate bonds. And if the  
13 net effect of the Payment Agreement on a series of bonds otherwise bearing interest at a fixed  
14 interest rate is to produce an obligation bearing interest at a variable interest rate, the relevant  
15 series of bonds shall be treated as Variable Interest Rate Bonds.

16                   Accordingly, the amount of interest deemed to be payable on any series of Parity Bonds  
17 (or Junior Lien Bonds, as applicable) with respect to which a Payment Agreement is in force  
18 shall be an amount equal to the amount of interest that would be payable at the rate or rates  
19 stated in or determined pursuant to the applicable Bond Documents, plus Payment Agreement  
20 Payments, minus Payment Agreement Receipts. For the purposes of calculating as nearly as  
21 practicable Payment Agreement Receipts and Payment Agreement Payments under a Payment  
22 Agreement that includes a variable rate component determined by reference to a pricing  
23 mechanism or index that is not the same as the pricing mechanism or index used to determine the

1 variable rate interest component on the series of bonds to which the Payment Agreement is  
2 related, it shall be assumed that: (i) the fixed rate used in calculating Payment Agreement  
3 Payments will be equal to 105(~~(%)~~) percent of the fixed rate specified by the Payment  
4 Agreement, and (ii) the pricing mechanism or index specified by the Payment Agreement is the  
5 same as the pricing mechanism or index specified by the applicable Bond Documents.

6 Notwithstanding the other provisions of this definition, the City shall not be required to (but may  
7 in its discretion) take into account in determining Annual Debt Service the effects of any  
8 Payment Agreement that has a term of ten years or less.

9 (e) **Parity Payment Agreements; Junior Lien Payment Agreements.** For any  
10 period during which Payment Agreement Payments under a Parity Payment Agreement (or  
11 Junior Lien Payment Agreement, as applicable) are taken into account in determining Annual  
12 Debt Service on the related Parity Bonds (or Junior Lien Bonds, as applicable) under subsection  
13 (d) of this definition, no additional debt service shall be taken into account with respect to that  
14 Parity Payment Agreement (or a Junior Lien Payment Agreement, as applicable). However, for  
15 any period during which Payment Agreement Payments are not taken into account under  
16 subsection (d) of this definition because the Parity Payment Agreement (or Junior Lien Payment  
17 Agreement, as applicable), is not then related to any (~~outstanding~~) Outstanding Parity Bonds (or  
18 Junior Lien Bonds, as applicable) payments on that Payment Agreement shall be taken into  
19 account by assuming:

20 (i) **If City is Obligated to Make Payments Based on a Fixed Rate.** If the  
21 City is obligated to make Payment Agreement Payments based on a fixed rate and the Qualified  
22 Counterparty is obligated to make payments based on a variable rate index, it shall be assumed  
23 that payments by the City will be based on the assumed fixed payor rate, and that payments by

1 the Qualified Counterparty will be based on a rate equal to the average rate determined by the  
2 variable rate index specified by the Payment Agreement during the four calendar quarters  
3 preceding the quarter in which the calculation is made.

4 (ii) **If City is Obligated to Make Payments Based on a Variable Rate**

5 **Index.** If the City is obligated to make Payment Agreement Payments based on a variable rate  
6 index and the Qualified Counterparty is obligated to make payments based on a fixed rate, it  
7 shall be assumed that payments by the City will be based on a rate equal to the average rate  
8 determined by the variable rate index specified by the Payment Agreement during the four  
9 calendar quarters preceding the quarter in which the calculation is made, and that the Qualified  
10 Counterparty will make payments based on the fixed rate specified by the Payment Agreement.

11 (f) **Balloon Bonds.** ~~((Upon the Parity Covenant Date, the following sentence shall~~  
12 ~~become effective:))~~ In calculating Annual ~~((Bond))~~ Debt Service for any series of Parity Bonds,  
13 the City may in its discretion treat the debt service requirements with respect to Parity Bonds that  
14 are Balloon Bonds (including principal of and interest on such bonds at the applicable rate or  
15 rates) as being amortized in approximately equal annual installments over a period equal to the  
16 longer of 30 years or the remaining term of such series of Parity Bonds.

17 In calculating Annual Debt Service for any series of Junior Lien Bonds, the City may in  
18 its discretion treat the debt service requirements with respect to Junior Lien Bonds that are  
19 Balloon Bonds (including principal of and interest on such bonds at the applicable rate or rates)  
20 as being amortized in approximately equal annual installments over a period equal to the longer  
21 of 30 years or the remaining term of such series of Junior Lien Bonds.

22 (g) **Adjustments for Defeased Bonds.** For purposes of determining compliance with  
23 the rate covenants set forth in ~~((Subsections))~~ subsections 17(a)(ii) and 17(b)(ii) of this ordinance,



1 calculating the Reserve Fund Requirement, and making coverage ratio calculations in connection  
2 with the delivery of a Parity Certificate or Junior Lien Coverage Certificate, Annual Debt  
3 Service shall be adjusted as set forth in ~~((Subsection))~~ subsection 20(d) of this ordinance.

4 (h) ~~((Intermediate and Junior Lien-))~~ **Reimbursement Obligations.** If any  
5 payment under a Parity Reimbursement Obligation is then due and payable, or is then reasonably  
6 expected to become due and payable, the reasonably estimated amount and timing of such  
7 payment, calculated in accordance with applicable generally accepted accounting principles and  
8 as reflected in the annual financial statements of the Light System, shall be included in  
9 calculating Annual Debt Service for purposes of delivering a Parity Certificate. If any payment  
10 under a Parity Reimbursement Obligation, an Intermediate Lien Reimbursement Obligation, or  
11 ~~((under))~~ a Junior Lien Reimbursement Obligation is then due and payable, or is then reasonably  
12 expected to become due and payable, the reasonably estimated amount and timing of such  
13 payment, calculated in accordance with applicable generally accepted accounting principles and  
14 as reflected in the annual financial statements of the Light System, shall be included in  
15 calculating Annual Junior Lien Debt Service for purposes of delivering a Junior Lien Coverage  
16 Certificate.

17 **“Authorized Denomination”** means \$5,000 or any integral multiple thereof within a  
18 maturity of a Series, or such other minimum authorized denominations as may be specified in the  
19 applicable Bond Documents.

20 **“Average Annual Debt Service”** means, for purposes of calculating the Reserve Fund  
21 Requirement with respect to all Parity Bonds outstanding at the time of calculation, the sum of  
22 the Annual Parity Bond Debt Service remaining to be paid to the last scheduled maturity of the

1 applicable Parity Bonds, divided by the number of years such Parity Bonds are scheduled to  
2 remain outstanding.

3 **“Balloon Bonds”** means any series of either Parity Bonds or Junior Lien Bonds, as  
4 applicable, the aggregate principal amount (including Sinking Fund Requirements) of which  
5 becomes due and payable in any calendar year in an amount that constitutes 25(~~(%)~~) percent or  
6 more of the initial aggregate principal amount of such series.

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

9 **“Bond”** means a municipal light and power revenue bond issued pursuant to this  
10 ordinance.

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

14 **“Bond Documents”** means (a) (i) with respect to any Series of the Bonds, this ordinance  
15 (including any amendatory or supplemental ordinances), (ii) with respect to a series of Parity  
16 Bonds other than a Series of the Bonds, the applicable Parity Bond Ordinance(s), and (iii) with  
17 respect to any Junior Lien Bonds other than a Series of the Bonds, the applicable Junior Lien  
18 Bond Ordinance(s); (b) the authenticated bond form; and (c) the written agreement(s) setting  
19 forth the Bond Sale Terms and additional terms, conditions, or covenants pursuant to which such  
20 bond was issued and sold, as set forth in any one or more of the following (if any): (i) a sale  
21 resolution, (ii) a bond purchase contract (as defined in the applicable authorizing ordinance), (iii)  
22 a bond indenture or a fiscal agent or paying agent agreement (other than the State fiscal agency  
23 contract), and (iv) a direct purchase or continuing covenant agreement.

1           **“Bond Owners’ Trustee”** means a bank or trust company organized under the laws of  
2 the State, or a national banking association, appointed in accordance with  
3 ~~((Subsection))~~subsection 24(e) of this ordinance to act as trustee on behalf of the owners, from  
4 time to time, of either the Outstanding Parity Bonds or the Outstanding Junior Lien Bonds, as the  
5 case may be.

6           **“Bond Purchase Contract”** means a written offer to purchase a Series of the Bonds  
7 pursuant to certain Bond Sale Terms, which offer has been accepted by the City in accordance  
8 with this ordinance. In the case of a competitive sale, the Purchaser’s bid for a Series, together  
9 with the official notice of sale and a Pricing Certificate confirming the Bond Sale Terms, shall  
10 comprise the Bond Purchase Contract.

11           **“Bond Register”** means the books or records maintained by the Bond Registrar for the  
12 purpose of registering ownership of each Bond.

13           **“Bond Registrar”** means the Fiscal Agent (unless the Director of Finance appoints a  
14 different person to act as bond registrar with respect to a particular Series), or any successor  
15 bond registrar selected in accordance with the System of Registration~~((Ordinance))~~.

16           **“Bond Sale Terms”** means the terms and conditions for the sale of a Series of the Bonds  
17 approved by the Director of Finance consistent with the parameters set forth in Section 5 of this  
18 ordinance, including the amount, date or dates, denominations, interest rate or rates (or  
19 mechanism for determining the interest rate or rates), payment dates, final maturity, redemption  
20 rights, price, and other terms, conditions or covenants. In connection with a negotiated sale or  
21 private placement, the Bond Sale Terms shall be set forth in ~~((the))~~a Bond Purchase Contract; in  
22 connection with a competitive sale, the Bond Sale Terms shall be set forth in a Pricing  
23 Certificate.

1           **“Book-Entry Form”** means a fully registered form in which physical bond certificates  
2 are registered only in the name of the Securities Depository (or its nominee), as Registered  
3 Owner, with the physical bond certificates held by and “immobilized” in the custody of the  
4 Securities Depository or its designee, where the system for recording and identifying the transfer  
5 of the ownership interests of the Beneficial Owners in those Bonds is neither maintained by nor  
6 the responsibility of the City or the Bond Registrar.

7           **“Capital Appreciation Bond”** means any Parity Bond or Junior Lien Bond, all or a  
8 portion of the interest on which is compounded and accumulated at the rates or in the manner,  
9 and on the dates, set forth in the applicable Bond Documents, and is payable only upon  
10 redemption or on the maturity date of such Capital Appreciation Bond. A Parity Bond or a Junior  
11 Lien Bond that is issued as a Capital Appreciation Bond, but which later converts to an  
12 obligation on which interest is paid periodically, shall be a Capital Appreciation Bond until the  
13 conversion date and thereafter shall no longer be a Capital Appreciation Bond, but shall be  
14 treated as having a principal amount equal to its Accreted Value on the conversion date. For  
15 purposes of (a) receiving payment of the redemption premium, if any, on a Capital Appreciation  
16 Bond that is redeemed prior to maturity, or (b) computing the principal amount of Parity Bonds  
17 (or Junior Lien Bonds, ~~((a))~~as applicable) held by the Owner of a Capital Appreciation Bond in  
18 connection with any notice, consent, request, or demand pursuant to this ordinance or for any  
19 purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be  
20 its Accreted Value at the time that such notice, consent, request, or demand is given or made.

21           **“City”** means The City of Seattle, Washington(~~(, a municipal corporation duly organized~~  
22 ~~and existing under the laws of the State))~~).

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

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

5           ~~((“**Conservation Plan**” means the Conservation Potential Assessment 2016 of the City~~  
6 ~~with respect to the Light System endorsed by the City Council in Resolution 31631, adopted~~  
7 ~~January 11, 2016, as that plan may be amended, updated, supplemented or replaced from time to~~  
8 ~~time, to the extent that funds are appropriated by the City therefor.))~~

9           **“Continuing Disclosure Agreement”** means, for each Series that is sold in an offering  
10 subject to federal securities regulations requiring a written undertaking to provide continuing  
11 disclosure, a continuing disclosure agreement entered into pursuant to Section 22 of this  
12 ordinance in substantially the form attached to this ordinance as Exhibit B.

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

14           ~~((“**Deferred Hydroelectric Project Relicensing Costs**” means certain costs required by~~  
15 ~~the Federal Energy Regulatory Commission to be incurred as a condition of the renewal of~~  
16 ~~licenses for the Light System’s hydroelectric projects, which costs are treated in the same~~  
17 ~~manner as capital expenditures))~~

18           **“Defeasible Bonds”** means the Defeasible Parity Bonds and the Defeasible Junior Lien  
19 Bonds.

20           **“Defeasible Junior Lien Bonds”** means any outstanding Junior Lien Bonds that are  
21 eligible to be defeased pursuant to the Omnibus Defeasance Ordinance.

22           **“Defeasible Parity Bonds”** means any outstanding Parity Bonds that are eligible to be  
23 defeased pursuant to the Omnibus Defeasance Ordinance.

1           **“Director of Finance” or “Director”** means the City’s Director of ~~((the))~~ Finance  
2 ~~((Division of the Department of Finance and Administrative Services of the City))~~, or  
3 ~~((any))~~ such other ~~((officer))~~ official who succeeds to substantially all of the responsibilities of  
4 that office.

5           **“Event of Default”** has the meaning given in Section 24 of this ordinance. A “Parity  
6 Bond Event of Default” shall refer to those Events of Default relating to nonpayment of Parity  
7 Bonds, or defaults in respect of the Parity Bond covenants set forth ~~((herein))~~ in this ordinance  
8 and in the applicable Parity Bond Documents giving rise to remedies available to the owners of  
9 Parity Bonds. A “Junior Lien Bond Event of Default” shall refer to those Events of Default  
10 relating to nonpayment of Junior Lien Bonds, or in respect of the Junior Lien Bond covenants set  
11 forth herein and in the applicable Junior Lien Bond Documents giving rise to remedies available  
12 to the owners of Junior Lien Bonds.

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

15           **“Future Junior Lien Bonds”** means, with reference to any Series designated as Junior  
16 Lien Bonds, any revenue obligations of the Light System issued or entered into after the Issue  
17 Date of such Series, the payment of which constitutes a charge and lien upon Net Revenue equal  
18 in priority with the charge and lien upon such ~~((revenue))~~ Net Revenue for the payment of the  
19 amounts required to be paid into the Junior Lien Debt Service Fund to pay and secure payment  
20 of the Junior Lien Bonds (including Junior Lien Payment Agreements and Junior Lien  
21 Reimbursement Obligations), in accordance with the priority of payment set forth in Section 14  
22 of this ordinance. Future Junior Lien Bonds may include Junior Lien Payment Agreements  
23 issued in compliance with the Junior Lien Additional Bonds Test.

1           **“Future Parity Bond Ordinance”** means any ordinance passed by the City Council  
2 providing for the issuance and sale of a series of Future Parity Bonds, and any other ordinance  
3 amending or supplementing the provisions of any such ordinance.

4           **“Future Parity Bonds”** means, with reference to any Series designated as Parity Bonds,  
5 any revenue obligations of the Light System issued or entered into after the Issue Date of such  
6 Series, the payment of which constitutes a charge and lien upon Net Revenue equal in priority  
7 with the charge and lien upon such ~~((revenue))~~Net Revenue for the payment of the amounts  
8 required to be paid into the Parity Bond Fund and the Reserve Fund to pay and secure payment  
9 of the Parity Bonds ~~((including Parity Payment Agreements,))~~ in accordance with Section 14 of  
10 this ordinance. Future Parity Bonds ~~((may))~~ include Parity Payment Agreements, Parity  
11 Reimbursement Obligations, and any other obligations issued in compliance with the Parity  
12 Conditions.

13           **“Government Obligations”** means, unless otherwise limited in the Bond Documents for  
14 a particular Series of the Bonds, any government obligation as that term is defined in RCW  
15 39.53.010, as ~~((now in effect or as may hereafter be))~~ amended at any time.

16           **“Gross Revenues”** means (a) all income, revenues, receipts and profits derived by the  
17 City through the ownership and operation of the Light System; (b) the proceeds received by the  
18 City directly or indirectly from the sale, lease or other disposition of any of the properties, rights  
19 or facilities of the Light System; (c) Payment Agreement Receipts, to the extent that such  
20 receipts are not offset by Payment Agreement Payments; and (d) the investment income earned  
21 on money held in any fund or account of the City, including any bond redemption funds and the  
22 accounts therein, in connection with the ownership and operation of the Light System. Gross  
23 Revenues do not include: (i) insurance proceeds compensating the City for the loss of a capital

1 asset; (ii) income derived from investments irrevocably pledged to the payment of any defeased  
2 bonds payable from Gross Revenues; (iii) investment income earned on money in any fund or  
3 account created or maintained solely for the purpose of complying with the arbitrage rebate  
4 provisions of the Code; (iv) any gifts, grants, donations, or other funds received by the City from  
5 any State or federal agency or other person if such gifts, grants, donations, or other funds are the  
6 subject of any limitation or reservation imposed by the donor or grantor or imposed by law or  
7 administrative regulation to which the donor or grantor is subject, limiting the application of  
8 such funds in a manner inconsistent with the application of Gross Revenues hereunder; (v) the  
9 proceeds of any borrowing for capital improvements (or the refinancing thereof); and (vi) the  
10 proceeds of any liability or other insurance (excluding business interruption insurance or other  
11 insurance of like nature insuring against the loss of revenues).

12 ~~((“**High Ross Agreement**” means the agreement dated as of March 30, 1984, between the  
13 City and Her Majesty the Queen in Right of the Province of British Columbia relating to the City’s  
14 High Ross Dam.))~~

15 ~~((“**High Ross Capital Payments**” means the deferred portion of the annual capital  
16 payments required to be made by the City under Section 5 of the High Ross Agreement,  
17 representing the annual cost that would have been incurred by the City for the construction of the  
18 High Ross Dam.))~~

19 **“Intermediate Lien Reimbursement Obligation”** means any payment or  
20 reimbursement obligation incurred under a written agreement entered into in connection with a  
21 series of Parity Bonds or to obtain Qualified Insurance or a Qualified Letter of Credit, under  
22 which the City’s payment obligations are expressly stated to constitute a lien and charge on Net  
23 Revenue junior in rank to the lien and charge upon such Net Revenue required to be paid into the



1 Parity Bond Fund to pay and secure the payment of the Parity Bonds, but senior to the lien and  
2 charge upon such Net Revenue required to be paid into the Junior Lien ~~((Bond))~~Debt Service  
3 Fund to pay and secure the payment of the Junior Lien Bonds. ~~((Intermediate Lien Obligations~~  
4 ~~shall include the subordinate “Obligations” incurred under (and as defined in) that certain~~  
5 ~~Continuing Covenant Agreement executed in connection with the issuance and sale of the City’s~~  
6 ~~outstanding Municipal Light and Power Revenue Bonds, 2017A (Multimodal) and Municipal~~  
7 ~~Light and Power Revenue Bonds, 2017B (Multimodal).))~~For purposes of determining  
8 percentages of ownership of ~~((Junior Lien Bond))~~Bonds under this ordinance or under any Bond  
9 Documents, ~~((Junior))~~Intermediate Lien Reimbursement Obligations shall be deemed to have no  
10 principal amount, and any consent or similar rights (if any) shall be determined only as set forth  
11 in the applicable ~~((Junior))~~Intermediate Lien Reimbursement Obligations.

12 **“Issue Date”** means, with respect to a Bond, the initial date on which that Bond is issued  
13 and delivered to the initial Purchaser in exchange for its purchase price.

14 **“Junior Lien Additional Bonds Test”** means the conditions set forth in  
15 ~~((Subsection))~~subsection 18(b) of this ordinance for issuing additional Junior Lien Bonds  
16 (including Junior Lien Payment Agreements and Junior Lien Reimbursement Obligations).

17 ~~((“Junior Lien Coverage Certificate” means a certificate delivered pursuant to Section~~  
18 ~~18(b)(ii), for purposes of satisfying the Junior Lien Additional Bonds Test in connection with the~~  
19 ~~issuance of Future Junior Lien Bonds.))~~

20 ~~((“Junior Lien Debt Service Fund” means the special fund of the City known as the~~  
21 ~~Seattle Municipal Light Revenue Junior Lien Debt Service Fund established within the Light Fund~~  
22 ~~pursuant to this ordinance for purpose of paying and securing the principal of and interest on Junior~~

1 ~~Lien Bonds and securing obligations under Junior Lien Payment Agreements and Junior Lien~~  
2 ~~Reimbursement Obligations.))~~

3       **“Junior Lien Bond”** means, generally, any bond or obligation secured by a lien and  
4 charge on Net Revenue that is junior and subordinate to the lien and charge of the Parity Bonds  
5 and Intermediate Lien Reimbursement Obligations, but prior and superior to other liens and  
6 charges, in accordance with the priority of payment set forth in Section 14 of this ordinance. The  
7 term Junior Lien Bond may refer to (a) any Bond of a Series issued pursuant to this ordinance  
8 that is so designated by the Director of Finance upon satisfaction of the Junior Lien Additional  
9 Bonds Test; (b) any Future Junior Lien Bond; (c) any Junior Lien Payment Agreement; and (d)  
10 any Junior Lien Reimbursement Obligation.

11       **“Junior Lien Bond Documents”** means those Bond Documents applicable to a series of  
12 Junior Lien Bonds.

13       **“Junior Lien Bond Ordinance”** means this ordinance~~((<sup>7</sup>))~~ (if used in connection with  
14 the issuance of a series of Junior Lien Bonds authorized hereby) and any ~~((<sup>other</sup>))~~ future  
15 ordinance~~((<sup>passed by the City Council in the future</sup>))~~ authorizing the issuance and sale of any  
16 Future Junior Lien Bonds, including any ordinance amending or supplementing the provisions of  
17 any Junior Lien Bond Ordinance.

18       **“Junior Lien Coverage Certificate”** means a certificate delivered pursuant to  
19 subsection 18(b)(ii) of this ordinance, for purposes of satisfying the Junior Lien Additional  
20 Bonds Test in connection with the issuance of Future Junior Lien Bonds.

21       **“Junior Lien Debt Service Fund”** means the special fund of the City known as the  
22 Seattle Municipal Light Revenue Junior Lien Debt Service Fund established within the Light  
23 Fund pursuant to Ordinance 125459 for the purpose of paying and securing the principal of and

1 interest on Junior Lien Bonds and securing obligations under Junior Lien Payment Agreements  
2 and Junior Lien Reimbursement Obligations.

3       **“Junior Lien Payment Agreement”** means any Payment Agreement(~~(, which)~~) that is  
4 entered into in compliance with the Junior Lien Additional Bonds Test, and under which the  
5 City’s payment obligations are expressly stated to constitute a lien and charge on Net Revenue  
6 equal in rank with the lien and charge upon such Net Revenue required to be paid into the Junior  
7 Lien Debt Service Fund to pay and secure the payment of the Junior Lien Bonds in accordance  
8 with Section 14 of this ordinance. For purposes of determining percentages of ownership of  
9 Junior Lien Bonds under this ordinance or under any Bond Documents, Junior Lien Payment  
10 Agreements shall be deemed to have no principal amount, and any consent or similar rights (if  
11 any) shall be determined only as set forth in the applicable Junior Lien Payment Agreement.

12       **“Junior Lien Reimbursement Obligation”** means any reimbursement obligation  
13 incurred under a written reimbursement agreement (or similar agreement) entered into in  
14 connection with a series of Junior Lien Bonds to obtain Qualified Insurance or a Qualified Letter  
15 of Credit, under which the City’s payment obligations are expressly stated to constitute a lien and  
16 charge on Net Revenue equal in rank with the lien and charge upon such Net Revenue required  
17 to be paid into the Junior Lien Debt Service Fund to pay and secure the payment of the Junior  
18 Lien Bonds. For purposes of determining percentages of ownership of Junior Lien Bonds under  
19 this ordinance or under any Bond Documents, Junior Lien Reimbursement Obligations shall be  
20 deemed to have no principal amount, and any consent or similar rights (if any) shall be  
21 determined only as set forth in the applicable Junior Lien Reimbursement Obligations.

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

4           **“Light Fund”** means the special fund(~~(of the City)~~) of that name  
5 (~~(heretofore)~~)previously created and established by the City(~~(Council)~~).

6           **“Light System”** means the municipal light and power generation, transmission, and  
7 distribution system now belonging to or (~~(which)~~)that may (~~(hereafter)~~)later belong to the City.

8           (~~“MSRB” means the Municipal Securities Rulemaking Board.~~)

9           **“Maximum Annual Debt Service”** means, with respect to Parity Bonds (or Junior Lien  
10 Bonds, as applicable), the maximum amount of Annual Debt Service that shall become due in  
11 the current calendar year or in any future calendar year with respect to those Parity Bonds (or  
12 Junior Lien Bonds, as applicable) that are outstanding as of the calculation date.

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

14           **“Net Revenue”** for any period means Gross Revenues less Operating and Maintenance  
15 Expense.

16           **“Omnibus Defeasance Ordinance”** means Ordinance 126220, as amended at any time,  
17 authorizing the defeasance of Defeasible Bonds, or any future ordinance of the City pursuant to  
18 which the Bonds (or any Series of the Bonds) are designated as Defeasible Bonds.

19           **“Omnibus Refunding Ordinance”** means this ordinance(~~(-)~~), which amends and  
20 restates Ordinance 125460, as (~~(it may be)~~) amended (~~(from time to time)~~ or) by Ordinance  
21 125987, and any other future ordinance of the City(~~(passed in the future,)~~) pursuant to which the  
22 Bonds (or any Series of the Bonds) are designated as Refundable Bonds.

1           **“Operating and Maintenance Expense”** means all reasonable charges incurred by the  
2 City in causing the Light System to be operated and maintained in good repair, working order  
3 and condition, including but not limited to all operating expenses under applicable generally  
4 accepted accounting principles included in the annual audited financial statements of the Light  
5 System, except those excluded in this definition. Operating and Maintenance Expense does not  
6 include: (a) extraordinary, nonrecurring expenses of the Light System or any judgments or  
7 amounts to be paid in settlement of claims against the Light System; (b) non-cash expenses  
8 relating to a mark-to-market treatment of energy-related contracts; (c) any costs or expenses  
9 (including interest expense) for new construction, replacements, or renewals of Light System  
10 property; (d) Deferred Hydroelectric Project Relicensing Costs, the High Ross Capital Payments  
11 (as defined in the Outstanding Parity Bond Ordinances), or other similar payments under any  
12 agreement for the development or licensing of a capital improvement or asset, under which  
13 agreement the City agrees to make periodic payments in respect of ~~((the))~~its share of the capital  
14 expense; (e) any allowance for depreciation, amortization, or similar recognitions of non-cash  
15 expense items made for accounting purposes only (including non-cash pension expense); (f) any  
16 taxes levied by or paid to the City (or payments in lieu of taxes) upon the properties or earnings  
17 of the Light System; or (g) any obligation authorized pursuant to ordinance or resolution  
18 specifically excluding the payment of such obligation from Operating and Maintenance Expense.

19           **“Outstanding Junior Lien Bonds”** means, with reference to a particular Series of Junior  
20 Lien Bonds issued pursuant to this ordinance, those Junior Lien Bonds that are outstanding as of  
21 the Issue Date of such Series.

22           **“Outstanding Parity Bond Ordinances”** means the ordinances authorizing the various  
23 series of Outstanding Parity Bonds.

1           **“Outstanding Parity Bonds”** means, when referencing Parity Bonds outstanding as of  
2 the date of this ordinance, those outstanding Parity Bonds identified in Exhibit A to this  
3 ordinance. When used in reference to a particular date in the future or in reference to a particular  
4 series of Parity Bonds, Outstanding Parity Bonds shall mean those Parity Bonds (~~((including any~~  
5 ~~Parity Bonds issued subsequent to the date of this ordinance))~~) that are outstanding as of that  
6 future date or as of the issue date of such series.

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

9           **“Parity Bond”** means, generally, any bond or obligation secured by a lien and charge on  
10 Net Revenue that is prior and superior to any other liens or charges whatsoever, in accordance  
11 with the priority of payment set forth in Section 14 of this ordinance. The term Parity Bond may  
12 refer to: (a) the Outstanding Parity Bonds identified in Exhibit A to this ordinance; (b) each  
13 Series of the Bonds designated by the Director of Finance as a Series of Parity Bonds upon  
14 satisfaction of the Parity Conditions; (c) any Future Parity Bonds; and (d) any Parity Payment  
15 Agreement entered into upon satisfaction of the Parity Conditions.

16           **“Parity Bond Documents”** means those Bond Documents applicable to a series of Parity  
17 Bonds.

18           **“Parity Bond Fund”** means the special fund of the City known as the Seattle Municipal  
19 Light Revenue Parity Bond Fund established within the Light Fund pursuant to Ordinance 92938  
20 for the purpose of paying and securing the payment of principal of and interest on Parity Bonds  
21 (including Parity Payment Agreement Payments) and payments under Parity Reimbursement  
22 Obligations.

1           **“Parity Bond Ordinance”** means any ordinance passed by the City Council providing  
2 for the issuance and sale of any Series of Parity Bonds, and any other ordinance amending or  
3 supplementing the provisions of any Parity Bond Ordinance.

4           **“Parity Certificate”** means a certificate delivered pursuant to ~~((Subsection))~~subsection  
5 18(a)(ii) of this ordinance, and the corresponding provisions of the Outstanding Parity Bond  
6 Ordinances, for purposes of satisfying the Parity Conditions in connection with the issuance of  
7 the Bonds and any Future Parity Bonds.

8           **“Parity Conditions”** means~~((;))~~ (a) for purposes of establishing that a Series of the  
9 Bonds may be issued on parity with the Parity Bonds outstanding as of the Issue Date of such  
10 Series, the conditions for issuing Future Parity Bonds set forth in the Parity Bond Ordinances  
11 relating to those Parity Bonds that are then outstanding; and (b) for purposes of issuing Future  
12 Parity Bonds on parity with a Series of the Bonds, the conditions described in the preceding  
13 clause (a) together with the conditions set forth in ~~((Subsection))~~subsection 18(a) of this  
14 ordinance.

15           ~~((“Parity Covenant Date” means the earlier of (a) the date on which the City has~~  
16 ~~obtained consents of the requisite percentage of Registered Owners of the Parity Bonds then~~  
17 ~~outstanding, in accordance with the provisions of the applicable Outstanding Parity Bond~~  
18 ~~Documents; or (b) the date on which all of the following Outstanding Parity Bonds have been~~  
19 ~~redeemed or defeased: Municipal Light and Power Improvement and Refunding Revenue Bonds,~~  
20 ~~2008; Municipal Light and Power Revenue Bonds, 2010A (Taxable Build America Bonds—~~  
21 ~~Direct Payment); Municipal Light and Power Improvement and Refunding Revenue Bonds,~~  
22 ~~2010B; Municipal Light and Power Revenue Bonds, 2010C (Taxable Recovery Zone Economic~~  
23 ~~Development Bonds—Direct Payment); Municipal Light and Power Improvement and~~

1 ~~Refunding Revenue Bonds, 2011A; Municipal Light and Power Improvement Revenue Bonds,~~  
2 ~~2011B (Taxable New Clean Renewable Energy Bonds— Direct Payment); Municipal Light and~~  
3 ~~Power Improvement and Refunding Revenue Bonds, 2012A; Municipal Light and Power~~  
4 ~~Improvement Revenue Bonds, 2012C (Taxable New Clean Renewable Energy Bonds— Direct~~  
5 ~~Payment); Municipal Light and Power Improvement and Refunding Revenue Bonds, 2013;~~  
6 ~~Municipal Light and Power Improvement and Refunding Revenue Bonds, 2014; Municipal Light~~  
7 ~~and Power Revenue Bonds, 2015A; Municipal Light and Power Revenue Bonds, 2015B-1~~  
8 ~~(SIFMA Index); and Municipal Light and Power Revenue Bonds, 2015B-2 (SIFMA Index).)~~

9       **“Parity Payment Agreement”** means a Payment Agreement ~~((which))~~ that is entered  
10 into in compliance with the Parity Conditions and under which the City’s payment obligations  
11 are expressly stated to constitute a lien and charge on Net Revenue equal in rank with the lien  
12 and charge upon such Net Revenue required to be paid into the Parity Bond Fund and the  
13 Reserve Fund to pay and secure the payment of principal of and interest on Parity Bonds in  
14 accordance with Section 14 of this ordinance. For purposes of determining percentages of  
15 ownership of Parity Bonds under this ordinance or under any Bond Documents, Parity Payment  
16 Agreements shall be deemed to have no principal amount, and any consent or similar rights (if  
17 any) shall be determined only as set forth in the applicable Parity Payment Agreement.

18       **“Parity Reimbursement Obligation”** means any payment or reimbursement obligation  
19 incurred under a written agreement entered into in connection with a series of Parity Bonds or to  
20 obtain Qualified Insurance or a Qualified Letter of Credit (other than Qualified Insurance or a  
21 Qualified Letter of Credit obtained to satisfy all or part of the Reserve Fund Requirement), under  
22 which the City’s payment obligations are expressly stated to constitute a lien and charge on Net  
23 Revenue equal in rank to the lien and charge upon such Net Revenue required to be paid into the



1 Parity Bond Fund to pay and secure the payment of the principal of and interest on the Parity  
2 Bonds. Parity Reimbursement Obligations accruing as a result of a mandatory tender for  
3 purchase of Parity Bonds shall be excluded from the calculation of Annual Debt Service for all  
4 purposes. For purposes of determining percentages of ownership of Parity Bonds, Parity  
5 Reimbursement Obligations shall be deemed to have no principal amount, and any consent or  
6 similar rights (if any) shall be determined only as set forth in the applicable Parity  
7 Reimbursement Obligation.

8           **“Payment Agreement”** means a written agreement entered into by the City and a  
9 Qualified Counterparty, as authorized by any applicable laws of the State, for the purpose of  
10 managing or reducing the City’s exposure to fluctuations or levels of interest rates, or for other  
11 interest rate, investment, or asset or liability management purposes, and which provides for (i) an  
12 exchange of payments based on interest rates, ceilings, or floors on such payments, (ii) options  
13 on such payments; (iii) any combination of the foregoing, or (iv) any similar device. A Payment  
14 Agreement may be entered into on either a current or forward basis. A Payment Agreement must  
15 be entered into in connection with (or incidental to) the issuance, (~~(incurring)~~)incurrence, or  
16 carrying of particular bonds, notes, bond anticipation notes, commercial paper, or other  
17 obligations for borrowed money (which may include leases, installment purchase contracts, or  
18 other similar financing agreements or certificates of participation in any of the foregoing).

19           **“Payment Agreement Payments”** means the amounts periodically required to be paid  
20 by the City to a Qualified Counterparty pursuant to a Payment Agreement.

21           **“Payment Agreement Receipts”** means the amounts periodically required to be paid by  
22 a Qualified Counterparty to the City pursuant to a Payment Agreement.

1           **“Permitted Investments”** means any investments or investment agreements permitted  
2 for the investment of City funds under the laws of the State, as amended (~~((from time to time))~~)at any  
3 time.

4           **“Pricing Certificate”** means a certificate executed by the Director of Finance as of the  
5 pricing date confirming the Bond Sale Terms for the sale of a Series of the Bonds to the  
6 Purchaser in a competitive sale, in accordance with the parameters set forth in Section 5 of this  
7 ordinance.

8           **“Professional Utility Consultant”** means the independent person(s) or firm(s) selected  
9 by the City having a favorable reputation for skill and experience with electric systems of  
10 comparable size and character to the Light System in such areas as are relevant to the purposes  
11 for which they were retained.

12           **“Purchaser”** means the entity or entities who have been selected by the Director of  
13 Finance in accordance with this ordinance(~~((to serve))~~) as underwriter, purchaser or successful  
14 bidder in a sale of any Series of the Bonds.

15           **“Qualified Counterparty”** means a party (other than the City or a person related to the  
16 City) who is the other party to a Payment Agreement and who is qualified to act as the other  
17 party to a Payment Agreement under any applicable laws of the State.

18           **“Qualified Insurance”** means any municipal bond insurance policy, surety bond, or  
19 similar credit enhancement device, issued by any insurance company licensed to conduct an  
20 insurance business in any state of the United States, by a service corporation acting on behalf of  
21 one or more such insurance companies, or by any other financial institution, the provider of  
22 which, as of the time of issuance of such credit enhancement device, is rated in one of the two

1 highest rating categories (without regard to gradations within such categories) by at least two  
2 nationally recognized rating agencies.

3 **“Qualified Letter of Credit”** means any letter of credit, standby bond purchase  
4 agreement, or other liquidity facility issued by a financial institution for the account of the City  
5 in connection with the issuance of any Parity Bond or Junior Lien Bond, which institution  
6 maintains an office, agency or branch in the United States and, as of the time of issuance of such  
7 instrument, is rated in one of the two highest rating categories (without regard to gradations  
8 within such categories) by at least two nationally recognized rating agencies.

9 ~~((“RBI” means *The Bond Buyer Revenue Bond Index* or comparable index, or, if no  
10 comparable index can be obtained, 80% of the interest rate for actively traded 30-year United  
11 States Treasury obligations.))~~

12 **“Rate Stabilization Account”** means the account of that name previously established in  
13 the Light Fund pursuant to Ordinance 121637.

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

16 **“Record Date”** means, unless otherwise defined in the Bond Documents, in the case of  
17 each interest or principal payment date, the Bond Registrar’s close of business on the 15th day of  
18 the month preceding ~~((the))~~such interest or principal payment date. With regard to redemption of  
19 a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business  
20 on the day prior to the date on which the Bond Registrar sends the notice of redemption to the  
21 Registered Owner(s) of the affected Bonds.

22 **“Refundable Bonds”** means the Refundable Parity Bonds and the Refundable Junior  
23 Lien Bonds.

1           **“Refundable Junior Lien Bonds”** means any ~~((Outstanding))~~then outstanding Junior  
2 Lien Bonds that ~~((have been designated, or may in the future be designated, as refundable under~~  
3 ~~this ordinance))~~are eligible to be refunded pursuant to the Omnibus Refunding Ordinance.

4           **“Refundable Parity Bonds”** means any ~~((Outstanding))~~then outstanding Parity Bonds  
5 that ~~((have been designated, or may in the future be designated, as refundable under this~~  
6 ~~ordinance))~~eligible to be refunded pursuant to the Omnibus Refunding Ordinance.

7           **“Refunded Bond Documents”** means those Bond Documents applicable to the original  
8 issuance of a series of~~((the))~~ Refunded Bonds.

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

11           **“Refunding Junior Lien Bonds”** means Future Junior Lien Bonds that satisfy the  
12 applicable Junior Lien Additional Bonds Test and are issued pursuant to this ordinance (or  
13 another Future Junior Lien Bond Ordinance) for the purpose of refunding any Refundable Junior  
14 Lien Bonds.

15           **“Refunding Parity Bonds”** means Future Parity Bonds that satisfy the applicable Parity  
16 Conditions and are issued pursuant to this ordinance (or another Future Parity Bond Ordinance)  
17 for the purpose of refunding any Refundable Parity Bonds.

18           **“Refunding Plan”** means the plan approved by the Director of Finance pursuant to the  
19 delegation set forth herein to accomplish the refunding of Refundable Bonds. Each Refunding  
20 Plan must identify the maturities and series of Refundable Bonds to be refunded thereby, and  
21 must provide for their defeasance and/or refunding, substantially as follows, with such additional  
22 detail and adjustments to be set forth in the Refunding Trust Agreement (including, without

1 limitation, adjustments to permit a crossover refunding or the refunding of variable rate bonds)  
2 as the Director of Finance may deem necessary or desirable:

3 (a) The City shall issue a Series of the Bonds (which may be combined within the  
4 Series with Bonds of the same seniority, authorized hereunder or separately) and, upon receipt,  
5 shall deposit the proceeds of the sale of such Series, together with such other money as may be  
6 included in the plan by the Director of Finance, into a refunding escrow or trust account held by  
7 the Refunding Trustee;

8 (b) Upon receipt of a certification or verification by a certified public accounting firm  
9 or other financial advisor that the amounts deposited with it will be sufficient to accomplish the  
10 refunding as described in such Refunding Trust Agreement, the Refunding Trustee shall invest  
11 such escrow deposits in the Acquired Obligations specified therein (unless directed in the  
12 Refunding Trust Agreement to hold such deposits uninvested) and shall establish a beginning  
13 cash balance; and

14 (c) As further directed in the Refunding Trust Agreement, the Refunding Trustee  
15 shall apply the amounts received as interest on and maturing principal of such Acquired  
16 Obligations (together with any cash balance in the refunding trust account) to call, pay, and  
17 redeem those Refundable Bonds on the dates and times identified in the plan, and (if so directed)  
18 to pay the administrative costs of carrying out the foregoing.

19 If the Director of Finance serves as the Refunding Trustee, the Director of Finance shall  
20 approve a written Refunding Plan (which need not be set forth in a Refunding Trust Agreement)  
21 providing that the escrow funds are to be held separate and apart from all other funds of the City  
22 and are to be applied substantially as set forth above. A Refunding Plan may provide for the  
23 issuance of Refunding Parity Bonds or Refunding Junior Lien Bonds to refund any Refundable

1 Bonds, regardless of whether such Refundable Bonds are Parity Bonds or Junior Lien Bonds,  
2 provided that the conditions of Section 18 of this ordinance are met as of the Issue Date of such  
3 Refunding Bonds.

4 **“Refunding Trust Agreement”** means an escrow or trust agreement between the City  
5 and a Refunding Trustee, as described in Section ~~((26))~~25(d) of this ordinance.

6 **“Refunding Trustee”** means the Director of Finance, or a financial institution selected  
7 by the Director of Finance, serving in the capacity of refunding trustee or escrow agent under a  
8 Refunding Trust Agreement.

9 **“Registered Owner”** means, with respect to a Bond, the person in whose name that  
10 Bond is registered on the Bond Register. For so long as a Series of the Bonds is in Book-Entry  
11 Form under a Letter of Representations, the Registered Owner of such Series shall mean the  
12 Securities Depository.

13 ~~((“Registration Ordinance” means City Ordinance 111724 establishing a system of  
14 registration for the City’s bonds and other obligations pursuant to Seattle Municipal Code Chapter  
15 5.10, as that chapter now exists or may hereafter be amended.))~~

16 **“Reserve Fund”** means ~~the~~a special fund of the City known as the Municipal Light and  
17 Power Bond Reserve Fund, established pursuant to Ordinance 71917 and maintained pursuant to  
18 the Outstanding Parity Bond Ordinances and this Ordinance as a separate account within the  
19 Light Fund ~~((pursuant to Ordinance 71917, as amended,))~~ to secure the payment of the Parity  
20 Bonds.

21 **“Reserve Fund Requirement”** means, for any Series of Bonds designated as Parity  
22 Bonds, the Reserve Fund Requirement established in the Bond Sale Terms for that Series and  
23 any other Series issued as part of a single “issue” of Parity Bonds, consistent with Section 15 of

1 this ordinance. For any (~~(Series))~~series of Future Parity Bonds, the Reserve Fund Requirement  
2 means the requirement specified for that (~~(Series))~~series in the ~~B~~bond ~~S~~sale ~~T~~terms associated  
3 with that issue. The aggregate Reserve Fund Requirement for all Parity Bonds shall be the sum  
4 of the Reserve Fund Requirements for each (~~(Series))~~series of Parity Bonds. For purposes of this  
5 definition, “issue” means all Series of Parity Bonds issued and sold pursuant to a common set of  
6 ~~B~~bond ~~S~~sale ~~T~~terms. For the purposes of calculating the Reserve Fund Requirement only, the  
7 City shall deduct from Annual Debt Service the Tax Credit Subsidy Payments the City is  
8 scheduled to claim from the federal government in respect of the interest on a (~~(Series))~~series of  
9 Parity Bonds that are Tax Credit Subsidy Bonds (or with respect to which the federal  
10 government is otherwise scheduled to provide direct payments).

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

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

14 **“SIFMA Municipal Swap Index”** means the Securities Industry and Financial Markets  
15 Association (SIFMA) Municipal Swap Index, calculated and published by Bloomberg and  
16 overseen by SIFMA’s Municipal Swap Index Committee, or a substantially similar recognized  
17 market successor index representing a seven-day market index comprised of certain high-grade  
18 tax-exempt variable rate demand obligations.

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

1           **“Serial Bond”** means any Parity Bond or Junior Lien Bond maturing in a specified year,  
2 for which no Sinking Fund Requirements are mandated.

3           **“Series”** means, when capitalized in this ordinance, a (~~Series~~)series of the Bonds issued  
4 pursuant to this ordinance.

5           **“Sinking Fund Account”** means (a) with respect to Parity Bonds, any account created in  
6 the Parity Bond Fund to amortize the principal or make mandatory redemptions of Parity Bonds  
7 that are Term Bonds; and (b) with respect to Junior Lien Bonds, any account created in the  
8 Junior Lien Debt Service Fund to amortize the principal or make mandatory redemptions of  
9 Junior Lien Bonds that are Term Bonds.

10           **“Sinking Fund Requirement”** means, for any calendar year, the principal portion (and  
11 required redemption premium, if any) of any Term Bond that is required to be purchased,  
12 redeemed, paid at maturity, or paid into any Sinking Fund Account for such calendar year, as  
13 established in the applicable Bond Documents.

14           **“State”** means the State of Washington.

15           **“State Auditor”** means the office of the Auditor of the State or such other department or  
16 office of the State authorized and directed by State law to make audits.

17           **“System of Registration”** means the system of registration for the City’s bonds and  
18 other obligations, established pursuant to Seattle Municipal Code Chapter 5.10, as amended at  
19 any time.

20           **“Tax Credit Subsidy Bond”** means any Taxable Bond that is designated by the City as a  
21 tax credit bond pursuant to the Code and as a “qualified bond” under Section 6431 or similar  
22 provision of the Code, and with respect to which the City is eligible to claim a Tax Credit  
23 Subsidy Payment.



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

3           **“Tax-Exempt Bond”** means any Parity Bond or Junior Lien Bond, the interest on which  
4 is intended, as of the Issue Date, to be excludable from gross income for federal income tax  
5 purposes.

6           **“Taxable Bond”** means any Parity Bond or Junior Lien Bond, the interest on which is  
7 not intended, as of the Issue Date, to be excludable from gross income for federal income tax  
8 purposes.

9           **“Term Bond”** means any Parity Bond or Junior Lien Bond that is issued subject to  
10 mandatory redemption in periodic (~~installments of principal~~) Sinking Fund Requirements prior  
11 to its maturity date.

12           **“Valuation Date”** means, with respect to any Capital Appreciation Bond, the date or  
13 dates, determined as set forth in the applicable Bond Documents, on which specific Accreted  
14 Values are assigned to that Capital Appreciation Bond.

15           **“Variable Interest Rate”** means any interest rate that fluctuates during the stated term of  
16 a bond (or during a stated period during which the bond is designated as a Variable Interest Rate  
17 Bond), whether due to a remarketing, a market index reset, or other mechanism set forth in the  
18 applicable Bond Documents. The Bond Documents for any Series of the Bonds bearing interest  
19 at a Variable Interest Rate shall set forth: (a) the available method(s) of computing interest (the  
20 “interest rate modes”); (b) the particular period or periods of time (or manner of determining  
21 such period or periods of time) for which each value of such Variable Interest Rate (or each  
22 interest rate mode) shall remain in effect; (c) provisions for conversion from one interest rate  
23 mode to another and for setting or resetting the interest rates; and (d) the time or times upon

1 which any change in such Variable Interest Rate (or any conversion of interest rate modes) shall  
2 become effective.

3       **“Variable Interest Rate Bond”** means, for any period of time, any Parity Bond or Junior  
4 Lien Bond that bears interest at a Variable Interest Rate during that period. A bond shall not be  
5 treated as a Variable Interest Rate Bond if the net economic effect of (a) interest rates on a  
6 particular series of Parity Bonds (or Junior Lien Bonds, as applicable), as set forth in the  
7 applicable Bond Documents, and (b) either (i) interest rates on another series of Parity Bonds (or  
8 Junior Lien Bonds, as applicable) issued at substantially the same time, or (ii) a Payment  
9 Agreement related to that particular series, in either case, is to produce obligations that bear  
10 interest at a fixed interest rate. Any Parity Bond or Junior Lien Bond with respect to which a  
11 Payment Agreement is in force shall be treated as a Variable Interest Rate Bond if the net  
12 economic effect of the Payment Agreement is to produce an obligation that bears interest at a  
13 Variable Interest Rate.

14       Section 2. **Finding With Respect to Refunding.** The City Council(~~hereby~~) finds that  
15 the irrevocable deposit of money and securities with a Refunding Trustee, verified or certified as  
16 to sufficiency in accordance with a Refunding Plan approved pursuant to this ordinance, will  
17 discharge and satisfy the obligations of the City as to the Refunded Bonds identified therein,  
18 including all pledges, charges, trusts, covenants and agreements under the applicable Refunded  
19 Bond Documents. Immediately upon such deposit, the Refunded Bonds identified in such  
20 Refunding Plan shall be defeased and shall no longer be deemed to be outstanding under the  
21 applicable Refunded Bond (~~Legislation~~)Documents.

22       Section 3. **Authorization of Bonds; Due Regard Finding.**

1           (a)     **The Bonds.** ~~((The))~~To refund outstanding Refundable Bonds, the City is  
2 authorized to issue municipal light and power revenue refunding bonds payable from the sources  
3 described in Section 13 of this ordinance and secured as either Parity Bonds or Junior Lien  
4 Bonds, as determined by the Director of Finance in accordance with Section 5 of this ordinance.  
5 All municipal light and power revenue bonds and other obligations designated at any time as  
6 Refundable Bonds are eligible to be refunded under this ordinance. The Bonds authorized by this  
7 ordinance may be issued in ~~((one or more))~~multiple Series in a maximum aggregate principal  
8 amount not to exceed the amount stated in Section 5~~((7))~~of this ordinance for the purposes of: (a)  
9 providing funds, from time to time, to carry out the current or advance refunding of all or a  
10 portion of the outstanding Refundable Bonds pursuant to an approved Refunding Plan; (b)  
11 providing for the Reserve Fund Requirement (if any); (c) capitalizing interest on the Bonds (if  
12 necessary) and paying costs of issuance; and (d) for other Light System purposes approved by  
13 ordinance. The Bonds may be issued in multiple Series and may be combined with other  
14 municipal light and power revenue bonds authorized separately. The Bonds shall be designated  
15 municipal light and power revenue bonds, shall be numbered separately and shall have any  
16 name, year, ~~((and Series))~~series, or other labels as deemed necessary or appropriate by the  
17 Director of Finance. Any Series of the Bonds designated as Junior Lien Bonds shall bear a  
18 designation clearly indicating that such Bonds are Junior Lien Bonds.

19           (b)     **City Council Finding.** The City Council~~((hereby))~~ finds that, in creating the  
20 Parity Bond Fund, the Reserve Fund, and the Junior Lien Debt Service Fund (collectively, the  
21 “Bond Funds”), and in fixing the amounts to be paid into those funds in accordance with this  
22 ordinance and the parameters for the Bond Sale Terms set forth in Section 5 of this ordinance,  
23 the City Council has exercised due regard for the cost of operation and maintenance of the Light

1 System, and is not setting aside into such Bond Funds a greater amount than in the judgment of  
2 the City Council, based on the rates established from time to time consistent with  
3 ~~((Subsection))~~subsection 17(a)(ii) of this ordinance, will be sufficient, in the judgment of the  
4 City Council, to meet all expenses of operation and maintenance of the Light System and to  
5 provide the amounts previously pledged for the payment of all outstanding obligations payable  
6 out of Gross Revenues and pledged for the payment of the Bonds. Therefore, the City Council  
7 ~~hereby~~ finds that the issuance and sale of the Bonds is in the best interest of the City and is in the  
8 public interest.

9 Section 4. **Manner of Sale of the Bonds.** The Director of Finance may provide for the  
10 sale of each Series by competitive sale, negotiated sale, limited offering, or private placement,  
11 and may select and enter into agreements with remarketing agents or providers of liquidity with  
12 respect to Variable Interest Rate Bonds. The Purchaser of each Series shall be chosen through a  
13 selection process acceptable to the Director of Finance. The Director of Finance is authorized to  
14 specify a date and time of sale and a date and time for the delivery of each Series; in the case of a  
15 competitive sale, to provide an official notice of sale including bid parameters and other bid  
16 requirements, and to provide for the use of an electronic bidding mechanism; to provide for and  
17 determine matters relating to ~~((a))~~the forward or delayed delivery of a Series of the Bonds, if  
18 deemed desirable; and to ~~((determine))~~specify such other matters and take such other action as in  
19 ~~((his or her))~~the Director's determination may be necessary, appropriate, or desirable in order to  
20 carry out the sale of each Series. Each Series must be sold on Bond Sale Terms consistent with  
21 the parameters set forth in Section 5 of this ordinance.

1           Section 5. **Appointment of Designated Representative; Bond Sale Terms.**

2           (a)     **Designated Representative.** The Director of Finance is appointed to serve as the  
3 City’s designated representative in connection with the issuance and sale of the Bonds in  
4 accordance with RCW 39.46.040(2) and this ordinance.

5           (b)     **Parameters for Bond Sale Terms.** The Director of Finance is authorized to  
6 approve, on behalf of the City, Bond Sale Terms for the sale of the Bonds in one or more Series,  
7 and in connection with each such sale, to execute a Bond Purchase Contract (or, in the case of a  
8 competitive sale, a Pricing Certificate) confirming the Bond Sale Terms and such related  
9 agreements as may be necessary or desirable, consistent with the following parameters:

10           (i)     **Maximum Principal Amount.** The maximum aggregate principal  
11 amount of Bonds issued to carry out each Refunding Plan may not exceed ~~125((%))~~ percent of  
12 the stated principal amount of those Refundable Bonds selected for refunding in that Refunding  
13 Plan.

14           (ii)    **Date or Dates.** Each Bond shall be dated its Issue Date, as determined by  
15 the Director of Finance.

16           (iii)   **Denominations.** The Bonds shall be issued in Authorized Denominations.

17           (iv)    **Interest Rate(s).** Each Bond shall bear interest from its Issue Date or  
18 from the most recent date to which interest has been paid or duly provided, whichever is later,  
19 unless otherwise provided in the applicable Bond Documents. Each Series of the Bonds shall  
20 bear interest at one or more fixed interest rates or Variable Interest Rates. The ~~((net))~~ true interest  
21 cost for any fixed rate Series may not exceed a rate of ~~10((%))~~ percent per annum. The Bond  
22 Documents for any Series may provide for multiple interest rates and interest rate modes, and  
23 may provide conditions and mechanisms for the Director of Finance to effect a conversion from

1 one mode to another. Nothing in this ordinance shall be interpreted to prevent the Bond  
2 Documents for any Series from including a provision for adjustments to interest rates during the  
3 term of the Series upon the occurrence of certain events specified in the applicable Bond  
4 Documents.

5 (v) **Payment Dates.** Interest shall be payable on dates acceptable to the  
6 Director of Finance. Principal shall be payable on dates acceptable to the Director of Finance,  
7 which shall include payment at the maturity of each Bond; in accordance with any Sinking Fund  
8 Requirements applicable to Term Bonds; and otherwise in accordance with any redemption or  
9 tender provisions.

10 (vi) **Final Maturity.** The final maturity of any Series of the Bonds shall be  
11 determined by the Director of Finance, consistent with chapter 39.53 RCW and other applicable  
12 State law, as ~~((it may be))~~ amended ~~((from time to))~~ at any time.

13 (vii) **Redemption Prior to Maturity.** The Bond Sale Terms may include  
14 redemption and tender provisions, as determined by the Director of Finance in ~~((his))~~ the  
15 Director's discretion, consistent with Section 8 of this ordinance and subject to the following:

16 (A) **Optional Redemption.** The Director of Finance may designate  
17 any Bond as subject to optional redemption prior to its maturity, consistent with subsection 8(a)  
18 of this ordinance. Any Bond that is subject to optional redemption prior to maturity must be  
19 callable on at least one or more date(s) occurring not more than ~~((10½))~~ 10-1/2 years after the  
20 Issue Date ~~((, consistent with Section 8(a)))~~.

21 (B) **Mandatory Redemption.** The Director of Finance may designate  
22 any Bond as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and

1 in principal payment amounts set forth ~~((~~it~~))~~ as Sinking Fund Requirements, consistent with  
2 ~~((Subsection))~~ subsection 8(b) of this ordinance.

3 (C) **Extraordinary Redemption~~((s))~~.** The Director of Finance may  
4 designate any Bond as subject to extraordinary optional redemption or extraordinary mandatory  
5 redemption upon the occurrence of an extraordinary event, as such event or events may be set  
6 forth in the applicable Bond Documents, consistent with ~~((Subsection))~~ subsection 8(c) of this  
7 ordinance.

8 (D) **Tender Options.** The Director of Finance may designate any  
9 Variable Interest Rate Bond as subject to tender options, as set forth in the applicable Bond  
10 Documents.

11 (viii) **Price.** The Director of Finance may approve in the Bond Sale Terms an  
12 aggregate purchase price for each Series of the Bonds that is, in ~~((his or her))~~ the Director's  
13 judgment, the price that produces the most advantageous borrowing cost for the City for that  
14 Series, consistent with the parameters set forth ~~((herein))~~ in this ordinance and in any applicable  
15 bid documents.

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

17 (A) **Refunding Findings; Approval of Refunding Plan.** As of the  
18 Issue Date of each Series, the Director of Finance must approve a Refunding Plan (which may be  
19 set forth in a Refunding Trust Agreement) and find~~((s))~~ that such Refunding Plan is necessary to  
20 accomplish one or more of the purposes set forth in RCW 39.53.020, as ~~((it may be-))~~ amended  
21 ~~((from))~~ at any time~~((to time))~~, and is consistent with the City's debt policies then in effect,  
22 ~~((f))~~ including, if applicable, a finding that the Refunding Plan will achieve an acceptable level of  
23 debt service savings~~(( ))~~.

1 (B) **Satisfaction of Parity Conditions or Junior Lien Additional**

2 **Bonds Test.** For each Series of the Bonds, the Director of Finance must designate (~~each~~)such  
3 Series of the Bonds as a series of either Parity Bonds or Junior Lien Bonds. For (~~each~~)a Series  
4 to be designated as Parity Bonds, the Director of Finance must find to (~~his or her~~)the Director's  
5 satisfaction that, as of the Issue Date, the Parity Conditions have been met or satisfied so that  
6 such Series is permitted to be issued as Parity Bonds. For (~~each~~)a Series to be designated as  
7 Junior Lien Bonds, the Director of Finance must find to (~~his or her~~)the Director's satisfaction  
8 that, as of the Issue Date, the Junior Lien Additional Bonds Test has been met or satisfied so that  
9 such Series is permitted to be issued as Junior Lien Bonds.

10 (C) **Additional Terms, Conditions, and Agreements.** The Bond Sale

11 Terms for any Series may provide for Qualified Insurance, a Qualified Letter of Credit or other  
12 liquidity facility, Parity Reimbursement Obligation, Intermediate Lien Reimbursement  
13 Obligation, Junior Lien Reimbursement Obligation, or(~~for~~) any other Payment Agreement as  
14 the Director of Finance may find necessary or desirable, and may include such additional terms,  
15 conditions, and covenants, as may be necessary or desirable, including but not limited to:  
16 restrictions on investment of Bond proceeds and pledged funds (including any escrow  
17 established for the defeasance of any of the Bonds), provisions for the conversion of interest rate  
18 modes, provisions for the reimbursement of a credit enhancement provider or Qualified  
19 Counterparty, and requirements to give notice to or obtain the consent of a credit enhancement  
20 provider or a Qualified Counterparty. The Director of Finance is authorized to execute, on behalf  
21 of the City, such additional certificates and agreements as may be necessary or desirable to  
22 reflect such terms, conditions, and covenants.



1 (D) **Parity Bond Reserve Fund Requirement.** The Bond Sale Terms  
2 for any Series of Parity Bonds must establish the Reserve Fund Requirement for such Series and  
3 must set forth the method for satisfying any such requirement, consistent with Section 15 of this  
4 ordinance and the Parity Conditions. The Reserve Fund Requirement for any such Series may  
5 not be set at a level that would cause the aggregate Reserve Fund Requirement to exceed the  
6 least of (1) 125(~~(%)~~) percent of Average Annual Debt Service on all Parity Bonds outstanding,  
7 (2) Maximum Annual Debt Service on all Parity Bonds outstanding, or (3) 10(~~(%)~~) percent of the  
8 proceeds of the outstanding Parity Bonds.

9 (E) **Tax Status of the Bonds.** The Director of Finance may  
10 (~~determine that~~) designate any Series of the Bonds (~~is to be designated or qualified~~) as Tax-  
11 Exempt Bonds, Taxable Bonds, or Tax Credit Subsidy Bonds, consistent with Section 21 of this  
12 ordinance.

13 Section 6. **Bond Registrar; Registration and Transfer of Bonds.**

14 (a) **Registration (~~of Bonds~~) and Bond Registrar.** The Bonds shall be issued only  
15 in registered form as to both principal and interest and shall be recorded on the Bond Register.  
16 The Fiscal Agent is appointed to act as Bond Registrar for each Series of the Bonds, unless  
17 otherwise determined by the Director of Finance.

18 (b) **Transfer and Exchange of Bonds.** The Bond Registrar shall keep, or cause to be  
19 kept, sufficient books for the registration and transfer of the Bonds, which shall be open to  
20 inspection by the City at all times. The Bond Register shall contain the name and mailing address  
21 of the Registered Owner of each Bond and the principal amount and number of each of the  
22 Bonds held by each Registered Owner.

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

5           The Bond Registrar shall be responsible for its representations contained in the Bond  
6 Registrar’s certificate of authentication on the Bonds. The Bond Registrar may become an  
7 Owner of Bonds with the same rights it would have if it were not the Bond Registrar and, to the  
8 extent permitted by law, may act as depository for and permit any of its officers or directors to  
9 act as members of, or in any other capacity with respect to, any committee formed to protect the  
10 rights of Owners.

11           Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any Authorized  
12 Denomination of an equal aggregate principal amount and of the same Series, seniority, interest  
13 rate, and maturity. Bonds may be transferred only if endorsed in the manner provided thereon  
14 and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to an  
15 Owner or transferee. The Bond Registrar shall not be obligated to exchange or transfer any Bond  
16 during the period between the Record Date and the corresponding interest payment or principal  
17 redemption date.

18           (c)    **Securities Depository; Book-Entry Form.** Unless otherwise determined by the  
19 Director of Finance, the Bonds initially shall be issued in Book-Entry Form and registered in the  
20 name of the Securities Depository. The Bonds so registered shall be held fully immobilized in  
21 Book-Entry Form by the Securities Depository in accordance with the provisions of the Letter of  
22 Representations. Neither the City nor the Bond Registrar shall have any responsibility or  
23 obligation to participants of the Securities Depository or the persons for whom they act as

1 nominees with respect to the Bonds regarding the accuracy of any records maintained by the  
2 Securities Depository or its participants of any amount in respect of principal of or interest on the  
3 Bonds, or any notice (~~which~~)that is permitted or required to be given to Registered Owners  
4 hereunder (except such notice as is required to be given by the Bond Registrar to the Securities  
5 Depository). Registered ownership of a Bond initially held in Book-Entry Form, or any portion  
6 thereof, may not be transferred except: (i) to any successor Securities Depository; (ii) to any  
7 substitute Securities Depository appointed by the City or such substitute Securities Depository's  
8 successor; or (iii) to any person if the Bond is no longer held in Book-Entry Form.

9       Upon the resignation of the Securities Depository from its functions as depository, or  
10 upon a determination by the Director of Finance to discontinue utilizing the then-current  
11 Securities Depository, the Director of Finance may appoint a substitute Securities Depository. If  
12 the Securities Depository resigns from its functions as depository and no substitute Securities  
13 Depository can be obtained, or if the Director of Finance determines not to utilize a Securities  
14 Depository, then the Bonds shall no longer be held in Book-Entry Form and ownership may be  
15 transferred only as provided (~~herein~~)in this ordinance.

16       Nothing (~~herein~~)in this ordinance shall prevent the Bond Sale Terms from providing  
17 that a Series of the Bonds shall be issued in certificated form without utilizing a Securities  
18 Depository, and that the Bonds of such Series shall be registered as of their Issue Date in the  
19 names of the Owners thereof, in which case ownership may be transferred only as provided  
20 (~~herein~~)in this ordinance.

21       (d)   **Lost or Stolen Bonds.** In case any Bond or Bonds shall be lost, stolen or  
22 destroyed, the Bond Registrar may authenticate and deliver a (~~new-~~)replacement (~~(bond)~~)Bond  
23 or (~~(bonds)~~)Bonds of like amount, date, tenor, and effect to the Registered Owner(s) thereof

1 upon the Registered Owner(s)' paying the expenses and charges of the City in connection  
2 therewith and upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar  
3 that such ~~((bond))~~Bond or ~~((bonds))~~Bonds were actually lost, stolen or destroyed and of  
4 Registered Ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

5 Section 7. **Payment of Bonds.**

6 (a) **Payment.** Each Bond shall be payable in lawful money of the United States of  
7 America on the dates and in the amounts as provided in the Bond Documents for that Series.  
8 Principal of and interest on each Bond designated as a Parity Bond shall be payable solely out of  
9 the Parity Bond Fund. Principal of and interest on each Bond designated as a Junior Lien Bond  
10 shall be payable solely out of the Junior Lien Debt Service Fund. The Bonds shall not be general  
11 obligations of the City. No Bonds of any Series shall be subject to acceleration under any  
12 circumstances.

13 (b) **Bonds Held ~~((in))~~in Book-Entry Form.** Principal of and interest on each Bond  
14 held in Book-Entry Form shall be payable in the manner set forth in the Letter of  
15 Representations.

16 (c) **Bonds Not Held ~~((in))~~in Book-Entry Form.** Interest on each Bond not held in  
17 Book-Entry Form shall be payable by electronic transfer on the interest payment date, or by  
18 check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner  
19 at the address appearing on the Bond Register on the Record Date. The City, however, ~~((is))~~shall  
20 not be required to make electronic transfers except pursuant to a request by a Registered Owner  
21 in writing received at least ten days prior to the Record Date and at the sole expense of the  
22 Registered Owner. Principal of each Bond not held in Book-Entry Form shall be payable upon  
23 presentation and surrender of the Bond by the Registered Owner to the Bond Registrar.

1 Section 8. **Redemption and Purchase of Bonds.**

2 (a) **Optional Redemption.** All or some of the Bonds of any Series may be subject to  
3 redemption prior to their stated maturity dates at the option of the City (~~(at the times and)~~) on the  
4 dates and terms set forth in the applicable Bond Documents.

5 (b) **Mandatory Redemption.** All or some of the Bonds of any Series may be  
6 designated as Term Bonds, subject to mandatory redemption in Sinking Fund Requirements, as  
7 set forth in the applicable Bond Documents. If not redeemed or purchased at the City's option  
8 prior to maturity, Term Bonds (if any) must be redeemed, at a price equal to (~~(one hundred)~~)100  
9 percent of the principal amount to be redeemed, plus accrued interest, on the dates and in the  
10 years and Sinking Fund Requirements as set forth in the applicable Bond Documents.

11 If the City optionally redeems or purchases a principal portion of a Term Bond prior to its  
12 maturity, the principal amount (~~(of that Term Bond)~~) that is so redeemed or purchased  
13 (irrespective of its redemption or purchase price) shall be credited against the remaining Sinking  
14 Fund Requirements for that Term Bond in the manner(~~(as)~~) directed by the Director of Finance.  
15 In the absence of direction by the Director of Finance, credit shall be allocated (~~(to)~~)among the  
16 remaining Sinking Fund Requirements for that Term Bond on a *pro rata* basis.

17 (c) **Extraordinary Redemption(~~(Provisions)~~).** All or some of the Bonds of any  
18 Series may be subject to extraordinary optional redemption or extraordinary mandatory  
19 redemption prior to maturity upon the occurrence of an extraordinary event at the prices, in the  
20 principal amounts, and on the dates, all as set forth in the applicable Bond Documents.

21 (d) **Selection of Bonds for Redemption; Partial Redemption.** If fewer than all of  
22 the outstanding Bonds of a Series are to be redeemed at the option of the City, the Director of  
23 Finance shall select the (~~(Series and)~~)maturity or maturities to be redeemed. If less than all of

1 the principal amount of a maturity of the selected Series is to be redeemed(~~(,if)~~) and such Series  
2 is held in Book-Entry Form, the portion of such maturity to be redeemed shall be selected for  
3 redemption by the Securities Depository in accordance with the Letter of Representations(~~(,and~~  
4 ~~if)~~). If the Series selected for redemption is not then held in Book-Entry Form, the portion of  
5 such maturity to be redeemed shall be selected by the Bond Registrar using such method of  
6 random selection as the Bond Registrar shall determine. All or a portion of the principal amount  
7 of any Bond that is to be redeemed may be redeemed in any applicable Authorized  
8 Denomination. If less than all of the outstanding principal amount of any Bond is redeemed,  
9 upon surrender of that Bond to the Bond Registrar there shall be issued to the Registered Owner,  
10 without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same  
11 Series, seniority, maturity, and interest rate in any Authorized Denomination in the aggregate  
12 principal amount to remain outstanding.

13 (e) **Purchase.** The City reserves the right and option to purchase any or all of the  
14 Bonds at any time at any price acceptable to the City plus accrued interest to the date of  
15 purchase.

16 Section 9. **Notice of Redemption; Rescission of Notice.** Unless otherwise set forth in  
17 the applicable Bond Documents, the City must cause notice of any intended redemption of  
18 Bonds to be given not (~~(less)~~) fewer than 20 nor more than 60 days prior to the date fixed for  
19 redemption by first-class mail, postage prepaid, to the Registered Owner of any Bond to be  
20 redeemed at the address appearing on the Bond Register on the Record Date, and the  
21 requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed  
22 as so provided, whether or not it is actually received by the Owner of any Bond. Interest on

1 Bonds called for redemption shall cease to accrue on the date fixed for redemption unless the  
2 Bond or Bonds called are not redeemed when presented pursuant to the call.

3 In the case of an optional or extraordinary optional redemption, the notice may state that  
4 the City retains the right to rescind the redemption notice and the related(~~(optional)~~) redemption  
5 of Bonds by giving a notice of rescission to the affected Registered Owners at any time on or  
6 prior to the scheduled (~~(optional)~~)redemption date. Any notice of optional redemption that is  
7 rescinded by the Director of Finance shall be of no effect, and the Bonds for which the notice of  
8 (~~(optional)~~) redemption has been rescinded shall remain outstanding.

9 Section 10. **Failure to Pay Bonds.** If any Bond is not paid when properly presented at its  
10 maturity or redemption date, the City shall be obligated to pay, solely from the sources pledged  
11 to that Bond in this ordinance, interest on that Bond at the same rate provided on that Bond from  
12 and after its maturity or redemption date until that Bond, principal(~~(;)~~) (including redemption  
13 premium, if any), and interest, is paid in full or until sufficient money for its payment in full is on  
14 deposit in the Parity Bond Fund (if such Bond is a Parity Bond) or the Junior Lien Debt Service  
15 Fund (if such Bond is a Junior Lien Bond) and that Bond has been called for payment by giving  
16 notice of that call to the Registered Owner of that Bond. The exercise of remedies of Owners of  
17 the Bonds are limited as set forth in Section 24 of this ordinance.

18 Section 11. **Form and Execution of Bonds.** The Bonds shall be typed, printed or  
19 reproduced in a form consistent with the provisions of this ordinance and State law; shall be  
20 signed by the Mayor and Director of Finance, either or both of whose signatures may be manual  
21 or in facsimile; and the seal of the City or a facsimile reproduction thereof shall be impressed or  
22 printed thereon.

1           Only Bonds bearing a certificate of authentication in substantially the following form  
2 (with the designation, year(~~(, seniority)~~), and Series adjusted consistent with this ordinance),  
3 manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to  
4 the benefits of this ordinance: “This Bond is one of the fully registered The City of Seattle,  
5 Washington, Municipal Light and Power [Refunding] Revenue Bonds, [Year], [Series] [and/or  
6 Seniority, if applicable], described in [this ordinance].” Junior Lien Bonds shall ~~also~~ bear the  
7 words “Junior Lien” in their name in the foregoing certificate of authentication. The authorized  
8 signing of a certificate of authentication shall be conclusive evidence that the Bond so  
9 authenticated has been duly executed, authenticated, and delivered and is entitled to the benefits  
10 of this ordinance.

11           If any (~~(officer)~~)official whose manual or facsimile signature appears on a Bond ceases to  
12 be an (~~(officer)~~)official of the City authorized to sign bonds before the Bond bearing (~~(his or~~  
13 ~~her)~~)that official’s manual or facsimile signature is authenticated or delivered by the Bond  
14 Registrar or issued by the City, that Bond nevertheless may be authenticated, issued, and  
15 ~~delivered((and issued))~~ and, when authenticated, issued and delivered, shall be as binding on the  
16 City as though that person had continued to be an (~~(officer)~~)official of the City authorized to sign  
17 bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date  
18 of signing of the Bond, is an (~~(officer)~~)official of the City authorized to sign bonds, although (~~(he~~  
19 ~~or she)~~)that person did not hold the required office on the (~~(date of issuance))~~Issue Date of that  
20 Series of the Bonds.

21           Section 12. **Deposit and Use of Proceeds**. Unless otherwise provided in the applicable  
22 Bond Documents, the principal proceeds and net premium, if any, received from the sale and  
23 delivery of each Series of the Bonds, in the amount necessary to carry out the applicable



1 Refunding Plan, shall be deposited with the Refunding Trustee and used in accordance with the  
2 provisions of this section to discharge the obligations of the City relating to the Refunded Bonds  
3 identified therein.

4 The Director of Finance may use the principal proceeds and any net premium to pay for  
5 costs of issuance of the Bonds, and the Director of Finance also may incur and account for costs  
6 of issuance that are not included as part of the bond proceeds and net premium, including but not  
7 limited to any underwriter's discount. Net premium and accrued interest received from the sale  
8 and delivery of a Series of the Bonds, if any, that is not necessary to carry out the Refunding  
9 Plan, shall be paid or allocated into the Parity Bond Fund (or Junior Lien Bond Fund, as  
10 applicable) and used to pay interest on that Series.

11 Until needed to carry out the applicable Refunding Plan and to pay the costs described  
12 herein, the principal proceeds of each Series of the Bonds shall be held or invested (and the  
13 investment earnings shall be applied) in accordance with the Refunding Trust Agreement, and  
14 the money deposited with the Refunding Trustee, including the Acquired Obligations and any  
15 investment earnings, shall be held irrevocably, invested and applied in accordance with the  
16 provisions of the respective Refunded Bond (~~(Legislation)~~)Documents, this ordinance, the  
17 Refunding Trust Agreement, chapter 39.53 RCW, and other applicable State law. Earnings  
18 subject to a federal tax or rebate requirement may be withdrawn from any such fund or account  
19 and used for those tax or rebate purposes.

20 The Director of Finance may pay principal of and interest on a Series of the Bonds with  
21 any proceeds of that Series (including interest earnings thereon) remaining after applying such  
22 proceeds to carry out the Refunding Plan, or after the City Council has determined that the  
23 expenditure of such Bond proceeds for those purposes is no longer necessary or appropriate.

1           Section 13. **Security for the Bonds; Designation as Parity Bonds or Junior Lien**

2 **Bonds.** The Bonds shall not constitute general obligations of the City, the State or any political  
3 subdivision of the State or a charge upon any general fund or upon any money or other property  
4 of the City, the State or any political subdivision of the State not specifically pledged by this  
5 ordinance.

6           (a)     **Parity Bonds.** Each Series of the Bonds that is designated as Parity Bonds shall  
7 be a special limited obligation of the City payable from and secured solely by Gross Revenues  
8 available after payment of Operating and Maintenance Expense (“Net Revenue”) and by money  
9 in the Parity Bond Fund and the Reserve Fund. ~~((The))~~ Net Revenue is pledged to make the  
10 payments into the Parity Bond Fund and the Reserve Fund required by Sections 14 and 15 of this  
11 ordinance, which pledge shall constitute a lien and charge upon such Net Revenue prior and  
12 superior to all other charges whatsoever. Each Series of the Bonds designated as Parity Bonds  
13 shall be issued on parity with the Outstanding Parity Bonds and all Future Parity Bonds, without  
14 regard to date of issuance or authorization and without preference or priority of right or lien.

15           (b)     **Junior Lien Bonds.** Each Series of the Bonds that is designated as Junior Lien  
16 Bonds shall be a special limited obligation of the City payable from and secured solely by Net  
17 Revenue and by money in the Junior Lien Debt Service Fund. The Net Revenue is pledged to  
18 make the payments into the Junior Lien Debt Service Fund required by Sections 14 and 16 of  
19 this ordinance, which pledge shall constitute a lien and charge upon such Net Revenue (i.e.,  
20 Gross Revenues available after payment of Operating and Maintenance Expense of the Light  
21 System pursuant to subsection 14(a) of this ordinance) that is (i) subordinate only to the  
22 payments to be made ~~(((A-)))~~ into the Parity Bond Fund ~~((in respect of the principal of and~~  
23 ~~interest on the Outstanding Parity Bonds and Parity Payment Agreements, (B) in respect of~~

1 ~~reimbursement obligations arising under Alternate Reserve Securities, and (C) in respect of~~  
2 ~~obligations arising under Intermediate Lien Reimbursement Obligations))~~required by subsections  
3 14(b) through (d) of this ordinance, and (ii) prior and superior to all other charges whatsoever.

4 Each Series of the Bonds designated as Junior Lien Bonds shall be issued on parity with the lien  
5 and charge of any then outstanding Junior Lien Bonds and all Future Junior Lien Bonds, without  
6 regard to date of issuance or authorization and without preference or priority of right or lien.

7 Nothing in this ordinance prevents the City from issuing revenue bonds or other obligations  
8 ~~((which))~~that are a charge or lien upon Net Revenues subordinate to the payments required to be  
9 made into the Junior Lien Debt Service Fund and the Reserve Fund, and any subfund, account,  
10 or subaccount within the foregoing funds.

11 Section 14. **Priority Expenditure of Gross Revenues; Flow of Funds.** Gross Revenues  
12 shall be deposited as received in the Light Fund and used for the following purposes only, in the  
13 following order of priority:

14 (a) To pay the Operating and Maintenance Expense of the Light System;

15 (b) To make, when due, all payments into the Parity Bond Fund required to be made  
16 in order to pay the interest on and principal of all Parity Bonds, including all Parity Bond Sinking  
17 Fund Requirements, and all net payments under Parity Payment Agreements, ~~((when due))~~and to  
18 make all payments required to be made (if any) in respect of Parity Reimbursement Obligations;

19 (c) To make all payments required to be made (if any) into the Reserve Fund  
20 necessary to satisfy the Reserve Fund Requirement, ~~((and))~~to make all payments (if any)  
21 required to be made under ~~((Subsection))~~subsection 15(c)(i)(B) of this ordinance into a special  
22 account within the Light Fund for the replacement of an Alternate Reserve Security as to which

1 the City has received a notice of cancellation, and to pay any reimbursement obligations under  
2 any Alternate Reserve Security;

3 (d) To make all payments required to be made (if any) in respect of Intermediate Lien  
4 Reimbursement Obligations;

5 (e) To make all payments into the Junior Lien Debt Service Fund required to be made  
6 in order to pay the interest on and principal of all Junior Lien Bonds, including all net payments  
7 under Junior Lien Payment Agreements and all Junior Lien Reimbursement Obligations, when  
8 due;

9 (f) To make all required payments into any revenue bond redemption fund created to  
10 pay and secure the payment of the principal of and interest on any revenue bonds or short-term  
11 obligations of the City having a charge and lien upon Net Revenue subordinate to the lien  
12 thereon for the payment of the principal of and interest on the Parity Bonds and the Junior Lien  
13 Bonds; and

14 (g) Without priority, for any of the following purposes: to retire by redemption or  
15 purchase any outstanding revenue bonds or revenue obligations of the Light System; to make  
16 necessary additions, betterments, repairs, extensions, and replacements of the Light System; to  
17 pay City taxes or other payments in lieu of taxes payable from Gross Revenues; to make deposits  
18 to the Rate Stabilization Account; or for any other lawful Light System purpose.

19 Section 15. **Parity Bond Fund; Reserve Fund**. The special funds of the City known as  
20 the Parity Bond Fund and the Reserve Fund have been previously created and shall be  
21 maintained as special funds for the sole purpose of paying the principal of (including redemption  
22 premium, if any) and interest on the Parity Bonds as the same shall become due. The Director of  
23 Finance may create subfunds, accounts, or subaccounts in the Parity Bond Fund and the Reserve

1 Fund to pay or secure the payment of Parity Bonds as long as the maintenance of such subfunds,  
2 accounts, or subaccounts does not conflict with the rights of the owners of the Parity Bonds.  
3 Principal of ~~(the)~~ (including redemption premium, ~~((the))~~ if any) and interest on the Parity Bonds  
4 shall be payable solely out of the Parity Bond Fund.

5 (a) **Required Payments ~~Into~~ the Parity Bond Fund and Reserve Fund.** So long  
6 as any Parity Bonds (including any Parity Payment Agreements or Parity Reimbursement  
7 Obligations) are outstanding, the City shall set aside and pay out of Net Revenue certain fixed  
8 amounts, without regard to any fixed proportion, namely:

9 (i) Into the Parity Bond Fund, on or prior to the respective dates on which  
10 such payments shall become due and payable, an amount sufficient, together with other money  
11 on deposit therein, to pay without priority or preference among the following items: (A) the  
12 interest ~~((on-))~~(including net payments due ~~((on))~~under Parity Payment ~~((Agreement Payments)~~  
13 and ~~Agreements~~) then due on the Outstanding Parity Bonds, (B) the maturing principal of the  
14 Outstanding Parity Bonds (including any Sinking Fund Requirements ~~((the Parity Bonds as the~~  
15 same shall become due)) then due), and (C) any payments then due in respect of Parity  
16 Reimbursement Obligations; and

17 (ii) Into the Reserve Fund, an amount necessary to provide for the Reserve  
18 Fund Requirement within the time and manner required by this ordinance and the Bond Sale  
19 Terms, including all payments required to be made under subsection 14(c) of this ordinance.

20 To meet the required payments to be made into the Parity Bond Fund and the Reserve  
21 Fund, the Director of Finance may transfer any money from any funds or accounts of the City  
22 legally available therefor, except bond redemption funds, refunding escrow funds, or defeasance  
23 funds. The Director of Finance may provide for the purchase, redemption or defeasance of any

1 Parity Bonds by the use of money on deposit in any subfund, account, or subaccount in the Parity  
2 Bond Fund or Reserve Fund, so long as the money remaining in those subfunds, accounts, or  
3 subaccounts is sufficient to satisfy the required deposits with respect to the remaining Parity  
4 Bonds.

5 (b) **Parity Bond Fund.** The Parity Bond Fund has been previously created for the  
6 sole purpose of paying the principal of and interest on the Parity Bonds as the same shall become  
7 due. Each Series of the Bonds designated as Parity Bonds shall be payable (including principal,  
8 Sinking Fund Requirements, redemption premium (if any), and interest) out of the Parity Bond  
9 Fund. Money in the Parity Bond Fund shall, to the fullest extent practicable and reasonable, be  
10 invested and reinvested at the direction of the Director of Finance solely in, and obligations  
11 deposited in such accounts shall consist of, Permitted Investments. Earnings on money and  
12 investments in the Parity Bond Fund shall be deposited in and used for the purposes of that fund.

13 (c) **Reserve Fund.** The Reserve Fund has been previously created for the purpose of  
14 securing the payment of the principal of and interest on all Parity Bonds (including all net  
15 payments due under any Parity Payment Agreements, if any). Money held in the Reserve Fund  
16 shall, to the fullest extent practicable and reasonable, be invested and reinvested at the direction  
17 of the Director of Finance solely in, and obligations deposited in such accounts shall consist of,  
18 Permitted Investments. Earnings on money and investments in the Reserve Fund shall be  
19 deposited in that fund and credited against amounts required to be deposited therein until the  
20 Reserve Fund is fully funded, and thereafter such earnings shall be deposited in the Parity Bond  
21 Fund.

22 (i) **Reserve Fund Requirement.** The Bond Sale Terms for each Series of  
23 the Bonds shall establish the amount (if any) to be added to the aggregate Reserve Fund

1 Requirement (if any) for such Series, and the method for providing for such incremental addition  
2 to the Reserve Fund deposit, subject to the following:

3 (A) In connection with the issuance of Future Parity Bonds, the City  
4 shall provide the amounts required for deposit into the Reserve Fund (1) at one time on the Issue  
5 Date, or (2) in periodic deposits of Net Revenue (or any other legally available source of funds),  
6 so that by five years from the date of such Future Parity Bonds there will have been paid into the  
7 Reserve Fund an amount (~~(which)~~that, together with the money already on deposit therein, will  
8 be at least equal to the Reserve Fund Requirement for the Parity Bonds scheduled to be  
9 outstanding at the end of that five-year period.

10 (B) The City may obtain one or more Alternate Reserve Securities for  
11 specific amounts required to be paid into the Reserve Fund. The amount available to be drawn  
12 upon under each such Alternate Reserve Security shall be credited against the amounts needed to  
13 satisfy the Reserve Fund Requirement. In the event of receipt of any notice of cancellation of an  
14 Alternate Reserve Security, the City shall (and, in preparation for the expiration of any such  
15 Alternate Reserve Security in accordance with its terms, the City may) either: (1) obtain a  
16 substitute(~~(-an)~~) Alternate Reserve Security in the amount necessary to satisfy the Reserve Fund  
17 Requirement on the date any such cancellation (or expiration) becomes effective, or (2) create a  
18 special account in the Light Fund and deposit therein amounts necessary to replace the Alternate  
19 Reserve Security upon its expiration or cancellation. In the case of receipt of a notice of  
20 cancellation, such periodic deposits are to be made on or before the 25th day of each of the 60  
21 calendar months succeeding receipt of such notice, in an amount equal to 1/60(~~(th)~~) of the  
22 amount necessary (together with other money and investments then on deposit in the Reserve  
23 Fund) to satisfy the expected Reserve Fund Requirement on the date such cancellation shall

1 become effective, taking into account scheduled redemptions of Parity Bonds and disregarding  
2 any incremental additional amounts that may become necessary due to the issuance of Future  
3 Parity Bonds subsequent to the date of such notice of cancellation. Such amounts shall be  
4 transferred from Net Revenue available in the Light Fund after making provision for ~~((payment~~  
5 ~~of Operating and Maintenance Expense and for-))~~the required payments into the Parity Bond  
6 Fund, in accordance with Section 14 of this ordinance. Amounts on deposit in such special  
7 account are preliminarily earmarked for the replacement of such Alternate Reserve Security and  
8 shall not be available to pay debt service on Parity Bonds or for any other purpose of the City,  
9 and shall be transferred to the Reserve Fund on the effective date of any cancellation or  
10 expiration of the Alternate Reserve Security to make up the deficiency caused thereby. In the  
11 event that the Reserve Fund is completely depleted and all Alternate Reserve Securities have  
12 been fully drawn, the amounts in that special account may be withdrawn and treated as Gross  
13 Revenues available to be used in accordance with the flow of funds set forth in Section 14 of this  
14 ordinance. If and when a substitute Alternate Reserve Security having a sufficient value or policy  
15 limit is obtained, amounts held in that special account may be transferred back to the Light Fund  
16 and treated as Gross Revenues available to be used in accordance with the flow of funds set forth  
17 in Section 14 of this ordinance.

18 (C) If the amount on deposit in the Reserve Fund is less than the  
19 Reserve Fund Requirement (taking into account the five-year period referred to in paragraph (A)  
20 of this subsection), the City shall transfer to the Reserve Fund money in an amount sufficient to  
21 restore the Reserve Fund to the Reserve Fund Requirement within 12 months after the date of  
22 such deficiency. The City shall transfer such amounts first from Net Revenue available in  
23 accordance with the priority of payment in Section 14 of this ordinance, and only thereafter from



1 money in any construction fund or account established with respect to any issue of Parity Bonds,  
2 first taking money from the unrestricted portion thereof, then taking money from the restricted  
3 portion thereof. If the amount in the Reserve Fund is greater than the Reserve Fund Requirement,  
4 ~~((then and only then may))~~ the City may then withdraw such excess from the Reserve Fund and  
5 deposit such excess in the Light Fund.

6 (ii) **Use of Reserve Fund to Refund Parity Bonds.** If any Parity Bonds are  
7 to be refunded, the money set aside in the Reserve Fund to secure the payment of such Parity  
8 Bonds may be used to retire such Parity Bonds, or may be transferred to any reserve fund or  
9 account which may be created to secure the payment of any bonds issued to refund such Parity  
10 Bonds, as long as the money left remaining in the Reserve Fund is at least equal, together with  
11 all Alternate Reserve Securities, to the Reserve Fund Requirement.

12 (iii) **Use of Reserve Fund to Pay Debt Service.** If the money in the Parity  
13 Bond Fund is insufficient to meet maturing installments of either interest on or principal of and  
14 interest on the Parity Bonds (including net amounts payable under any Parity Payment  
15 Agreements), such deficiency shall be made up from the Reserve Fund by the withdrawal of  
16 money or proceeds of Alternate Reserve Securities, as the case may be. Any deficiency created  
17 in the Reserve Fund by reason of any such withdrawal or claim against an Alternate Reserve  
18 Security shall then be made up out of Net Revenue or out of any other legally available funds of  
19 the City.

20 (iv) **Withdrawals From Reserve Fund.** Money in the Reserve Fund may be  
21 withdrawn by the City for any lawful purpose as long as the aggregate of any money and  
22 Alternate Reserve Securities remaining on deposit in the Reserve Fund is at least equal to the  
23 Reserve Fund Requirement for the Parity Bonds then outstanding. The City reserves the right to

1 substitute one or more Alternate Reserve Securities for money previously deposited in the  
2 Reserve Fund and to withdraw such excess to the extent described in the preceding sentence.  
3 Any withdrawals from subaccounts within the Reserve Fund shall be made on a *pro rata* basis,  
4 except when the terms of an Alternate Reserve Security require all cash and investments in the  
5 Reserve Fund to be withdrawn before any draw or claim is made on the Alternate Reserve  
6 Security, or unless the City receives an opinion of Bond Counsel to the effect that such *pro rata*  
7 withdrawal is not required to maintain the federal tax benefits (if any) of any then outstanding  
8 Parity Bonds issued as Tax-Exempt Bonds or Tax Credit Subsidy Bonds. If multiple Alternate  
9 Reserve Securities are on deposit in the Reserve Fund, draws on such Alternate Reserve  
10 Securities shall be made on a *pro rata* basis.

11 Section 16. **Junior Lien Debt Service Fund.**

12 (a) ~~((Creation))~~Use of Junior Lien Debt Service Fund~~((; Use of Fund))~~. The  
13 Director of Finance is ~~((hereby))~~authorized (and, in conjunction with the issuance of Junior Lien  
14 Bonds, is directed) to create and maintain a special fund of the City known as the Junior Lien  
15 Debt Service Fund for the sole purpose of paying the principal of (including redemption  
16 premium, if any) and interest on the Junior Lien Bonds as the same shall become due. The Junior  
17 Lien Debt Service Fund shall consist of a Principal and Interest Account and such additional  
18 subfunds, accounts, or subaccounts as the Director of Finance may find it necessary or  
19 convenient to create in order to pay or secure the payment of Junior Lien Bonds, as long as the  
20 maintenance of such subfunds, accounts, or subaccounts does not conflict with the rights of the  
21 owners of the Junior Lien Bonds or the Parity Bonds.

22 Each Series of the Bonds designated as Junior Lien Bonds shall be payable (including  
23 principal, Sinking Fund Requirements, redemption premium (if any), and interest) out of the

1 Junior Lien Debt Service Fund. Money in the Junior Lien Debt Service Fund shall, to the fullest  
2 extent practicable and reasonable, be invested and reinvested at the direction of the Director of  
3 Finance solely in, and obligations deposited in such accounts shall consist of, Permitted  
4 Investments. Earnings on money and investments in the Junior Lien Debt Service Fund shall be  
5 deposited in and used for the purposes of that fund.

6 (b) **Required Payments Into the Junior Lien Debt Service Fund.** So long as any  
7 Junior Lien Bonds (including any Junior Lien Payment Agreements) are outstanding, the City  
8 shall set aside and pay out of Net Revenue certain fixed amounts, without regard to any fixed  
9 proportion, namely, into the Principal and Interest Account of the Junior Lien Debt Service  
10 Fund, on or prior to the respective dates on which such payments shall become due and payable,  
11 an amount sufficient, together with other money on deposit therein, to pay the interest on and the  
12 principal of the Junior Lien Bonds, including net payments due on Junior Lien Payment  
13 ~~((Agreement Payments))~~Agreements and all payments under Junior Lien Reimbursement  
14 Obligations, as the same shall become due. To meet the required payments to be made into the  
15 Junior Lien Debt Service Fund, the Director of Finance may transfer any money from any funds  
16 or accounts of the City legally available therefor, except the Parity Bond Fund, the Reserve  
17 Fund, other bond redemption funds, refunding escrow funds, or defeasance funds. The Director  
18 of Finance may provide for the purchase, redemption or defeasance of any Junior Lien Bonds by  
19 the use of money on deposit in any subfund, account, or subaccount in the Junior Lien Debt  
20 Service Fund, so long as the money remaining in those subfunds, accounts, or subaccounts is  
21 sufficient to satisfy the required deposits with respect to the remaining Junior Lien Bonds.

22 Section 17. **Bond Covenants.**

1           (a)     **Parity Bond Covenants.** The City covenants with the Owner of each Bond that  
2 is designated as a Parity Bond, for so long as such Bond remains outstanding, as follows:

3                   (i)     **Sale or Disposition of the Light System.**

4                           (A)     The City may dispose of all or substantially all of the Light System  
5 only if the City simultaneously causes all of the Parity Bonds to be, or be deemed to be, no  
6 longer outstanding.

7                           (B)     Except as provided below, the City will not dispose of any part of  
8 the Light System in excess of 5(~~%~~) percent of the value of the net utility plant of the Light  
9 System in service unless prior to such disposition: (1) there has been filed with the Director of  
10 Finance a certificate of a Professional Utility Consultant stating that such disposition will not  
11 impair the ability of the City to comply with the rate covenant set forth in  
12 ~~((Subsection))~~ subsection 17(a)(ii) of this ordinance, in which the Professional Utility Consultant  
13 may make those assumptions permitted in delivering a Parity Certificate under  
14 ~~((Subsection))~~ subsection 18(a) of this ordinance; or (2) provision is made for the payment,  
15 redemption or other retirement of a principal amount of Parity Bonds equal to the greater of the  
16 following amounts: (I) an amount which will be in the same proportion to the net principal  
17 amount of Parity Bonds then outstanding (defined as the total principal amount of Parity Bonds  
18 then outstanding less the amount of cash and investments in the Parity Bond Fund) that Gross  
19 Revenues for the twelve preceding months attributable to the part of the Light System being sold  
20 or disposed of bears to the total Gross Revenues for such period; or (II) an amount which will be  
21 in the same proportion to the net principal amount of Parity Bonds then outstanding that the book  
22 value of the part of the Light System being sold or disposed of bears to the book value of the  
23 entire Light System immediately prior to such sale or disposition.

1 (C) Notwithstanding the foregoing, the City may dispose of any  
2 portion of the Light System that has become unserviceable, inadequate, obsolete, worn out or  
3 unfit to be used, or no longer necessary for, material to, or useful in the operation of the Light  
4 System.

5 (D) If the ownership of all or part of the Light System is transferred  
6 from the City through the operation of law, the City shall reconstruct or replace the transferred  
7 portion using any proceeds of the transfer unless the City Council determines that such  
8 reconstruction or replacement is not in the best interests of the City and the Owners of the Parity  
9 Bonds, in which case any proceeds shall be used to purchase, defease, or redeem Parity Bonds  
10 prior to maturity.

11 (ii) **Rates and Charges.** The City will establish from time to time and  
12 maintain such rates for electric energy as will maintain the Light System in sound financial  
13 condition and provide sufficient revenues to pay all Operating and Maintenance Expense, to pay  
14 into the Parity Bond Fund the amounts that are required by this ordinance to be applied to the  
15 payment of the principal of and interest on the Parity Bonds until the Parity Bonds shall have  
16 been paid in full, and to pay all bonds, warrants, and indebtedness for which any revenues of the  
17 Light System shall have been pledged.

18 (iii) **Operation and Maintenance of the Light System.** The City will operate  
19 the properties of the Light System in an efficient manner and at a reasonable cost; will maintain,  
20 preserve and keep, or cause to be maintained, preserved and kept, the properties of the Light  
21 System and every part and parcel thereof in good repair, working order, and condition; and from  
22 time to time will make or cause to be made all necessary and proper repairs, renewals and

1 replacements thereto so that at all times the business carried on in connection therewith will be  
2 properly and advantageously conducted.

3 (iv) **Books and Financial Statements.** The City will keep and maintain  
4 proper books of account for the Light System in accordance with generally accepted accounting  
5 principles applicable to governmental utilities; will generally adhere to the uniform system of  
6 accounts prescribed by the State Auditor's Office and the Federal Energy Regulatory  
7 Commission (if any); and will prepare, on or before ~~((120))~~180 days after the end of each  
8 calendar year, ~~((and, upon the redemption or defeasance of the Outstanding Parity Bonds  
9 identified in Exhibit A, on or before 180 days after the end of each calendar year,))~~ annual  
10 financial statements showing reasonable detail, including a balance sheet, an income statement,  
11 and a statement of cash flows or other such statement. Copies of such financial statements shall  
12 be placed on file in the office of the Director of Finance and shall be open to inspection at any  
13 reasonable time by any owner of any Parity Bonds. A copy of such financial statements shall be  
14 sent to any owner of Parity Bonds upon request in writing setting forth the name and address to  
15 which such financial statements may be sent.

16 (b) **Junior Lien Bond Covenants.** The City covenants with the Owner of each Bond  
17 that is designated as a Junior Lien Bond, for so long as such Junior Lien Bond remains  
18 outstanding, as follows:

19 (i) **Sale or Disposition of the Light System.** The City may dispose of all or  
20 substantially all of the Light System only if the City simultaneously causes all of the Junior Lien  
21 Bonds to be, or be deemed to be, no longer outstanding. The City will not dispose of any part of  
22 the Light System in excess of ~~5((%)~~percent of the value of the net utility plant of the Light  
23 System in service except upon compliance with the covenant set forth in

1 ~~((Subsection))~~ subsection 17(a)(i)(B) ~~((, above))~~ of this ordinance. Notwithstanding the foregoing,  
2 the City may dispose of any portion of the Light System that has become unserviceable,  
3 inadequate, obsolete, worn out or unfit to be used, or no longer necessary, material to, or useful  
4 in the operation of the Light System.

5 (ii) **Rates and Charges.** The City will establish from time to time and  
6 maintain such rates for electric energy as will maintain the Light System in sound financial  
7 condition and provide sufficient revenues to pay all Operating and Maintenance Expense; to pay  
8 into the Parity Bond Fund the amounts that are required by this ordinance to be applied to the  
9 payment of the principal of and interest on the Parity Bonds until the Parity Bonds shall have  
10 been paid in full; to pay into the Junior Lien Debt Service Fund the amounts that are required by  
11 this ordinance to be paid into such fund, in accordance with the priority of payment set forth in  
12 Section 14 of this ordinance, until the Junior Lien Bonds (including Junior Lien Payment  
13 Agreements and Junior Lien Reimbursement Obligations) shall have been paid in full; and to pay  
14 all other bonds, warrants, and indebtedness for which any revenues of the Light System shall  
15 have been pledged.

16 (iii) **Operation and Maintenance of the Light System.** The City will operate  
17 the properties of the Light System in an efficient manner and at a reasonable cost; will maintain,  
18 preserve, and keep, or cause to be maintained, preserved, and kept, the properties of the Light  
19 System and every part and parcel thereof in good repair, working order and condition; and from  
20 time to time will make or cause to be made all necessary and proper repairs, renewals, and  
21 replacements thereto so that at all times the business carried on in connection therewith will be  
22 properly and advantageously conducted.

1                   (iv) **Books and Financial Statements.** The City will keep and maintain  
2 proper books of account for the Light System in accordance with generally accepted accounting  
3 principles applicable to governmental utilities; will generally adhere to the uniform system of  
4 accounts prescribed by the State Auditor’s Office and the Federal Energy Regulatory  
5 Commission (if any); and will prepare, on or before 180 days after the end of each calendar year,  
6 annual financial statements showing reasonable detail, including a balance sheet, an income  
7 statement, and a statement of cash flows or other such statement. Copies of such financial  
8 statements shall be placed on file in the office of the Director of Finance and shall be open to  
9 inspection at any reasonable time by any owner of any Junior Lien Bonds. A copy of such  
10 financial statements shall be sent to any owner of Junior Lien Bonds upon request in writing  
11 setting forth the name and address to which such financial statements may be sent.

12                   Section 18. **Additional Bonds.**

13                   (a) **Future Parity Bonds.** The City reserves the right to issue Future Parity Bonds  
14 (which ~~((term-))~~includes entering into Future Parity Payment Agreements or Future Parity  
15 Reimbursement Obligations) for any lawful purpose of the City’s Light System if the Parity  
16 Conditions are met and complied with as of the ~~((Issue-Date))~~date of issuance of such Future  
17 Parity Bonds, or as of the effective date of the Parity Payment Agreement or Parity  
18 Reimbursement Obligation, as appropriate.

19                   If the Parity Conditions are met and complied with, then payments into the Parity Bond  
20 Fund with respect to such Future Parity Bonds shall rank equally with the payments out of the  
21 Net Revenue required to be made into the Parity Bond Fund by this ordinance. Nothing ~~((set~~  
22 ~~forth herein))~~in this subsection 18(a) shall prevent the City from (i) issuing revenue bonds or  
23 other obligations that are a charge upon ~~((the-))~~Net Revenue junior and inferior to the payments



1 required to be made therefrom into the Parity Bond Fund for the payment of the Parity Bonds,  
2 provided that such subordinate ~~((bonds))~~obligations may not be subject to acceleration under any  
3 circumstances; or (ii) issuing Refunding Parity Bonds to refund maturing Parity Bonds of the  
4 City for the payment of which money is not otherwise available.

5 (i) **Parity Conditions.** The Parity Conditions are as follows:

6 (A) No deficiency may then exist in the Parity Bond Fund or in any of  
7 the accounts therein; and

8 (B) Provision must be made to satisfy the Reserve Fund Requirement  
9 for ~~((all))~~the Parity Bonds then outstanding plus any additional amount required (if any) in  
10 connection with the issuance and sale of the proposed Future Parity Bonds ~~((if any))~~ in  
11 accordance with ~~((Subsection))~~subsection 15(c) of this ordinance; and

12 (C) There must be on file with the City a Parity Certificate as described  
13 in subsection 18(a)(ii)~~((, below))~~ of this ordinance. If the proposed Future Parity Bonds (or any  
14 portion thereof) are to be issued for the purpose of refunding outstanding Parity Bonds and the  
15 Annual Debt Service on the refunding portion of the proposed Future Parity Bonds is not more  
16 than \$5,000 greater than the Annual Debt Service on the Parity Bonds to be refunded thereby,  
17 then no Parity Certificate shall be required as to that portion issued for refunding purposes. If the  
18 requirements of the preceding sentence are not satisfied, Refunding Parity Bonds may  
19 alternatively be issued upon delivery of a Parity Certificate.

20 (ii) **Parity Certificate.** A Parity Certificate required by subsection 18(a)(i) of  
21 this ordinance may be provided by either the Director of Finance or by a Professional Utility  
22 Consultant, as follows:

1 (A) A Parity Certificate may be prepared by the Director of Finance,  
2 demonstrating that the amount of Adjusted Net Revenue in any 12 consecutive months out of the  
3 most recent 24 months preceding the delivery of the proposed series of Future Parity Bonds (the  
4 “Base Period”) was not less than 125(~~(%)~~) percent of Maximum Annual Debt Service in any  
5 future calendar year on all Parity Bonds then outstanding and the proposed series of Future  
6 Parity Bonds. For the purposes of a Parity Certificate delivered under this subsection (A), the  
7 Director of Finance shall reflect in (~~(his or her)~~)that certificate any adjustment in the rates, fees,  
8 and charges for the services of the Light System that will become effective at any time prior to or  
9 within six months after the delivery of the proposed Future Parity Bonds, by including in the  
10 amount of Adjusted Net Revenue the amount that (~~(he or she)~~)the Director estimates would have  
11 been collected in the Base Period if such new rates, fees, and charges had been in effect for the  
12 entire Base Period.

13 (B) A Parity Certificate may be prepared by a Professional Utility  
14 Consultant, demonstrating that the amount of (~~(the)~~) Adjusted Net Revenue (which may be  
15 further adjusted as provided in paragraphs (a)(ii)(B)(1) through (~~((6) below)~~)(5) of this section)  
16 in any 12 consecutive months out of the most recent 24 months preceding the delivery of the  
17 proposed Series of Future Parity Bonds (the “Base Period”) is not less than 125(~~(%)~~) percent of  
18 the amount of Maximum Annual Debt Service (~~(on all Parity Bonds and the proposed Future~~  
19 ~~Parity Bonds)~~) in any future calendar year on all Parity Bonds then outstanding and the proposed  
20 (~~(series of)~~)Future Parity Bonds. For the purposes of a certificate delivered under this subsection  
21 (a)(ii), Adjusted Net Revenue may be further adjusted by the Professional Utility Consultant  
22 using any or all of the following methods reflecting the conditions and requirements as may be  
23 appropriate to the circumstances:

1                                   (1)     If the purpose for which the proposed Future Parity Bonds  
2 are being issued is to acquire operating electric utility properties having an earnings record, the  
3 Professional Utility Consultant shall estimate the effect on(~~the~~) Adjusted Net Revenue for the  
4 Base Period of the acquisition of such electric utility properties and the integration thereof into  
5 the Light System, and shall further adjust(~~the~~) Adjusted Net Revenue for the Base Period to  
6 give effect to such estimate. Any such estimate shall be based upon the operating experience and  
7 records of the City and upon any available financial statements and records relating to the  
8 earnings of such electric utility properties to be acquired.

9                                   (2)     If any changes to rates, fees, or charges imposed by the  
10 City on sales of power, energy, or other services furnished by the Light System(~~(, which)~~) that  
11 were not in effect during the entire Base Period, have been adopted by the City Council and are  
12 in effect on the date of sale of the proposed Future Parity Bonds (or effective date of the  
13 proposed Parity Payment Agreement) or are to go into effect not later than 12 months after such  
14 date, the Professional Utility Consultant may, if such changes resulted in increases in such rates,  
15 fees, or charges, and shall, if such changes resulted in reductions in such rates, fees, or charges,  
16 further adjust(~~the~~) Adjusted Net Revenue for the Base Period to reflect any change in such  
17 Adjusted Net Revenue that would have occurred if the changed rates, fees, or charges had been  
18 in effect during the entire Base Period.

19                                   (3)     If the purpose for which the proposed Future Parity Bonds  
20 are being issued is to acquire or construct generation or transmission facilities required to furnish  
21 or make available to the Light System additional power and energy, or transmission facilities  
22 required to enable the City to sell additional power and energy, the Professional Utility  
23 Consultant may further adjust Adjusted Net Revenue for the Base Period by (I) deducting the

1 amount of the estimated increase in Operating and Maintenance Expense resulting from the  
2 acquisition or construction of such facilities in their first year of full operation, (II) adding any  
3 additional revenues to be derived from the sale or transmission of such additional power and  
4 energy pursuant to executed power sales contracts, and (III) adding an amount equal to the  
5 estimated cost of the power and energy (~~(which)~~that would have been replaced or displaced by  
6 such facilities had such additional power and energy in excess of the power and energy to be sold  
7 pursuant to paragraph (a)(ii)(B)(2) (~~(above)~~of this section) been used in the Light System during  
8 the Base Period.

9 (4) If(~~there were~~) any customers were added to the Light  
10 System during the Base Period or thereafter (and prior to the date of the Professional Utility  
11 Consultant's certificate), Adjusted Net Revenue may be further adjusted (~~(on the basis that)~~as if  
12 such added customers were customers of the Light System during the entire Base Period.

13 (5) If extensions of or additions to the Light System (not  
14 described in paragraph (a)(ii)(B)(3) (~~(above)~~of this section) are in the process of construction on  
15 the date of the Professional Utility Consultant's certificate, or if the proceeds of the proposed  
16 Future Parity Bonds are to be used to acquire or construct extensions of or additions to the Light  
17 System (not described in paragraph (a)(ii)(B)(3) (~~(above)~~of this section),(~~the~~) Adjusted Net  
18 Revenue for the Base Period may be further adjusted by adding any additional revenues not  
19 included in the preceding paragraphs that will be derived from such additions and extensions,  
20 and deducting the estimated increase in Operating and Maintenance Expense resulting from such  
21 additions and extensions.

22 In rendering any Parity Certificate under this subsection (a)(ii)(B), the Professional  
23 Utility Consultant may rely upon the following documents, which shall be attached to the Parity

1 Certificate: financial statements of the Light System, certified by the Director of Finance,  
2 showing income and expenses for the period upon which the same are based and a balance sheet  
3 as of the end of such period; financial statements of the Light System certified by the Office of  
4 the State Auditor of the State (or any successor thereto); or financial statements of the Light  
5 System certified by a ~~((Certified Public Accountant))~~ certified public accountant for as much of  
6 such period as any examination by ~~((them))~~ such accountant has been made and completed. If  
7 two or more of such statements are inconsistent with each other, the Professional Utility  
8 Consultant shall rely on the statements certified by the Director of Finance.

9 (b) **Future Junior Lien Bonds.** The City reserves the right to issue Future Junior  
10 Lien Bonds (which term includes Junior Lien Payment Agreements and Junior Lien  
11 Reimbursement Obligations) for any lawful purpose of the City's Light System if the Junior Lien  
12 Additional Bonds Test is met and complied with as of the ~~((Issue Date))~~ date of issuance of such  
13 Future Junior Lien Bonds, or as of the effective date of the Junior Lien Payment Agreement or  
14 Junior Lien Reimbursement Obligation, as appropriate.

15 If the Junior Lien Additional Bonds Test is met and complied with, then payments into  
16 the Junior Lien Debt Service Fund with respect to such Future Junior Lien Bonds shall rank  
17 equally with the payments out of ~~((the))~~ Net Revenue required to be made into the Junior Lien  
18 Debt Service Fund by this ordinance. Nothing ~~((set forth herein))~~ in this subsection (b) shall  
19 prevent the City from (i) issuing revenue bonds or other obligations that are a charge upon ~~((the))~~  
20 Net Revenue junior and inferior to the payments required to be made therefrom into the Junior  
21 Lien Debt Service Fund for the payment of the Junior Lien Bonds, provided that such  
22 subordinate ~~((bonds))~~ obligations may not be subject to acceleration under any circumstances; or  
23 (ii) issuing Refunding Junior Lien Bonds for the purpose of refunding Outstanding Junior Lien

1 Bonds to fund or refund maturing Junior Lien Bonds of the City for the payment of which money  
2 is not otherwise available.

3 (i) **Junior Lien Additional Bonds Test.** The Junior Lien Additional Bonds  
4 Test is as follows:

5 (A) No deficiency may then exist in the Junior Lien Debt Service Fund  
6 or in any of the accounts therein; and

7 (B) No default may have occurred that is then continuing with respect  
8 to any then outstanding Parity Bonds or Junior Lien Bonds; and

9 (C) There must be on file with the City a Junior Lien Coverage  
10 Certificate as described in subsection 18(b)(ii)~~((, below))~~ of this ordinance. If the proposed  
11 Future Junior Lien Bonds (or any portion thereof) are to be issued for the purpose of refunding  
12 outstanding Junior Lien Bonds and the Annual Debt Service on the refunding portion of the  
13 proposed Future Junior Lien Bonds is not more than \$5,000 greater than the Annual Debt Service  
14 on the Junior Lien Bonds to be refunded thereby, then no Junior Lien Coverage Certificate shall  
15 be required as to that portion issued for refunding purposes. If the requirements of the preceding  
16 sentence are not satisfied, Refunding Junior Lien Bonds may alternatively be issued upon  
17 delivery of a Junior Lien Coverage Certificate.

18 (ii) **Junior Lien Coverage Certificate.** A Junior Lien Coverage Certificate  
19 required by subsection 18(b)(i) may be provided by either the Director of Finance or by a  
20 Professional Utility Consultant, as follows:

21 (A) A Junior Lien Coverage Certificate may be prepared by the  
22 Director of Finance, demonstrating that the amount of Adjusted Net Revenue in any 12  
23 consecutive months out of the most recent 24 months preceding the delivery of the proposed

1 Series of Future Junior Lien Bonds (the “Base Period”) was not less than 115(~~(%)~~) percent of  
2 Maximum Annual Debt Service in any future calendar year on all Parity Bonds, Intermediate  
3 Lien Reimbursement Obligations (if any), and Junior Lien Bonds then outstanding plus the  
4 proposed Series of Future Junior Lien Bonds. For the purposes of a Junior Lien Coverage  
5 Certificate delivered under this subsection (A), the Director of Finance shall reflect in (~~his or~~  
6 ~~her~~)that certificate any adjustment in the rates, fees, and charges for the services of the Light  
7 System that will become effective at any time prior to or within six months after the delivery of  
8 the proposed Future Junior Lien Bonds, by including in the amount of Adjusted Net Revenue the  
9 amount that (~~he or she~~)the Director estimates would have been collected in the Base Period if  
10 such new rates, fees, and charges had been in effect for the entire Base Period.

11 (B) A Junior Lien Coverage Certificate may be prepared by a  
12 Professional Utility Consultant, demonstrating that the amount of(~~the~~) Adjusted Net Revenue  
13 (which may be further adjusted as provided in subsection 18(a)(ii)(B)(1) through(~~(6), above~~)  
14 (B)(5) of this ordinance) in any 12 consecutive months out of the most recent 24 months  
15 preceding the delivery of the proposed (~~Series of~~)Future Junior Lien Bonds (the “Base  
16 Period”) not less than 115(~~(%)~~) percent of Maximum Annual Debt Service in any future calendar  
17 year on all Parity Bonds and Junior Lien Bonds then outstanding plus the proposed(~~Series of~~)  
18 Future Junior Lien Bonds.

19 Section 19. **Rate Stabilization Account**. The City may at any time deposit in the Rate  
20 Stabilization Account Net Revenue and any other money received by the Light System and  
21 available to be used therefor. Thereafter, the City may withdraw any or all of the money from the  
22 Rate Stabilization Account for inclusion in Adjusted Net Revenue for any applicable year of the  
23 City. Such deposits or withdrawals may be made up to and including the date 90 days after the

1 end of the applicable year for which the deposit or withdrawal will be included as Adjusted Net  
2 Revenue.

3 Section 20. **Refunding or Defeasance of Bonds.**

4 (a) **Bonds Designated as Refundable Bonds and as Defeasible Bonds.** Each Series  
5 of the Bonds (~~(issued hereunder)~~)authorized by this ordinance is designated (~~(a Series of)~~)as  
6 “Refundable Bonds” and ((is eligible to be refunded under))as “Defeasible Bonds” for purposes  
7 of this ordinance ((in))and the ((future))Omnibus Defeasance Ordinance, respectively.

8 (b) **Refunding; Defeasance.** The City may issue refunding bonds pursuant to the  
9 laws of the State or use money available from any other lawful source (i) to pay when due the  
10 principal of (including redemption premium, if any) and interest on any Bond, or any portion  
11 thereof, included in a refunding or defeasance plan (the “Defeased Bonds”); (ii) to redeem and  
12 retire, release, refund, or defease the Defeased Bonds; and (iii) to pay the costs of such refunding  
13 or defeasance. If money and/or Government Obligations maturing at a time or times and in an  
14 amount sufficient (together with known earned income from the investment thereof) to redeem  
15 and retire, release, refund, or defease the Defeased Bonds in accordance with their terms, is set  
16 aside in a special trust fund or escrow account irrevocably pledged to such redemption,  
17 retirement, or defeasance (the “Trust Account”), then all right and interest of the Owners of the  
18 Defeased Bonds in the covenants of this ordinance and in Net Revenue and the funds and  
19 accounts pledged to the payment of such Defeased Bonds, other than the right to receive the  
20 funds so set aside and pledged, thereafter shall cease and become void. Such Owners thereafter  
21 shall have the right to receive payment of the principal (~~(of and interest-))~~(or redemption price)  
22 of and interest on the Defeased Bonds from the Trust Account. After (~~(establishing and fully~~  
23 ~~funding-))such a Trust Account is established and funded as set forth above, the Defeased Bonds~~



1 shall be deemed to be no longer outstanding and the Director of Finance may then apply any  
2 money in any other fund or account established for the payment or redemption of the Defeased  
3 Bonds to any lawful purpose.

4 (c) **Notice of Defeasance or Refunding.** Unless otherwise specified in the  
5 applicable Bond Documents, notice of refunding or defeasance shall be given, and selection of  
6 Bonds for any partial refunding or defeasance shall be conducted, in the manner set forth in this  
7 ordinance for the redemption of Bonds.

8 (d) **Annual Debt Service Calculation Adjustments for Defeased Bonds.** If the  
9 refunding or defeasance plan provides (i) that the Defeased Bonds (or the ~~((Refunding  
10 Bonds))~~refunding bonds issued to redeem those Defeased Bonds) are to be secured by money  
11 and/or Government Obligations pending the redemption of the Defeased Bonds, and (ii) that  
12 certain money and/or Government Obligations are pledged irrevocably for the redemption of the  
13 Defeased Bonds, then only the debt service on such Bonds as are not Defeased Bonds (and any  
14 ~~((Refunding Bonds))~~refunding bonds, the payment of which is not so secured by the refunding  
15 plan) shall be included in the calculation of Annual Debt Service.

16 Section 21. **Federal Tax Matters.** The Bond Documents may include such additional  
17 terms and covenants relating to federal tax matters as the Director of Finance deems necessary or  
18 appropriate, including the following:

19 (a) **Tax-Exempt Bonds.** For each Series of the Bonds issued as Tax-Exempt Bonds,  
20 the City covenants that it will take all actions, consistent with the terms of such Series as set  
21 forth in this ordinance and the applicable Bond Documents, that are reasonably within its power  
22 and necessary to prevent interest on that Series from being included in gross income for federal  
23 income tax purposes. The City further covenants that it will neither take any action nor make or

1 permit any use of gross proceeds of that Series (or other funds of the City treated as gross  
2 proceeds of that Series) at any time during the term of such Series) that will cause interest on  
3 such Series to be included in gross income for federal income tax purposes. The City also  
4 covenants that, to the extent the arbitrage rebate requirement of Section 148 of the Code is  
5 applicable to any Series issued as Tax-Exempt Bonds, it will take all actions necessary to comply  
6 (or to be treated as having complied) with that requirement in connection with that Series  
7 (including the calculation and payment of any penalties that the City may elect to pay as an  
8 alternative to calculating rebatable arbitrage and the payment of any other penalties if required  
9 under Section 148 of the Code) to prevent interest on such ((Series))Bonds from being included  
10 in gross income for federal income tax purposes.

11 (b) **Taxable Bonds; Tax Credit Subsidy Bonds.** For each Series of the Bonds  
12 issued as Taxable Bonds or as Tax Credit Subsidy Bonds, the Director of Finance is authorized  
13 to make provision in the Bonds and other Bond Documents, to execute additional written  
14 agreements, and to make additional covenants on behalf of the City, all as ((he or she))the  
15 Director may deem necessary or appropriate in order to obtain, maintain, and administer such tax  
16 status. In the case of Tax Credit Subsidy Bonds, such additional covenants and agreement may  
17 include (without limiting the generality of the foregoing) those necessary in order for the City (i)  
18 to receive from the United States Treasury the applicable Tax Credit Subsidy Payments in  
19 respect of such Tax Credit Subsidy Bonds, and (ii) to ensure that such ((Series))Tax Credit  
20 Subsidy Bonds otherwise become and remain eligible for tax benefits under the Code.

21 Section 22. **Official Statement; Continuing Disclosure.**

22 (a) **Preliminary Official Statement.** The Director of Finance and other appropriate  
23 City officials are directed to cause the preparation of and review the form of a preliminary

1 official statement in connection with each sale of one or more Series to the public. For the sole  
2 purpose of the Purchaser’s compliance with paragraph (b)(1) of Rule 15c2-12, the Director of  
3 Finance is authorized to deem that preliminary official statement final as of its date, except for  
4 the omission of information permitted to be omitted by Rule 15c2-12. The City approves the  
5 distribution to potential purchasers of the Bonds of a preliminary official statement that has been  
6 deemed final in accordance with this subsection 22(a).

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

14 (c) **Undertaking to Provide Continuing Disclosure.** To meet the requirements of  
15 paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for a Series of the  
16 Bonds, the Director of Finance is authorized to execute a written Continuing Disclosure  
17 Agreement with respect to that Series, in substantially the form attached to this ordinance as  
18 Exhibit B.

1           Section 23. **Supplemental or Amendatory Bond Documents**. This ordinance and the  
2 other applicable Bond Documents for any Series of the Bonds may not be supplemented or  
3 amended in any respect subsequent to the Issue Date of such Series, except in accordance with  
4 and subject to the provisions of this section.

5           (a)     **Amendments Without Bond Owners’ Consent**. From time to time and at any  
6 time, without the consent of or notice to the owners of any Parity Bonds or Junior Lien Bonds,  
7 the City may supplement or amend the Bond Documents applicable to any Series of the Bonds  
8 for any of the purposes set forth in this subsection (a). Any such supplement or amendment may  
9 be passed, adopted, or otherwise approved in writing by the City, without requiring the consent  
10 of the registered owners of any Parity Bonds or Junior Lien Bonds, but may become effective  
11 only upon receipt by the City of an opinion of Bond Counsel to the effect that such supplement  
12 or amendment is permitted by the terms of this ordinance. The City shall deliver a copy of any  
13 such supplement or amendment to each Rating Agency prior to its passage, adoption, or approval  
14 (as applicable) by the City. The types of supplements and amendments permitted under this  
15 subsection (a) are as follows:

16           (i)     To add to any Parity Bond Documents (or to any Junior Lien Bond  
17 Documents, as applicable) additional covenants and agreements that do not adversely affect the  
18 interests of the owners of any Parity Bonds (or, as to Junior Lien Bond Documents, the interests  
19 of the owners of any Junior Lien Bonds) then outstanding, or to surrender any right or power  
20 reserved to or conferred upon the City in any Bond Documents.

21           (ii)    To cure any ambiguities or to cure, correct, or supplement any defective  
22 provision in any Bond Documents, in regard to matters or questions arising under such Bond  
23 Documents, as the City may deem necessary or desirable and not inconsistent with this

1 ordinance, and which do not materially adversely affect the interests of the owners of any Parity  
2 Bonds or Junior Lien Bonds then outstanding.

3 (iii) To make such changes as may be necessary to permit the Bonds to be held  
4 in registered certificate form or in Book-Entry Form, as the case may be, and to make similar  
5 amendments or modifications of a technical nature.

6 (b) **Amendments Permitted Upon Bond Owners' Consent.**

7 (i) **Parity Bond Documents.** With the consent of the registered owners  
8 representing not less than 60(~~(%)~~) percent in aggregate principal amount of the Parity Bonds then  
9 outstanding, the City may pass, adopt, or otherwise provide its written approval of any  
10 supplement or amendment to add to, change, or eliminate any provision of the Bond Documents  
11 applicable to a Series of the Bonds designated as Parity Bonds in any manner other than a  
12 supplement or amendment effecting a change described in subsection 23(c)(i) of this ordinance.

13 (ii) **Junior Lien Bond Documents.** With the consent of the registered owners  
14 representing not less than 60(~~(%)~~) percent in aggregate principal amount of the Junior Lien  
15 Bonds then outstanding, the City may pass, adopt, or otherwise approve in writing any  
16 supplement or amendment to add to, change, or eliminate any provision of the Bond Documents  
17 applicable to a Series of the Bonds designated as Junior Lien Bonds in any manner other than a  
18 supplement or amendment effecting a change described in subsection 23(c)(ii) of this ordinance.

19 (c) **Amendments Prohibited Except Upon Unanimous Consent.**

20 (i) **Amendments to Parity Bond Documents.** Nothing contained in this  
21 section shall permit or be construed as permitting an amendment or supplement that would:

22 (A) Except upon consent from the registered owners of or on behalf of  
23 all Parity Bonds so affected, extend the fixed maturity of any Parity Bond, reduce the rate of

1 interest on any Parity Bond (other than a change in interest rate permitted under the applicable  
2 Parity Bond Documents~~as~~ then in effect), extend the times of payment of interest from their  
3 respective due dates, reduce the principal amount of any Parity Bond, or reduce any redemption  
4 premium; or

5 (B) Except upon consent from the registered owners of or on behalf of  
6 all of the Parity Bonds then outstanding, reduce the percentage of ownership required under  
7 subsection 23(b)(i)~~((, above,))~~ of the ordinance to approve any supplement or amendment.

8 (ii) **Amendments to Junior Lien Bond Documents.** Nothing contained in  
9 this section shall permit or be construed as permitting an amendment or supplement that would:

10 (A) Except upon consent from the registered owners of or on behalf of  
11 all Junior Lien Bonds so affected, extend the fixed maturity of any Junior Lien Bond, reduce the  
12 rate of interest on any Junior Lien Bond (other than a change in interest rate permitted under the  
13 applicable Junior Lien Bond Documents~~((as))~~ then in effect), extend the times of payment of  
14 interest from their respective due dates, reduce the principal amount of any Junior Lien Bond, or  
15 reduce any redemption premium; or

16 (B) Except upon consent from the registered owners of or on behalf of  
17 all of the Junior Lien Bonds then outstanding, reduce the percentage of ownership required under  
18 subsection 23(b)(ii)~~((, above,))~~ of the ordinance to approve any supplement or amendment.

19 (d) **Notice and Consents.** If at any time the City passes, adopts, or otherwise  
20 approves in writing a supplement or amendment for any of the purposes requiring consent under  
21 subsection 23(b) or 23(c) of this ~~((section))~~ ordinance, it shall provide a notice to each registered  
22 owner and to each Rating Agency, briefly summarizing the nature of the proposed supplement or  
23 amendment and stating that a copy of such supplement or amendment is on file at the office of

1 the City Clerk(~~(, to each registered owner and to each Rating Agency)~~). It shall not be necessary  
2 to obtain consent to or approval of the particular form of any proposed supplement or  
3 amendment, but it shall be sufficient if the consent shall approve the substance thereof. For  
4 purposes of determining whether consents representing the requisite percentage of principal  
5 amount of Parity Bonds or Junior Lien Bonds have been obtained, the Accreted Value of Capital  
6 Appreciation Bonds shall be deemed to be the principal amount.

7 (e) **Effect of Amendment or Supplement.** Upon the effective date of any  
8 amendment or supplement to any Bond Documents, such Bond Documents shall be deemed to  
9 be amended and modified in accordance with such amendment or supplement. Thereafter, the  
10 respective rights, duties, and obligations of the City under the applicable Bond Documents shall  
11 be determined, exercised, and enforced subject in all respects to such supplement or  
12 amendments, and all the terms and conditions of any such supplement or amendment shall be  
13 deemed to be a part of the terms and conditions of those Bond Documents for any and all  
14 purposes. The effective dates of such amendments and supplements shall be as follows:

15 (i) An amendment and supplement permitted under subsection 23(a) of this  
16 ordinance shall become effective immediately upon (A) the passage, adoption, or other approval  
17 of such amendment or supplement (or upon the effective date of such document as stated therein,  
18 if any), and (B) the delivery of the required opinion of Bond Counsel stating that such  
19 amendment or supplement is permitted under this ordinance.

20 (ii) A supplement or amendment permitted under subsection 23(b) or 23(c) of  
21 this ordinance shall become effective on the date on which the City has received the written  
22 consents of the requisite percentage of registered owners. If the requisite percentage of registered  
23 owners of Parity Bonds or Junior Lien Bonds, as applicable, have given their consent to any such

1 amendment or supplement, no owner of any Bond shall have any right (i) to object to the  
2 passage, adoption, or approval of such supplement or amendment, (ii) to object to any of the  
3 terms and provisions contained therein or the operation thereof, (iii) in any manner to question  
4 the propriety of the passage, adoption, or approval thereof, (iv) to enjoin or restrain the City, or  
5 any authorized official thereof, from passing, adopting, or otherwise approving the same, or (v)  
6 to enjoin or restrain the City, any authorized official thereof, or the Bond Registrar from taking  
7 any action pursuant to the provisions thereof.

8 (f) **Notation on Bonds.** Any Bonds executed and delivered after the effective date of  
9 any amendment or supplement that is passed, adopted, or otherwise approved in writing pursuant  
10 to this section may include a notation as to any matter provided for in such amendment or  
11 supplement. The City may, in its discretion, prepare and deliver replacement bonds, modified to  
12 reflect any such amendment or supplement, to the registered owner(s) thereof upon surrender of  
13 the original bonds for cancellation.

14 ~~((g) **Special Amendments.** If and to the extent that it is determined that the written~~  
15 ~~consent of Registered Owners of the Bonds is required under subsection (b) or (c) of this section,~~  
16 ~~the Registered Owners from time to time of the Bonds, by taking and holding the same, are hereby~~  
17 ~~deemed to have consented to any supplement or amendment to any Bond Documents effecting any~~  
18 ~~one or more of the following changes:~~

19 (i) ~~Permitting the reimbursement obligations of the City under any Qualified~~  
20 ~~Insurance or Qualified Letter of Credit obtained for the benefit of the holders of the Parity Bonds~~  
21 ~~(other than Qualified Insurance or a Qualified Letter of Credit obtained to satisfy all or a part of~~  
22 ~~the Reserve Fund Requirement) to be secured by a charge and lien on Net Revenue of the Light~~



1 ~~System equal in rank with the charge and lien upon such Net Revenue required to be paid into the~~  
2 ~~Parity Bond Fund to pay and secure the payment of the principal of and interest on Parity Bonds.~~

3 (ii) ~~Permitting the reimbursement obligations of the City under any Alternate~~  
4 ~~Reserve Security to be made by transfers from money in the Light Fund on parity with the transfers~~  
5 ~~to be made upon receipt of any notice of cancellation of an Alternate Reserve Security.))~~

6 Section 24. **Defaults and Remedies.**

7 (a) **Parity Bond Events of Default.** Each of the following shall constitute an Event  
8 of Default with respect to the Bonds designated as Parity Bonds, except as set forth in subsection  
9 24(c) of this ~~((section))~~ordinance:

10 (i) If a default is made in the payment of the principal of (including Sinking  
11 Fund Requirements and any redemption premium thereon, if any) or interest on any Parity Bond  
12 when the same shall become due and payable; or

13 (ii) If the City defaults in the observance and performance of any other of the  
14 Parity Bond covenants, conditions, or agreements on the part of the City set forth in this  
15 ordinance or the applicable Parity Bond Documents (except as otherwise provided herein or in  
16 such Parity Bond Documents) and such default or defaults shall have continued for a period of  
17 six months (the “cure period”) after the City shall have received from the registered owners of  
18 not less than ~~25((%))~~percent in principal amount of the Parity Bonds then outstanding (or from a  
19 Bond Owners’ Trustee duly appointed as set forth in subsection ~~24((d), below))~~(e) of this  
20 ordinance) a written notice specifying and demanding the cure of such default. However, if such  
21 default is one ~~((which))~~that cannot be completely remedied within the cure period, it shall not be  
22 an Event of Default with respect to the Parity Bonds, so long as the City has taken active steps  
23 within the cure period to remedy the default and is diligently pursuing such remedy.

1           **(b) Junior Lien Bond Events of Default.** Each of the following shall constitute an  
2 Event of Default with respect to the Bonds designated as Junior Lien Bonds, except as set forth  
3 in subsection 24(c) of this ~~((section))~~ordinance:

4           (i) If a default is made in the payment of the principal of (including Sinking  
5 Fund Requirements and any redemption premium thereon, if any) or interest on any Junior Lien  
6 Bond when the same shall become due and payable; or

7           (ii) If the City defaults in the observance and performance of any other of the  
8 Junior Lien Bond covenants, conditions, or agreements on the part of the City set forth in this  
9 ordinance or the applicable Junior Lien Bond Documents (except as otherwise provided  
10 ~~((herein))~~for in this ordinance or in such Junior Lien Bond Documents) and such default or  
11 defaults shall have continued for a period of six months (the “cure period”) after the City shall  
12 have received from the registered owners of not less than 25~~((%)~~)percent in principal amount of  
13 the Junior Lien Bonds then outstanding (or from a Bond Owners’ Trustee duly appointed as set  
14 forth in subsection ~~((d), below))~~(e) of this section) a written notice specifying and demanding  
15 the cure of such default. However, if such default is one which cannot be completely remedied  
16 within the cure period, it shall not be an Event of Default with respect to the Bonds as long as the  
17 City has taken active steps within the cure period to remedy the default and is diligently pursuing  
18 such remedy.

19           (c) **Exceptions.** Notwithstanding anything in this section to the contrary, the failure  
20 of the City or any obligated person to comply with a Continuing Disclosure Agreement shall not  
21 constitute an Event of Default, and the sole remedy of any holder of any Parity Bond or Junior  
22 Lien Bond, as applicable, shall be to seek an order of specific performance from an appropriate  
23 court to compel the City to comply with the Continuing Disclosure Agreement. For purposes of

1 determining whether an Event of Default has occurred and is continuing with respect to the rate  
2 covenant set forth in ~~((Subsection))~~ subsection 17(a)(ii) or 17(b)(ii) of this ordinance, if such  
3 covenant is met for any fiscal year, it shall be deemed to have been met for all prior fiscal years.

4 (d) **Remedies; No Acceleration.** In the case of a Parity Bond Event of Default, an  
5 owner of a Parity Bond shall have the remedies set forth in Section 10 of this ordinance and in  
6 the applicable Parity Bond Documents ~~((*Upon the redemption or defeasance of all of the*~~  
7 ~~*Outstanding Parity Bonds described in Exhibit A to this ordinance, the rights and remedies of*~~  
8 ~~*the owners from time to time of Parity Bonds shall be*)),~~ as limited by subsection 24(e) ~~((~~  
9 ~~*below*))~~ of this ordinance. In the case of a Junior Lien Bond Event of Default, the owner of a  
10 Junior Lien Bond shall have the remedies set forth in Section 10 of this ordinance and in the  
11 applicable Junior Lien Bond Documents, as limited by subsection 24(e) ~~((~~ ~~*below*~~ ~~))~~ of this  
12 ordinance. Nothing contained in this ordinance shall, in any event or under any circumstance, be  
13 deemed to authorize the acceleration of the maturity of principal on the Bonds, and the remedy  
14 of acceleration is expressly denied to the registered owners of the Bonds under any  
15 circumstances including, without limitation, upon the occurrence and continuance of an Event of  
16 Default.

17 (e) **Bond Owners' Trustee** ~~((*The provisions of this subsection shall become*~~  
18 ~~*effective with respect to Parity Bonds only upon the redemption or defeasance of all of the*~~  
19 ~~*Outstanding Parity Bonds described in Exhibit A to this ordinance.*~~ The provisions of this  
20 subsection shall become effective immediately with respect to Bonds issued as Junior Lien  
21 Bonds)). A Bond Owners' Trustee appointed in the manner provided in this section, and each  
22 successor thereto, is declared to be a trustee for all of the owners of the Parity Bonds (in the case  
23 of a Parity Bond Event of Default) or all of the owners of the Junior Lien Bonds (in the case of a

1 Junior Lien Bond Event of Default), as applicable, and is empowered to exercise all the rights  
2 and powers herein conferred on the Bond Owners' Trustee.

3 (i) **Appointment of Bond Owners' Trustee; Removal.** Upon the  
4 occurrence and continuance of an Event of Default described in subsection 24(a) of this  
5 ~~((section))~~ordinance, the registered owners of 25~~((%))~~ percent in principal amount of the then  
6 outstanding Parity Bonds (or upon the occurrence and continuance of an Event of Default  
7 described in subsection 24(b) of this ~~((section))~~ordinance, the registered owners of 25~~((%))~~  
8 percent in principal amount of the then outstanding Junior Lien Bonds~~((, if such default is one  
9 described in subsection (b) of this section)))~~ may appoint a Bond Owners' Trustee by an  
10 instrument or concurrent instruments in writing signed by such registered owners (or by their  
11 duly authorized attorneys-in-fact) and delivered to such Bond Owners' Trustee, with notification  
12 of such appointment given to the City. That appointment shall become effective immediately  
13 upon acceptance thereof by the Bond Owners' Trustee. The entity acting as Bond Owners'  
14 Trustee may be removed at any time, and a successor Bond Owners' Trustee may be appointed,  
15 by the registered owners of more than 50~~((%))~~ percent in principal amount of the Parity Bonds  
16 then outstanding (in the case of a Parity Bond Event of Default) or 50~~((%))~~ percent in principal  
17 amount of the Junior Lien Bonds then outstanding (in the case of a Junior Lien Bond Event of  
18 Default), as applicable, by an instrument or concurrent instruments in writing signed and  
19 acknowledged by such registered owners or by their duly authorized attorneys-in-fact.

20 (ii) **Cure of Event of Default.** If the Bond Owners' Trustee furnishes to the  
21 City a certificate stating that, in its sole judgment, an Event of Default that has occurred has been  
22 cured, such Event of Default shall be conclusively deemed to be cured, and the City, the Bond  
23 Owners' Trustee, and the registered owners of the Parity Bonds or Junior Lien Bonds, as

1 applicable, shall be restored to the same rights and position which they would have held if no  
2 Event of Default had occurred.

3 (iii) **Suits at Law or in Equity.** Upon the occurrence of an Event of Default  
4 and during the continuance thereof, the Bond Owners' Trustee in its discretion may (and, upon  
5 the written request of the registered owners of not less than 25(~~%~~) percent in principal amount  
6 of the Parity Bonds (or Junior Lien Bonds, as applicable) then outstanding, shall) take such steps  
7 and institute such suits, actions, or other proceedings, all as it may deem appropriate for the  
8 protection and enforcement of the rights of the registered owners of the Parity Bonds (or Junior  
9 Lien Bonds, as applicable), to collect any amounts due and owing to or from the City, or to  
10 obtain other appropriate relief, and may enforce the specific performance of any covenant,  
11 agreement or condition contained in this ordinance or set forth in any of the applicable Bond  
12 Documents.

13 Any action, suit, or other proceedings instituted by the Bond Owners' Trustee hereunder  
14 shall be brought in its name as the Bond Owners' Trustee and all such rights of action upon or  
15 under any of the Parity Bonds (or Junior Lien Bonds, as applicable) or the provisions of this  
16 ordinance may be enforced by the Bond Owners' Trustee without the possession of any of those  
17 Parity Bonds (or Junior Lien Bonds, as applicable) and without the production of the same at any  
18 trial or proceedings relative thereto except where otherwise required by law.

19 (iv) **Effect of Appointment of Bond Owners' Trustee.** Any suit, action, or  
20 proceeding instituted by the Bond Owners' Trustee shall be brought for the ratable benefit of all  
21 of the owners of the Parity Bonds (or Junior Lien Bonds, as applicable), subject to the provisions  
22 of this ordinance. The respective owners, by taking and holding the same, shall be conclusively  
23 deemed irrevocably to appoint the Bond Owners' Trustee the true and lawful trustee of the

1 respective owners, with authority to institute any such action, suit, or proceeding; to receive as  
2 trustee and deposit in trust any sums becoming distributable on account of those Parity Bonds; to  
3 execute any paper or documents for the receipt of money; and to do all acts with respect thereto  
4 that the owner(~~(himself or herself)~~) might have done in person. Nothing herein shall be deemed  
5 to authorize or empower the Bond Owners' Trustee to consent to accept or adopt, on behalf of  
6 any owner of the Parity Bonds (or Junior Lien Bonds, as applicable), any plan of reorganization  
7 or adjustment affecting the Parity Bonds (or Junior Lien Bonds, as applicable) or any right of any  
8 registered owner thereof, or to authorize or empower the Bond Owners' Trustee to vote the  
9 claims of the registered owners thereof in any receivership, insolvency, liquidation, bankruptcy,  
10 reorganization, or other proceeding to which the City is a party.

11 (v) **Bond Owners' Direction of Proceedings.** By an instrument or  
12 concurrent instruments in writing executed and delivered to the Bond Owners' Trustee, the  
13 owners of more than 50(~~(%)~~) percent in aggregate principal amount of the Parity Bonds (or  
14 Junior Lien Bonds, as applicable) then outstanding, shall be entitled to control and direct the  
15 enforcement of all rights and remedies granted to the owners (or the Bond Owners' Trustee for  
16 the benefit of the owners) under the applicable(~~(-Parity)~~) Bond Documents. Notwithstanding the  
17 foregoing, the Bond Owners' Trustee shall have the right to decline to follow any such direction  
18 which in the opinion of the Bond Owners' Trustee, in reasonable reliance on advice of counsel,  
19 would be unjustly prejudicial to owners not parties to such direction.

20 (vi) **Limitation on Remedies; Limitations on Individual Actions.** (~~(It is~~  
21 ~~understood and intended that no)~~) No owner of a Parity Bond, in the case of a Parity Bond Event  
22 of Default (or owner of a Junior Lien Bond, in the case of a Junior Lien Bond Event of Default)  
23 shall have any right in any manner whatever by its action to affect, disturb, or prejudice the

1 security pledged in this ordinance or the rights of any other owners, or to enforce any right under  
2 the applicable Bond Documents or applicable law except in the manner provided in this section,  
3 and that all proceedings at law or in equity to enforce any such right shall be instituted, had, and  
4 maintained in the manner herein provided and for the equal and ratable benefit and protection of  
5 all owners of the Parity Bonds (or Junior Lien Bonds, as applicable), subject to the provisions of  
6 this ordinance.

7 (vii) **Limitations on Individual Actions.** No owner of a Parity Bond (or  
8 Junior Lien Bond, as applicable) shall have any right to institute any action, suit, or proceeding at  
9 law or in equity for the enforcement of same unless (A) such owner previously shall have given  
10 to the Bond Owners' Trustee written notice of the occurrence of an Event of Default; (B) the  
11 owners of more than ~~50((%))~~ percent in aggregate principal amount of the then ~~((Outstanding))~~  
12 outstanding Parity Bonds (in the case of a Parity Bond Event of Default) or ~~50((%))~~ percent in  
13 aggregate principal amount of the then ~~((Outstanding))~~ outstanding Junior Lien Bonds ~~((as~~  
14 ~~applicable,))~~ (in the case of a Junior Lien Bond Event of Default) shall have made a written  
15 request ~~((upon))~~ to the Bond Owners' Trustee to exercise the powers granted above or to institute  
16 such suit, action, or proceeding in its own name; (C) such owners shall have tendered to the  
17 Bond Owners' Trustee reasonable indemnity against the costs, expenses, and liabilities to be  
18 incurred in compliance with such request; and (D) the Bond Owners' Trustee shall have refused  
19 or omitted to comply with such request for a period of 60 days after such written request shall  
20 have been received by, and said tender of indemnity shall have been made to, the Bond Owners'  
21 Trustee. The conditions set forth in (A) through (D) in the preceding sentence are hereby  
22 declared to be conditions precedent to the exercise by any owner of a Parity Bond (in the case of  
23 a Parity Bond Event of Default) or by any owner of a Junior Lien Bond (in the case of a Junior

1 Lien Bond Event of Default) of any remedy under the applicable Bond Documents or under  
2 applicable law.

3 (viii) **Duties and Obligations of Bond Owners' Trustee.** The Bond Owners'  
4 Trustee shall not be liable except for the performance of such duties as are specifically set forth  
5 ~~((herein))~~in this ordinance. During any period in which an Event of Default has occurred and is  
6 continuing as to the Parity Bonds (or the Junior Lien Bonds, as applicable~~((;)))~~ the Bond  
7 Owners' Trustee shall exercise such of the rights and powers vested in it ~~((hereby))~~by this  
8 ordinance, and shall use the same degree of care and skill in its exercise, as a prudent person  
9 would exercise or use under the circumstances in the conduct of ~~((his or her))~~that person's own  
10 affairs. The Bond Owners' Trustee shall have no liability for any act or omission to act  
11 hereunder except for the Bond Owners' Trustee's own negligent action, its own negligent failure  
12 to act or its own willful misconduct. The duties and obligations of the Bond Owners' Trustee  
13 shall be determined solely by the express provisions of this ordinance, and no implied powers,  
14 duties or obligations of the Bond Owners' Trustee shall be read into this ordinance. The Bond  
15 Owners' Trustee shall not be required to expend or risk its own funds or otherwise incur  
16 individual liability in the performance of any of its duties or in the exercise of any of its rights or  
17 powers as the Bond Owners' Trustee, except as may result from its own negligent action, its own  
18 negligent failure to act or its own willful misconduct. The fees and expenses of the Bond  
19 Owners' Trustee shall be borne by the owners of the Parity Bonds (or Junior Lien Bonds, as  
20 applicable,) and not by the City. A Bond Owners' Trustee may require such security and  
21 indemnity as may be reasonable against the costs, expenses, and liabilities that may be incurred  
22 in the performance of its duties. The Bond Owners' Trustee shall not be bound to recognize any  
23 person as a registered owner of any Parity Bond (or Junior Lien Bond, as applicable) until ~~((his~~



1 ~~or her~~)their title thereto, if disputed, has been established to its reasonable satisfaction. The  
2 Bond Owners' Trustee may consult with counsel<sub>s</sub> and the opinion of such counsel shall be full  
3 and complete authorization and protection in respect of any action taken or suffered by it  
4 hereunder in good faith and in accordance with the opinion of such counsel. The Bond Owners'  
5 Trustee shall not be answerable for any neglect or default of any person, firm<sub>s</sub> or corporation  
6 employed and selected by it with reasonable care.

7 Section 25. **The Refunding Plan.**

8 (a) **Approval of Refunding Plan; Appointment of Refunding Trustee.** The  
9 Director of Finance is authorized and directed to select a Refunding Trustee and execute a  
10 Refunding Trust Agreement setting forth a Refunding Plan for each series of Refundable Bonds  
11 (or portion thereof) to be refunded pursuant to this ordinance, in accordance with subsection  
12 25(d)~~((of this section))~~. Multiple Refunding Plans may be combined in a single Refunding Trust  
13 Agreement. The Refunding Plan shall be carried out, and proceeds of the Bonds shall be applied,  
14 in accordance with this ordinance, the respective Refunded Bond Documents, the Refunding  
15 Trust Agreement, and the laws of the State. Nothing ~~((herein))~~in this ordinance shall prevent the  
16 issuance of Refunding Parity Bonds for the purpose of refunding Refundable Junior Lien Bonds,  
17 or the issuance of Refunding Junior Lien Bonds for the purpose of refunding Refundable Parity  
18 Bonds, provided that the requirements of Section 18 of this ordinance and the Parity Conditions  
19 (if the Refunding Bonds are designated as Parity Bonds) or Junior Lien Additional Bonds Test (if  
20 the Refunding Bonds are designated as Junior Lien Bonds) are met as of the Issue Date of such  
21 ~~((Series))~~series of Refunding Bonds.

22 (b) **Acquisition of Acquired Obligations.** To the extent practicable and desirable,  
23 the Refunding Plan shall provide for the Refunding Trustee's purchase of Acquired Obligations

1 bearing such interest and maturing as to principal and interest in such amounts and at such times  
2 ~~((se-))~~as to provide~~((;))~~ (together with a beginning cash balance, if necessary, for the timely  
3 payment of the amounts required to be paid by the Refunding Plan. The Acquired Obligations  
4 shall be listed and more particularly described in a schedule attached to the Refunding Trust  
5 Agreement,~~((but are))~~ subject to substitution as set forth in subsection 25(c)~~((below))~~.

6 (c) **Substitution of Acquired Obligations.** The City reserves the right at any time to  
7 substitute cash or other Government Obligations (as defined in the applicable Refunded Bond  
8 Documents) for the Acquired Obligations if the City obtains a verification by a nationally  
9 recognized independent certified public accounting firm reasonably acceptable to the Refunding  
10 Trustee confirming that the payments of principal of and interest on the substitute obligations, if  
11 paid when due, together with the cash to be held by the Refunding Trustee, will be sufficient to  
12 carry out the Refunding Plan. If the applicable Series of the Bonds (or the applicable Refunded  
13 Bonds) were issued as Tax-Exempt Bonds, then prior to such substitution, the City must also  
14 obtain an opinion from Bond Counsel to the effect that the disposition and substitution or  
15 purchase of such securities will not cause the interest on the applicable Series of the Bonds (or of  
16 the applicable Refunded Bonds) issued as Tax-Exempt Bonds to be included in gross income for  
17 federal income tax purposes and that such disposition and substitution or purchase is in  
18 compliance with the statutes and regulations applicable to the Series of the Bonds. Any surplus  
19 money resulting from the sale, transfer, other disposition or redemption of the Acquired  
20 Obligations and the substitutions therefor shall be released from the trust estate and may be used  
21 for any lawful City purpose.

22 (d) **Refunding Trust Agreement.** In connection with ~~((each))~~any Series of the  
23 Bonds, the Director of Finance is authorized to execute one or more Refunding Trust

1 Agreements with one or more Refunding Trustees, setting forth the duties, obligations and  
2 responsibilities of the Refunding Trustee in connection with carrying out the applicable  
3 Refunding Plan. Each Refunding Trust Agreement and Refunding Plan must, among other  
4 things: (1) identify the Refundable Bonds to be refunded thereby; (2) contain the elements set  
5 forth in the definition of Refunding Plan set forth in this ordinance, including provide for the  
6 issuance of the Series of the Bonds and describing the method for carrying out the refunding of  
7 the Refunded Bonds (including authorizing and directing the Refunding Trustee to use the  
8 money deposited with it to purchase the Acquired Obligations (or substitute obligations) and to  
9 apply such money along with the maturing principal of and interest on such obligations to make  
10 the payments required to be made by the Refunding Plan); and (3) shall provide for the giving of  
11 notices of defeasance and redemption, as required under the Refunded Bond Documents. The  
12 Refunding Trust Agreement may additionally provide for the payment of the costs of issuance of  
13 the Series and the costs of administering the Refunding Plan (including without limitation, all  
14 necessary and proper fees, compensation, and expenses of the Refunding Trustee and all other  
15 costs incidental to the setting up of the escrow to accomplish the Refunding Plan), and for such  
16 other related matters as the Director of Finance may deem necessary or expedient.

17 Section 26. **Redemption of the Refunded Bonds.** The Director of Finance is authorized  
18 on behalf of the City to take such actions as may be necessary or convenient to call the Refunded  
19 Bonds for redemption. Such call for redemption of the Refunded Bonds shall identify the  
20 Refunded Bonds, redemption dates, and redemption prices (expressed as a percentage of the  
21 stated principal amount); and shall be irrevocable after the Issue Date of the applicable Series of  
22 the Bonds. The dates on which the Refunded Bonds are to be called for redemption shall be, in  
23 the judgment of the Director of Finance, the earliest practical dates on which those Refunded

1 Bonds may be called for redemption. The proper City officials are authorized and directed to  
2 give or cause to be given such notices as required, at the times and in the manner required  
3 pursuant to the Refunded Bond Documents, in order to carry out the Refunding Plan.