



ORDINANCE NO. 29033

1 A SUPPLEMENTAL ORDINANCE of the City of Tacoma, Washington, relating to
2 the Department of Public Utilities; providing for the issuance and sale of one
3 or more series of Electric System Revenue and Refunding Bonds in an
4 aggregate principal amount not to exceed \$325,000,000 to provide funds, to
5 be used with available funds of the City, to finance and/or reimburse the City
6 for capital improvements to the Electric System, to defease and/or redeem
7 certain obligations of the Electric System, and to pay costs of issuance for
8 the Bonds; fixing or setting parameters with respect to certain terms and
9 covenants of the Bonds, and appointing the City's designated
10 representatives to approve the final terms of the sale of the Bonds; and
11 approving certain other matters in connection therewith.

12 WHEREAS the City of Tacoma, Washington ("City"), acting by and through
13 its Department of Public Utilities, Light Division (d/b/a "Tacoma Power"), owns and
14 operates an electric system ("Electric System") for which capital improvements and
15 other expenses may be financed through the issuance of revenue bonds, and

16 WHEREAS the City, by Ordinance No. 23514, passed on November 20,
17 1985 (as amended and supplemented, including as amended and restated by
18 Ordinance No. 28146, passed on April 30, 2013, as amended by Ordinance No.
19 28444, passed on August 1, 2017, as amended by Ordinance No. 28773, passed
20 on August 3, 2021, and as amended by Ordinance No. 28932, passed on
21 January 16, 2024 (collectively, "Master Ordinance"), authorized Electric System
22 revenue bonds of the City ("Parity Bonds") to be issued in series having a parity of
23 lien and charge on the Revenues of the Electric System after the payment of
24 Operating Expenses (as those terms are defined therein), if certain conditions are
25 met, and made covenants in connection with the issuance of such Parity Bonds,
26 and



WHEREAS the City, acting through Tacoma Power, has issued and currently has outstanding the following Parity Bonds (together, the “Outstanding Parity Bonds”):

Bonds	Series Authorizing Ordinance	Outstanding Principal Amount
Electric System Revenue Bonds, Series 2010B (Taxable Build America Bonds – Direct Payment) and Electric System Revenue Bonds, Series 2010C (Taxable Clean Renewable Energy Bonds – Direct Payment) (together, “2010 Bonds”)	27889	\$171,255,000
Electric System Revenue and Refunding Bonds, Series 2013A (“2013 Bonds”)	28146	\$54,015,000
Electric System Revenue Bonds, Series 2017 (“2017 Bonds”)	28146 and 28444	\$61,310,000
Electric System Revenue Bonds, Series 2021 (Green Bonds) (“2021 Bonds”)	28146 and 28773	\$121,855,000
Electric System Revenue Bonds, Series 2024A (Green Bonds) and Electric System Revenue Refunding Bonds, Series 2024B (together, the “2024 Bonds”)	28146 and 28932	\$138,945,000

and

WHEREAS certain Outstanding Parity Bonds may be defeased and/or redeemed in whole or in part, in accordance with the terms of the respective series authorizing ordinance, and

WHEREAS the Electric System Revenue Bonds, Series 2010B (Taxable Build America Bonds – Direct Payment) (the “2010B Bonds”) and Electric System Revenue Bonds, Series 2010C (Taxable Clean Renewable Energy Bonds – Direct Payment) (the “2010C Bonds”), are subject to extraordinary optional redemption at



1 any time prior to maturity at the option of the City, in whole or in part, upon the
2 occurrence of an Extraordinary Event (as defined below), at an extraordinary
3 redemption price, and

4 WHEREAS an "Extraordinary Event" will have occurred with respect to the
5 2010B Bonds and 2010C Bonds if the City has determined that a material adverse
6 change has occurred to Sections 54AA or 6431 of the Internal Revenue Code of
7 1986, as amended (the "Code") (as such Sections were added by Section 1531 of
8 the American Recovery and Reinvestment Act of 2009 pertaining to "Build America
9 Bonds" and as Section 6431 of the Code was amended or guidance published by
10 Section 301 of the Hiring Incentives to Restore Employment Act pertaining to "New
11 Clean Renewable Energy Bonds"), as applicable, or there is any guidance
12 published by the Internal Revenue Service or the United States Treasury with
13 respect to such Sections or any other determination by the Internal Revenue
14 Service or the United States Treasury, which determination is not the result of any
15 act or omission by the City to satisfy the requirements to receive (a) the 35% cash
16 subsidy payment from the United States Treasury with respect to the 2010B Bonds,
17 pursuant to which the 35% cash subsidy payment from the United States Treasury
18 with respect to the 2010B Bonds is reduced or eliminated or (b) the credit allowed
19 to the City in the amount equal to the lesser of (i) the amount of interest payable on
20 the 2010C Bonds on each interest payment date or (ii) 70% of the amount of
21 interest which would have been payable on the 2010C Bonds on such date if
22 interest were determined at the applicable credit rate determined under Section
23 54A(b)(3) of the Code with respect to the 2010C Bonds, pursuant to which such
24
25
26



1 payment from the United States Treasury with respect to the 2010C Bonds is
2 reduced or eliminated, and

3 WHEREAS certain federal budget control legislation enacted after the City
4 issued the 2010B Bonds and 2010C Bonds modified and amended Section 54AA
5 (as confirmed by federal court decisions) in a manner pursuant to which the City's
6 cash subsidy payments from the United States Treasury have been reduced due to
7 sequestration (reduction and permanent cancellation) in various percentage
8 amounts, as also reflected in and implemented by guidance published by the
9 Internal Revenue Service or the United States Treasury since 2013, and this has
10 resulted in an aggregate amount of reductions in federal credit payments with
11 respect to the 2010B Bonds and 2010C Bonds to date and projected reductions at
12 the current sequestration rate to the maturity date of the 2010B Bonds and 2010C
13 Bonds, respectively, of approximately \$4.25 million, and

14 WHEREAS therefore the City has determined that an Extraordinary Event
15 has occurred with respect to the 2010B Bonds and 2010C Bonds, and

16 WHEREAS the Public Utility Board of the City ("Board") has initiated and has
17 recommended to the City Council for its approval the issuance of one or more
18 series of Parity Bonds to provide funds, to be used with available funds of the City,
19 to finance and/or reimburse the City for capital improvements to the Electric
20 System, to defease and/or redeem certain Outstanding Parity Bonds, and to pay
21 the costs of issuance for the Bonds (as defined herein), and

22 WHEREAS the City Council further finds that certain of the capital
23 improvements to be financed, reimbursed, and/or refinanced with proceeds of the
24



1 Bonds authorized herein have environmentally beneficial attributes consistent with
2 the City's Environmental Action Plan and other environmental priorities and goals
3 of Tacoma Power designed to mitigate the impacts of climate change and promote
4 sustainability and conservation, and

5
6 WHEREAS the City Council desires to authorize the designation of all or a
7 portion of the Bonds issued to finance, reimburse, and/or refinance such
8 improvements, which have environmentally beneficial attributes, as "Green Bonds"
9 in accordance with the voluntary, generally accepted Green Bond Principles
10 promulgated by the International Capital Market Association and/or other relevant
11 standards or frameworks, and the City is permitted to make such a voluntary
12 designation based on the intended use of such proceeds, and

13
14 WHEREAS the City Council wishes to delegate authority to the individuals
15 authorized herein (each, a "Designated Representative"), for a limited time, the
16 authority to approve the final terms of the bonds authorized herein within the
17 parameters set by this Supplemental Ordinance, Now, Therefore,
18



1 BE IT ORDAINED BY THE CITY OF TACOMA:

2 ARTICLE I

3 DEFINITIONS

4 Section 1.1. Definitions and Interpretation of Terms. Capitalized terms
5 used but not otherwise defined herein shall have the meanings set forth in the
6 Master Ordinance, including any amendments to such terms as provided herein.
7 In addition, as used in this Supplemental Ordinance and with respect to the Bonds,
8 the following words shall have the following meanings:
9

10 "Acquired Obligations" means any Governmental Obligations acquired by the
11 City under the terms of this Supplemental Ordinance and the Escrow Agreement to
12 effect the refunding and/or defeasance of the Refunded Bonds, but only to the
13 extent that the same are acquired at Fair Market Value.
14

15 "Assistant Finance Director/Controller" means the duly appointed and acting
16 Assistant Finance Director/Controller of the City, including anyone acting in an
17 interim or other capacity for the position, or the successor to the duties of that
18 office.
19

20 "Beneficial Owner" means any person that has or shares the power, directly
21 or indirectly, to make investment decisions concerning ownership of any Bonds
22 (including persons holding Bonds through nominees, depositories or other
23 intermediaries).
24

25 "Board" means the Public Utility Board of the City, as the same shall be duly
26 and regularly constituted from time to time.



1 “Bond Purchase Contract” means one or more contracts between the
2 Underwriters and the City for the purchase of Bonds, executed pursuant to the
3 Master Ordinance and this Supplemental Ordinance and setting forth the final terms
4 of the applicable series of Bonds.

5
6 “Bond Register” means the registration books maintained by the Bond
7 Registrar for purposes of identifying ownership of the Bonds or the nominee of each
8 owner, and such other information as the Bond Registrar shall determine.

9 “Bond Registrar” means, initially, the fiscal agent of the State, whose duties
10 include registering and authenticating the Bonds, maintaining the Bond Register,
11 effecting transfer of ownership of the Bonds and paying interest on and principal of
12 the Bonds.

13
14 “Bonds” mean the Electric System Revenue and Refunding Bonds, Series
15 2025 authorized to be issued from time to time in one or more series under the
16 Master Ordinance and this Supplemental Ordinance.

17
18 “Call Date” means one or more dates selected by a Designated
19 Representative for the redemption or refunding of the Refunded Bonds.

20 “City” means the City of Tacoma, Washington, a municipal corporation duly
21 organized and existing under and by virtue of the laws of the State.

22 “City Attorney” means the duly appointed and acting City Attorney of the City,
23 including anyone acting in an interim or other capacity for the position, or the
24 successor to the duties of that office.

25
26



1 "City Clerk" means the duly appointed and acting City Clerk of the City,
2 including anyone acting in an interim or other capacity for the position, or the
3 successor to the duties of that office.

4 "City Manager" means the duly appointed and acting City Manager of the
5 City, including anyone acting in an interim or other capacity for the position, or the
6 successor to the duties of that office.

7 "Code" means the Internal Revenue Code of 1986 as in effect on the date of
8 issuance of the Tax-Exempt Bonds or (except as otherwise referenced herein) as it
9 may be amended to apply to obligations issued on the date of issuance of the Tax-
10 Exempt Bonds, together with applicable proposed, temporary and final regulations
11 promulgated, and applicable official public guidance published, under the Code.

12 "Continuing Disclosure Certificate" means one or more written undertakings
13 for the benefit of the owners and Beneficial Owners of the Bonds as required by
14 Section (b)(5) of the Rule.

15 "Council" or "City Council" means the City Council as the general legislative
16 authority of the City, as duly and regularly constituted from time to time.

17 "Designated Representative" means the Director of Utilities and the Tacoma
18 Power Superintendent, and their designees. The signature of one Designated
19 Representative shall be sufficient to bind the City.

20 "Director of Utilities" means the duly appointed and acting Director of the City
21 Department of Public Utilities, including anyone acting in an interim or other
22 capacity for the position, or the successor to the duties of that office.



1 "Escrow Agent" means the escrow agent, if any, selected by a Designated
2 Representative pursuant to the terms of this Supplemental Ordinance.

3 "Escrow Agreement" means the Escrow Deposit Agreement, if any, between
4 the City and the Escrow Agent relating to the refunding and/or defeasance of the
5 Refunded Bonds.
6

7 "Fair Market Value" means the price at which a willing buyer would purchase
8 an investment from a willing seller in a bona fide, arm's-length transaction, except
9 for specified investments as described in Treasury Regulation § 1.148-5(d)(6),
10 including United States Treasury obligations, certificates of deposit, guaranteed
11 investment contracts, and investments for yield restricted defeasance escrows.
12 Fair Market Value is generally determined on the date on which a contract to
13 purchase or sell an investment becomes binding, and, to the extent required by the
14 applicable regulations under the Code, the term "investment" will include a hedge.
15

16 "Federal Tax Certificate" means the certificate of the City pertaining to the
17 tax-exemption of interest on the Tax-Exempt Bonds, and any attachments thereto.
18

19 "Finance Director" means the duly appointed and acting Finance Director of
20 the City, including anyone acting in an interim or other capacity for the position, or
21 the successor to the duties of that office.
22

23 "Fiscal Agent" for purposes of the Bonds means the Bond Registrar.

24 "Government Obligations" means those obligations now or hereafter defined
25 as such in chapter 39.53 RCW constituting direct obligations of, or obligations the
26 principal of and interest on which are unconditionally guaranteed by the United
States of America, as such chapter may be hereafter amended or restated.



1 "Letter of Representations" means the blanket issuer letter of representations
2 from the City to DTC.

3 "Master Ordinance" means Ordinance No. 28146, passed on April 30, 2013,
4 as amended by Ordinance No. 28444, passed on August 1, 2017, as amended by
5 Ordinance No. 28773, passed on August 3, 2021, as amended by Ordinance No.
6 28932, passed on January 16, 2024, and as it may be further amended from time to
7 time.

8
9 "Mayor" means the duly elected Mayor of the City or the successor to such
10 officer.

11
12 "Official Statement" means the disclosure documents prepared and delivered
13 in connection with the issuance of each series of Bonds.

14 "Outstanding Parity Bonds" means the outstanding 2010 Bonds, 2013
15 Bonds, 2017 Bonds, 2021 Bonds, and 2024 Bonds.

16
17 "Parity Bonds" means the Outstanding Parity Bonds, the Bonds and any
18 Future Parity Bonds. "Parity Bonds" may include bonds, notes, warrants,
19 certificates of indebtedness or any other evidence of indebtedness issued pursuant
20 to the Parity Conditions.

21 "Paying Agent" for purposes of the Bonds means the Bond Registrar.

22
23 "Plan of Additions" means the system or plan of additions to and betterments
24 and extensions of the Electric System described in Section 2.4, as such Plan may
25 be amended, supplemented, or revised from time to time consistent with the City's
26 Electric System Comprehensive Plan.



1 "Project" or "Projects" mean the capital improvements to the Electric System
2 to be financed, reimbursed, or refinanced with proceeds of the Bonds, as provided
3 in Section 2.4.

4 "Record Date" means the close of business for the Bond Registrar that is
5 15 days preceding any interest and/or principal payment or redemption date.
6

7 "Refunded Bonds" means certain of the Outstanding Parity Bonds
8 designated by a Designated Representative for defeasance, redemption and/or
9 refunding pursuant to this Supplemental Ordinance.

10 "Registered Owner" means the person named as the registered owner of a
11 Bond in the Bond Register. For so long as the Bonds are held in book-entry only
12 form, DTC or its nominee shall be deemed to be the sole Registered Owner.
13

14 "Rule" means the Security and Exchange Commission's Rule 15c2-12 under
15 the Securities and Exchange Act of 1934, as the same may be amended from time
16 to time.
17

18 "Subordinate Bonds" means the City of Tacoma Electric System Subordinate
19 Revenue Bonds, issued in one or more series to finance costs of the Electric
20 System, and junior and subordinate to the Parity Bonds, as authorized by the
21 Master Subordinate Ordinance.

22 "Tacoma Power Superintendent" means the duly appointed and acting
23 Superintendent/Chief Operating Officer, Department of Public Utilities, Light
24 Division, including anyone acting in an interim or other capacity for the position, or
25 the successor to the duties of that office.
26



1 "Taxable Bonds" means any Bonds of a series determined to be issued on a
2 taxable basis pursuant to this Supplemental Ordinance.

3 "Tax-Exempt Bonds" has the meaning set forth in the Master Ordinance.

4 "Treasurer" means the duly appointed and acting Treasurer of the City,
5 including anyone acting in an interim or other capacity for the position, or the
6 successor to the duties of that office.
7

8 "Underwriters" mean Raymond James & Associates, Inc., BofA Securities,
9 Inc., and Siebert Williams Shank & Co., LLC, and their successors.
10

11 "2010 Bonds" has the meaning set forth in the recitals hereto.

12 "2013 Bonds" has the meaning set forth in the recitals hereto.

13 "2017 Bonds" has the meaning set forth in the recitals hereto.

14 "2021 Bonds" has the meaning set forth in the recitals hereto.

15 "2024 Bonds" has the meaning set forth in the recitals hereto.

16 "2025 Bonds Bond Retirement Account" means the account created in
17 Section 5.1 of this Supplemental Ordinance.
18

19 "2025 Bonds Construction Account" means the account created in
20 Section 5.1 of this Supplemental Ordinance.

21 "2025 Bonds Interest Subaccount" means the account created in
22 Section 5.1 of this Supplemental Ordinance.
23

24 "2025 Bonds Principal Subaccount" means the account created in
25 Section 5.1 of this Supplemental Ordinance.

26 "2025 Bonds Refunding Account" means the account created in Section 5.1
of this Supplemental Ordinance.



ARTICLE II

PARITY AND OTHER FINDINGS

Section 2.1. Findings; Authority for Supplemental Ordinance; Intent.

Pursuant to the terms of the Master Ordinance, the City has authorized a revenue bond borrowing program, which authorizes the City to issue, from time to time, one or more series of Parity Bonds to finance costs of the Electric System. City Council approval is necessary prior to the issuance of debt under the Tacoma City Charter and State law. This Supplemental Ordinance is adopted pursuant to the laws of the State, the Tacoma City Charter and the Master Ordinance. The recitals to this ordinance are hereby incorporated into and made a part hereof as though fully set forth herein.

The City Council intends that the terms and conditions set forth in this Supplemental Ordinance shall apply to each series of Bonds issued hereunder. In the event of any inconsistency between the terms and provisions provided for in this Supplemental Ordinance and the Master Ordinance, the terms and provisions of this Supplemental Ordinance shall control. For instance, the City intends that certain definitions and the following sections shall supersede the corresponding sections of the Master Ordinance as they apply to the Bonds:

- A. Section 3.2 Registration, Exchange and Payments;
- B. Section 3.3 Redemption Terms;
- C. Section 3.4 Form of Bonds;
- D. Section 3.5 Lost or Destroyed Bonds;
- E. Section 4.2 General Authorization; Documents;



1 F. Section 4.3 Preliminary and Final Official Statements;

2 G. Section 4.4 Ongoing Disclosure; Continuing Disclosure Certificate; and

3 H. Section 7.1 Tax Covenants.

4 Except as otherwise provided herein, the terms of the Master Ordinance are
5
6 incorporated herein for the benefit of the Owners of the Bonds.

7 Section 2.2. Parity Conditions. In connection with the issuance of the
8 Bonds, the City hereby makes the following findings:

9 A. There is, and as of the Issue Date for each series of Bonds there will be,
10 no deficiency in the Bond Fund and no Event of Default has occurred or shall have
11 occurred and be continuing as of such Issue Date.

12 B. This Supplemental Ordinance provides that the payment of the principal
13 of and interest on the Bonds shall be paid out of the Bond Fund.

14 C. On the Issue Date for each series of Bonds there will be on file with the
15 City a certificate satisfying the Parity Conditions in Section 9.2 of Ordinance
16 No. 28146, amending the Master Ordinance.

17
18 Section 2.3. Findings Related to Revenues of the Electric System. The City
19 hereby finds and determines that the Revenues of the Electric System at the rates
20 to be charged for power and other services and commodities from the Electric
21 System will be more than sufficient to meet all Operating Expenses, to make all
22 required payments with respect to the Outstanding Parity Bonds, the Bonds, and
23 any outstanding Subordinate Bonds, and to permit the setting aside into the Bond
24 Fund out of the Revenues of amounts sufficient to pay the principal of and interest
25
26



1 on the Bonds as increased and extended and when due at maturity and upon any
2 mandatory sinking fund redemption thereof.

3 The City further finds and determines that in creating the subaccounts in the
4 Bond Fund and in fixing the amounts to be paid into such subaccounts in the Bond
5 Fund, it has exercised due regard for Operating Expenses, and the City has not
6 bound and obligated itself to set aside and pay into such subaccounts in the Bond
7 Fund a greater amount or proportion of the Revenues than in the judgment of the
8 City will be available over and above the Operating Expenses and the amount and
9 proportion of the Revenues so previously pledged.
10

11 Section 2.4. Plan of Additions. The City specifies, adopts, and orders to be
12 carried out the system or plan of additions to and betterments and extensions of the
13 Electric System as generally provided for in the capital portions of the Tacoma
14 Power Biennial Budget, as supplemented and amended, and in any subsequent
15 budget, and in the Electric System Comprehensive Plan ("Plan of Additions").
16

17 The portion of the Plan of Additions financed and/or reimbursed with
18 proceeds of the Bonds are included in the "Project." The estimated cost of the Plan
19 of Additions to be financed and/or reimbursed with the proceeds of the Bonds is at
20 least \$135,000,000.
21

22 The Plan of Additions includes the purchase and installation of all materials,
23 supplies, appliances, equipment (including, but not limited to, data processing
24 hardware and software and conservation equipment) and facilities; the acquisition
25 of all permits, franchises, property and property rights; other capital assets; and all
26 engineering, consulting, and other professional services and studies (whether



1 performed by the City or by other public or private entities) necessary or convenient
2 to carry out the Plan of Additions.

3 ARTICLE III

4 AUTHORIZATION AND TERMS OF BONDS

5 Section 3.1. Authorization of Bonds: Terms and Description of Bonds.

6 A. The City hereby authorizes the issuance of its "City of Tacoma,
7 Washington, Electric System Revenue and Refunding Bonds, Series 2025" or other
8 such designation as set forth in the Bonds and approved by a Designated
9 Representative, pursuant to the terms of the Master Ordinance and this
10 Supplemental Ordinance. The Bonds may be issued in one or more series, may be
11 designated as Taxable Bonds or Tax-Exempt Bonds, and may be issued on the
12 same Issue Date or from time to time on different Issue Dates. The Bonds shall
13 constitute Parity Bonds within the meaning of the Master Ordinance.
14

15 B. Proceeds of the Bonds shall be used with available funds of the City, to
16 finance and/or reimburse the City for capital improvements to the Electric System,
17 to defease and/or redeem certain Outstanding Parity Bonds, and to pay the costs of
18 issuance for the Bonds.
19

20 C. The Bonds shall be issued in an aggregate principal amount not to
21 exceed \$325,000,000, shall be dated as of the Issue Date for such Bonds, shall be
22 fully registered as to both principal and interest, shall be in the denomination of
23 \$5,000 each or any integral multiple thereof within a series and maturity, shall be
24 numbered separately in such manner and with any additional designation as the
25 Bond Registrar deems necessary for purposes of identification and control, shall
26



1 bear interest from their applicable Issue Date payable on the dates and at the rates
2 set forth in the applicable Bond Purchase Contract, and shall be subject to optional
3 and/or mandatory redemption, and mature on the dates and in the principal
4 amounts set forth in the applicable Bond Purchase Contract.

5
6 Section 3.2. Registration, Exchange and Payments.

7 A. Bond Registrar/Bond Register. The City hereby specifies and adopts the
8 system of registration approved by the Washington State Finance Committee from
9 time to time through the appointment of a state fiscal agent. The City shall cause a
10 Bond Register to be maintained by the Bond Registrar. So long as any Bonds
11 remain outstanding, the Bond Registrar shall make all necessary provisions to
12 permit the exchange or registration or transfer of Bonds at its designated office.
13 The Bond Registrar may be removed at any time at the option of the Finance
14 Director upon prior notice to the Bond Registrar and a successor Bond Registrar
15 appointed by the Finance Director. No resignation or removal of the Bond Registrar
16 shall be effective until a successor shall have been appointed and until the
17 successor Bond Registrar shall have accepted the duties of the Bond Registrar
18 hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate
19 and deliver Bonds transferred or exchanged in accordance with the provisions of
20 such Bonds and this Supplemental Ordinance, and to carry out all of the Bond
21 Registrar's powers and duties under this Supplemental Ordinance. The Bond
22 Registrar shall be responsible for its representations contained in the Certificate of
23 Authentication of the Bonds.
24
25
26



1 B. Registered Ownership. The City and the Bond Registrar, each in its
2 discretion, may deem and treat the Registered Owner of each Bond as the absolute
3 owner thereof for all purposes (except as provided in the Continuing Disclosure
4 Certificate), and neither the City nor the Bond Registrar shall be affected by any
5 notice to the contrary. Payment of any such Bond shall be made only as described
6 in subsection G, but such Bond may be transferred as herein provided. All such
7 payments made as described in subsection G shall be valid and shall satisfy and
8 discharge the liability of the City upon such Bond to the extent of the amount or
9 amounts so paid.
10

11 C. DTC Acceptance/Letters of Representations. The Bonds initially shall be
12 held by DTC acting as depository. The City has executed and delivered to DTC a
13 Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar
14 shall have any responsibility or obligation to DTC participants or the persons for
15 whom they act as nominees (or any successor depository) with respect to the
16 Bonds in respect of the accuracy of any records maintained by DTC (or any
17 successor depository) or any DTC participant, the payment by DTC (or any
18 successor depository) or any DTC participant of any amount in respect of the
19 principal of or interest on Bonds, any notice which is permitted or required to be
20 given to Registered Owners under this Supplemental Ordinance (except such
21 notices as shall be required to be given by the City to the Bond Registrar or to DTC
22 (or any successor depository)), or any consent given or other action taken by DTC
23 (or any successor depository) as the Registered Owner. For so long as any Bonds
24 are held by a depository, DTC or its successor depository or its nominee shall be
25
26



1 deemed to be the Registered Owner for all purposes hereunder, and all references
2 herein to the Registered Owners shall mean DTC (or any successor depository) or
3 its nominee and shall not mean the owners of any beneficial interest in such Bonds.

4 D. Use of Depository.

5
6 (1) The Bonds of each series shall be registered initially in the name
7 of "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the
8 maturity dates for the Bonds in a denomination corresponding to the total principal
9 therein designated to mature on such date. Registered ownership of such Bonds,
10 or any portions thereof, may not thereafter be transferred except (i) to any
11 successor of DTC or its nominee, provided that any such successor shall be
12 qualified under any applicable laws to provide the service proposed to be provided
13 by it; (ii) to any substitute depository appointed by the Finance Director pursuant to
14 subsection (2) below or such substitute depository's successor; or (iii) to any person
15 as provided in subsection (4) below.
16

17
18 (2) Upon the resignation of DTC or its successor (or any substitute
19 depository or its successor) from its functions as depository or a determination by
20 the Finance Director to discontinue the system of book entry transfers through
21 DTC or its successor (or any substitute depository or its successor), the Finance
22 Director may appoint a substitute depository. Any such substitute depository shall
23 be qualified under any applicable laws to provide the services proposed to be
24 provided by it.
25

26 (3) In the case of any transfer pursuant to clause (i) or (ii) of
subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding



1 Bonds, together with a written request on behalf of the Finance Director, issue a
2 single new Bond for such series for each maturity then outstanding, registered in
3 the name of such successor or such substitute depository, or their nominees, as the
4 case may be, all as specified in such written request of the Finance Director.
5

6 (4) In the event that (A) DTC or its successor (or substitute depository
7 or its successor) resigns from its functions as depository, and no substitute
8 depository can be obtained, or (B) the Finance Director determines that it is in the
9 best interest of the Beneficial Owners of the Bonds that such owners be able to
10 obtain physical Bond certificates, the ownership of such Bonds may then be
11 transferred to any person or entity as herein provided, and shall no longer be held
12 by a depository. The Finance Director shall deliver a written request to the Bond
13 Registrar, together with a supply of physical Bonds, to issue Bonds as herein
14 provided in any authorized denomination. Upon receipt by the Bond Registrar of all
15 then outstanding Bonds of a series together with a written request on behalf of the
16 Finance Director to the Bond Registrar, new Bonds of such series shall be issued in
17 the appropriate denominations and registered in the names of such persons as are
18 requested in such written request.
19
20

21 E. Registration of Transfer of Ownership or Exchange; Change in
22 Denominations. The transfer of any Bond may be registered and Bonds may be
23 exchanged, but no transfer of any such Bond shall be valid unless it is surrendered
24 to the Bond Registrar with the assignment form appearing on such Bond duly
25 executed by the Registered Owner or such Registered Owner's duly authorized
26 agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the



1 Bond Registrar shall cancel the surrendered Bond and shall authenticate and
2 deliver, without charge to the Registered Owner or transferee therefor, a new Bond
3 (or Bonds at the option of the new Registered Owner) of the same series, date,
4 maturity, and interest rate and for the same aggregate principal amount in any
5 authorized denomination, naming as Registered Owner the person or persons listed
6 as the assignee on the assignment form appearing on the surrendered Bond, in
7 exchange for such surrendered and cancelled Bond. Any Bond may be
8 surrendered to the Bond Registrar and exchanged, without charge, for an equal
9 aggregate principal amount of Bonds of the same series, date, maturity, and
10 interest rate, in any authorized denomination. The Bond Registrar shall not be
11 obligated to register the transfer of or to exchange any Bond between the Record
12 Date and the next principal payment or redemption date.
13
14

15 F. Bond Registrar's Ownership of Bonds. The Bond Registrar may become
16 the Registered Owner of any Bond with the same rights it would have if it were not
17 the Bond Registrar, and to the extent permitted by law, may act as depository for
18 and permit any of its officers or directors to act as a member of, or in any other
19 capacity with respect to, any committee formed to protect the right of the Registered
20 Owners or Beneficial Owners of Bonds.
21

22 G. Place and Medium of Payment. Both principal of and interest on the
23 Bonds shall be payable in lawful money of the United States of America. Interest
24 on the Bonds shall be calculated on the basis of a year of 360 days and twelve
25 30-day months. For so long as all Bonds of a series are held by a depository,
26 payments of principal thereof and interest thereon shall be made as provided in



1 accordance with the operational arrangements of DTC referred to in the Letter of
2 Representations. In the event that the Bonds of a series are no longer held by a
3 depository, interest on such Bonds shall be paid by check or draft mailed to the
4 Registered Owners at the addresses for such Registered Owners appearing on the
5 Bond Register on the Record Date, or upon the written request of a Registered
6 Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least
7 by the Record Date), such payment shall be made by the Bond Registrar by wire
8 transfer to the account within the United States designated by the Registered
9 Owner. Principal of the Bonds shall be payable upon presentation and surrender of
10 such Bonds by the Registered Owners at the designated office of the Bond
11 Registrar.
12

13
14 If any Bond is duly presented for payment and funds have not been provided
15 by the City on the applicable payment date, then interest will continue to accrue
16 thereafter on the unpaid principal thereof at the rate stated on the Bond until the
17 Bond is paid.
18

19 Section 3.3. Redemption Terms.

20 A. Mandatory Redemption of Term Bonds and Optional Redemption, if any.
21 Each series of Bonds shall be subject to optional redemption on the dates, at the
22 prices and under the terms set forth in the applicable Bond Purchase Contract.
23 Each series of Bonds shall be subject to mandatory redemption to the extent, if any,
24 set forth in the applicable Bond Purchase Contract.
25
26



1 B. Purchase of Bonds. The City reserves the right to purchase any or all of
2 the Bonds in the open market at any time at any price acceptable to the City plus
3 accrued interest to the date of purchase.

4 C. Selection of Bonds for Redemption. For as long as the Bonds of a series
5 are held in book entry only form, the selection of particular Bonds within a series
6 and maturity to be redeemed shall be made in accordance with the operational
7 arrangements then in effect at DTC. If the Bonds of a series are no longer held by
8 a depository, the selection of such Bonds of such series to be redeemed and the
9 surrender and reissuance thereof, as applicable, shall be made as provided in the
10 following provisions of this subsection C or in the Official Statement. If the City
11 redeems at any one time fewer than all of the Bonds of a series having the same
12 maturity date, the particular Bonds or portions of Bonds of such series and maturity
13 to be redeemed shall be selected by lot (or in such manner determined by the Bond
14 Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater
15 than \$5,000, the City and the Bond Registrar shall treat each Bond as representing
16 such number of separate Bonds each of the denomination of \$5,000 as is obtained
17 by dividing the actual principal amount of such Bond by \$5,000. In the event that
18 only a portion of the principal sum of a Bond is redeemed, upon surrender of such
19 Bond at the designated office of the Bond Registrar there shall be issued to the
20 Registered Owner, without charge therefor, for the then unredeemed balance of the
21 principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of
22 like series, maturity and interest rate in any of the denominations herein authorized.
23
24
25
26

Notwithstanding the foregoing or anything else to the contrary in this Supplemental



1 Ordinance, the selection of any Bonds for redemption may be as provided in the
2 applicable Bond Purchase Contract or Official Statement for such Bonds.

3 D. Notice of Redemption.

4 (1) Official Notice. For so long as the Bonds of a series are held by a
5 depository, notice of redemption shall be given in accordance with the operational
6 arrangements of DTC as then in effect, and neither the City nor the Bond Registrar
7 shall provide any notice of redemption to any Beneficial Owners. The notice of
8 optional redemption may be conditional. Unless waived by any owner of Bonds to
9 be redeemed, official notice of any such redemption (which optional redemption
10 may be conditioned by the Bond Registrar on the receipt of sufficient funds for
11 redemption or otherwise) shall be given by the Bond Registrar on behalf of the City
12 by mailing a copy of an official redemption notice by first class mail at least 20 days
13 and not more than 60 days prior to the date fixed for redemption to the Registered
14 Owner of the Bond or Bonds to be redeemed at the address shown on the Bond
15 Register or at such other address as is furnished in writing by such Registered
16 Owner to the Bond Registrar.

17 All official notices of redemption shall be dated and shall state:

- 18 (i) the redemption date,
19 (ii) the redemption price,
20 (iii) if fewer than all outstanding Bonds are to be redeemed,
21 the identification by series and maturity (and, in the case of partial redemption, the
22 respective principal amounts) of the Bonds to be redeemed,
23 (iv) any conditions to redemption, and



1 (v) the place where such Bonds are to be surrendered for
2 payment of the redemption price, which place of payment shall be the principal
3 office of the Bond Registrar.

4 On or prior to any optional redemption date, unless any condition to such
5 redemption has not been satisfied or waived, or notice of such redemption has
6 been rescinded or revoked, and on or prior to any mandatory redemption date, the
7 City shall deposit with the Bond Registrar an amount of money sufficient to pay the
8 redemption price of all the Bonds or portions of Bonds which are to be redeemed on
9 that date. The City retains the right to rescind any optional redemption notice and
10 the related optional redemption of Bonds by giving notice of rescission to the
11 affected Registered Owners at any time on or prior to the scheduled redemption
12 date. Any notice of optional redemption that is so rescinded shall be of no effect,
13 and the Bonds for which the notice of optional redemption has been rescinded shall
14 remain outstanding.
15
16
17

18 (2) Effect of Notice; Bonds Due. If notice of redemption has been
19 given and not rescinded or revoked, or if the conditions set forth in a conditional
20 notice of redemption have been satisfied or waived, the Bonds or portions of Bonds
21 to be redeemed shall, on the redemption date, become due and payable at the
22 redemption price therein specified, and if the Bond Registrar then holds sufficient
23 funds to pay such Bonds at the redemption price, then from and after such date
24 such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of
25 such Bonds for redemption in accordance with said notice, such Bonds shall be
26 paid by the Bond Registrar at the redemption price. Installments of interest due on



1 or prior to the redemption date shall be payable as herein provided for payment of
2 interest. All Bonds which have been redeemed shall be canceled by the Bond
3 Registrar and shall not be reissued.

4 (3) Additional Notice. In addition to the foregoing notice, further
5 notice shall be given by the City as set out below, but no defect in said further
6 notice nor any failure to give all or any portion of such further notice shall in any
7 manner defeat the effectiveness of a call for redemption if notice thereof is given as
8 above-prescribed. Each further notice of redemption given hereunder shall contain
9 the information required above for an official notice of redemption plus (i) the
10 CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as
11 originally issued; (iii) the rate of interest borne by each Bond being redeemed;
12 (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive
13 information needed to identify accurately the Bonds being redeemed. Each further
14 notice of redemption may be sent at least 20 days before the redemption date to
15 each party entitled to receive notice pursuant to the Continuing Disclosure
16 Certificate and with such additional information as the City shall deem appropriate,
17 but such mailings shall not be a condition precedent to the redemption of such
18 Bonds.

19 (4) Amendment of Notice Provisions. The foregoing notice provisions
20 of this Section 3.3, including, but not limited to, the information to be included in
21 redemption notices and the persons designated to receive notices, may be
22 amended by additions, deletions and changes in order to maintain compliance with
23
24
25
26



1 duly promulgated regulations and recommendations regarding notices of
2 redemption of municipal securities.

3 Section 3.4. Form of Bonds; Execution. The Bonds shall be in substantially
4 the form set forth in Exhibit "A," which is incorporated herein by this reference, with
5 such changes thereto as may be approved by a Designated Representative,
6 consistent with this Supplemental Ordinance.

7 The Bonds shall be executed on behalf of the City with the manual or
8 facsimile signatures of the Mayor and City Clerk and the seal of the City shall be
9 impressed, imprinted, or otherwise reproduced thereon.

10 Only such Bonds as shall bear thereon a Certificate of Authentication in the
11 form provided herein, manually executed by the Bond Registrar, shall be valid or
12 obligatory for any purpose or entitled to the benefits of this Supplemental
13 Ordinance. Such Certificate of Authentication shall be conclusive evidence that the
14 Bonds so authenticated have been duly executed, authenticated and delivered
15 hereunder and are entitled to the benefits of this Supplemental Ordinance and the
16 Master Ordinance.

17 In case either of the officers who shall have executed the Bonds shall cease
18 to be an officer or officers of the City before the Bonds so signed shall have been
19 authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds
20 may nevertheless be authenticated, delivered, and issued and upon such
21 authentication, delivery, and issuance, shall be as binding upon the City as though
22 those who signed the same had continued to be such officers of the City. Any Bond
23 may be signed and attested on behalf of the City by such persons who at the date
24
25
26



1 of the actual execution of such Bond, are the proper officers of the City, although at
2 the original date of such Bond any such person shall not have been such officer of
3 the City.

4 Section 3.5. Lost or Destroyed Bonds. In case any Bonds shall be lost,
5 stolen, or destroyed, the Bond Registrar may authenticate and deliver a new Bond
6 or Bonds of like series, amount, date, tenor, and effect to the owner thereof upon
7 the owner paying the expenses and charges of the City in connection therewith and
8 upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that
9 such Bond(s) were actually lost, stolen, or destroyed and of ownership thereof, and
10 upon furnishing the City with indemnity satisfactory to both.

13 ARTICLE IV

14 SALE OF BONDS

15 Section 4.1. Bond Sale.

16 A. Bond Sale. The Bonds shall be sold by negotiated public sale to the
17 Underwriters pursuant to the terms of one or more Bond Purchase Contracts. The
18 City Council has determined that it would be in the best interest of the City to
19 delegate to the Designated Representatives, for a limited time, the authority to
20 select the Refunded Bonds, to designate each series of Bonds as Tax-Exempt
21 Bonds or Taxable Bonds, and to approve the Final Terms for each series of Bonds,
22 including but not limited to final interest rates, final maturity date, redemption terms,
23 principal maturities, and any other terms for each series of Bonds.

24 Each Designated Representative is further authorized to designate all or a
25 portion of a series of Bonds allocated to finance, reimburse, and/or refinance the
26



1 portion of the Project, which have environmentally beneficial attributes, as "Green
2 Bonds," and to engage with such consultants and to undertake such action, execute
3 such certificates, and agree to such terms as necessary to accomplish such
4 designation.

5
6 B. Sale Parameters. Subject to the terms and conditions set forth in this
7 Section, each Designated Representative is hereby authorized to select the
8 Refunded Bonds, to designate the Bonds of a series as Tax-Exempt Bonds or
9 Taxable Bonds, and to approve the final interest rates, final maturity date,
10 redemption terms and principal maturities for each series of Bonds, and to agree to
11 any other Final Terms for each series of Bonds that are in the best interest of the
12 City and necessary to facilitate this Supplemental Ordinance so long as:

13
14 1. the aggregate principal (face) amount of all Bonds issued under
15 this Supplemental Ordinance does not exceed \$325,000,000,

16
17 2. the final maturity date for each series of Bonds is no later than
18 January 1, 2055,

19
20 3. the aggregate purchase price for the Bonds of a series shall not be
21 less than 98% of the aggregate stated principal amount of such Bonds, excluding
22 any original issue discount, and not greater than 120%,

23
24 4. the Bonds of each series shall bear interest at fixed rates per
25 annum and the true interest cost for the Bonds of such series (in the aggregate)
26 does not exceed 6.00%, and

5. the Bonds of each series conform to all other terms of this
Supplemental Ordinance.



1 The final terms of each series of Bonds shall be set forth in the applicable
2 Bond Purchase Contract. With respect to the Bonds, each Bond Purchase Contract
3 shall serve as the "Pricing Certificate" as defined in the Master Ordinance. Subject
4 to the terms and conditions set forth in this section, each Designated
5 Representative is hereby authorized to execute one or more Bond Purchase
6 Contracts for the Bonds.

8 The authority granted to the Designated Representatives by this Section
9 shall expire on December 31, 2025. If a Bond Purchase Contract for the Bonds has
10 not been executed by December 31, 2025, the authorization for the issuance of the
11 Bonds shall be rescinded, and the Bonds shall not be issued nor their sale
12 approved unless such Bonds are re-authorized by ordinance of the City Council at
13 the request of the Board. The ordinance re-authorizing the issuance and sale of
14 such Bonds may be in the form of a new ordinance repealing this Supplemental
15 Ordinance in whole or in part or may be in the form of an amendatory ordinance
16 approving a Bond Purchase Contract or establishing terms and conditions for the
17 authority delegated under this Section.

20 Section 4.2. General Authorization; Documents. Following the passage and
21 approval of this Supplemental Ordinance, the proper officials of the City, including
22 the Designated Representatives, the Mayor, the Finance Director, the Treasurer,
23 the City Manager, the Assistant Finance Director/Controller, and the City Clerk, are
24 authorized and directed to undertake all action necessary for the prompt execution
25 and delivery of the Bonds to the Underwriters and further to engage such
26 professionals and to execute all closing certificates and documents required to



1 effect the closing and delivery of the Bonds in accordance with the terms of this
2 Supplemental Ordinance and the Bond Purchase Contract. Such documents may
3 include, but are not limited to, documents related to a municipal bond insurance
4 policy delivered by an insurer to insure the payment when due of the principal of
5 and interest on all or a portion of the Bonds as provided therein, if such insurance is
6 determined by a Designated Representative to be in the best interest of the City.
7

8 Notwithstanding anything herein or in the Master Ordinance to the contrary,
9 the signature of one authorized official, including, but not limited to, the Designated
10 Representatives, shall be sufficient to bind the City.
11

12 Section 4.3. Preliminary and Final Official Statements. The Designated
13 Representatives and the City Finance Director are each hereby authorized to deem
14 final one or more preliminary Official Statements relating to the Bonds for the
15 purposes of the Rule. The Designated Representatives and the City Finance
16 Director are each further authorized to approve for purposes of the Rule, on behalf
17 of the City, one or more final Official Statements relating to the issuance and sale of
18 the Bonds and the distribution of the final Official Statement(s) pursuant thereto with
19 such changes, if any, as may be deemed by such individual to be appropriate.
20

21 Section 4.4. Ongoing Disclosure; Continuing Disclosure Certificate. The
22 City covenants to execute and deliver on each Issue Date a Continuing Disclosure
23 Certificate consistent with the Rule. The Finance Director is hereby authorized to
24 execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery,
25 and sale of the Bonds with such terms and provisions as such officer shall deem
26 appropriate and in the best interests of the City.



ARTICLE V

CREATION OF ACCOUNTS; APPLICATION OF BOND PROCEEDS

Section 5.1. Establishment and Designation of Accounts.

A. There is hereby created in the Construction Fund an account to be known as the 2025 Bonds Construction Account.

B. There is hereby created in the Bond Fund the following accounts: 2025 Bonds Interest Subaccount, the 2025 Bonds Principal Subaccount, and the 2025 Bonds Bond Retirement Account.

C. There is hereby created the 2025 Bonds Refunding Account.

Section 5.2. No Reserve for the Bonds. The City hereby determines that the Bonds shall not be secured by the Reserve Account or any debt service reserve account. The reserve account requirement for the Bonds shall be zero.

Section 5.3. Deposit of Proceeds of the Bonds; Refunding Plan. Immediately upon receipt thereof, the City shall deposit proceeds of each series of Bonds (net of the Underwriters' discount and any associated fees and costs) as follows:

A. The amount necessary to finance and/or reimburse the City for costs of the Project shall be deposited into the 2025 Bonds Construction Account.

B. The City proposes to apply a portion of the proceeds of the Bonds, to be used with available funds of the City, to defease, refinance, and/or redeem the Refunded Bonds as set forth herein. The Council hereby finds that given current market conditions, is in the best interest of the City to proceed with the defeasance and/or refunding of the Refunded Bonds even if the aggregate net present value



1 debt service savings over the Refunded Bonds is less than the minimum savings
2 target set forth in the financial policies of the City.

3 Each Designated Representative is hereby authorized to use available
4 Electric System funds to defease and/or redeem such Refunded Bonds as set forth
5 herein. Any such defeasance and/or redemption may be set forth in the Escrow
6 Agreement discussed below.
7

8 If a Designated Representative determines that it is in the best interest of
9 the City to proceed with the defeasance, redemption and/or refunding authorized
10 herein, a Designated Representative shall designate all or a portion of the
11 Outstanding Parity Bonds as Refunded Bonds and such designation shall be set
12 forth in the applicable Bond Purchase Contract. Each Designated Representative
13 and the Finance Director are further authorized to appoint an escrow agent
14 ("Escrow Agent") and other necessary consultants to assist in the refunding plan
15 authorized herein.
16
17

18 A portion of the proceeds of such series of Bonds, together with other
19 available funds of the City, shall be deposited with the paying agent for the
20 Refunded Bonds or with the Escrow Agent on behalf of the City in the 2025 Bonds
21 Refunding Account pursuant to one or more Escrow Agreements. Such proceeds
22 and available funds of the City shall be used immediately upon receipt thereof to
23 defease, refund, or redeem, as applicable, the Refunded Bonds and to pay costs
24 of issuance of such series of Bonds.
25

26 Any net proceeds deposited with the Escrow Agent shall be used to defease
the Refunded Bonds and discharge the obligations thereon by either holding the



1 funds uninvested or through the purchase of certain Acquired Obligations bearing
2 such interest and maturing as to principal and interest in such amounts and at such
3 times which, together with any necessary beginning cash balance, will provide for
4 the payment of interest on the Refunded Bonds as the same becomes due on and
5 prior to the applicable Call Date, and, if applicable, the redemption price of the
6 Refunded Bonds on the Call Date.

8 In order to carry out the purposes of this Section, each Designated
9 Representative and the Finance Director are authorized and directed to select the
10 Call Date(s) and to execute and deliver to the Escrow Agent one or more Escrow
11 Agreements.

13 In the Escrow Agreement, the City shall irrevocably call the Refunded
14 Bonds for defeasance and/or redemption on the Call Date in accordance with the
15 provisions of the bond ordinances authorizing the defeasance and redemption and
16 retirement of the Refunded Bonds prior to their fixed maturities. Said defeasance
17 and call for redemption of the Refunded Bonds shall be irrevocable after the
18 delivery of the cash and/or Acquired Obligations to the Escrow Agent.

20 The City and the Escrow Agent are each hereby authorized and directed to
21 provide for the giving of notices of defeasance and redemption of the Refunded
22 Bonds in accordance with the applicable provisions of the bond ordinances
23 authorizing the issuance of the Refunded Bonds. The costs of publication of such
24 notices shall be an expense of the City.

26 Section 5.4. Deposits Into and Uses of the 2025 Subaccounts in the Bond
Fund; Pledge of Revenues. The City hereby obligates and binds itself irrevocably



1 to set aside and to pay into the 2025 Bonds Interest Subaccount, the 2025 Bonds
2 Principal Subaccount, and the 2025 Bonds Bond Retirement Subaccount,
3 respectively, out of the Revenues of the Electric System the amounts necessary
4 (together with other available moneys on hand therein) to pay the principal of,
5 interest on and any mandatory sinking fund redemptions for the Bonds as and
6 when the same respectively become due and payable in accordance with the
7 terms hereof. The 2025 Bonds Interest Subaccount, the 2025 Bonds Principal
8 Subaccount, and the 2025 Bonds Bond Retirement Subaccount, respectively, shall
9 be drawn upon solely for the purpose of paying the principal of, interest on and
10 mandatory sinking fund redemptions for the Bonds.
11
12

13 The Bonds are special limited obligations of the City payable from and
14 secured solely by Net Revenues of the Electric System and by other money and
15 assets specifically pledged under the Master Ordinance for the payment thereof.
16 Pursuant to the Master Ordinance, the City has pledged as security for the
17 payment of the principal of, premium, if any, and interest on the Parity Bonds in
18 accordance with the provisions of the Master Ordinance, subject only to the
19 provisions of the Master Ordinance restricting or permitting the application thereof
20 for the purposes and on the terms and conditions set forth in the Master
21 Ordinance: (i) the proceeds of the sale of the Parity Bonds to the extent held in
22 funds established by the Master Ordinance, (ii) Net Revenues, and (iii) the money
23 and investments, if any, credited to the Revenue Fund and the Bond Fund, and the
24 income therefrom.
25
26



Section 5.5. Investment of Funds. Money in the funds and accounts contained herein and in the Master Ordinance may be invested in Permitted Investments as provided in the Master Ordinance, but only to the extent that the same are acquired, and disposed of at Fair Market Value.

ARTICLE VI

DEFEASANCE

In the event that the City, to effect the payment, retirement, or redemption of any Bond, sets aside in the Bond Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any benefit or security of this Supplemental Ordinance except the right to receive payment of principal, premium, if any, and interest from the Bond Fund or such special account, and such Bond shall be deemed to be not outstanding under this Supplemental Ordinance.

The City shall give written notice of defeasance to the Registered Owners of the Bonds and to each party entitled to receive notice in accordance with the Continuing Disclosure Certificate.



ARTICLE VII

TAX COVENANTS

Section 7.1. Tax Covenants. The Bonds may be issued as "Tax-Exempt Bonds" within the meaning of the Master Ordinance. The City hereby covenants that it will take all actions necessary to assure the exclusion of interest on the Tax-Exempt Bonds from the gross income of the Owners of the Tax-Exempt Bonds, to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Issue Date of the Tax-Exempt Bonds, including, but not limited to, the following:

A. Private Activity Bond Limitation. The City will assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

B. Limitations on Disposition of Project. The City will not sell or otherwise transfer or dispose of (i) any personal property components of the Project financed or refinanced with proceeds of the Tax-Exempt Bonds other than in the ordinary course of an established government program under Treasury Regulation Section 1.141-2(d)(4) or (ii) any real property components of such Project, unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on the Tax-Exempt Bonds as excludable from gross income for federal income tax purposes.

C. Federal Guarantee Prohibition. The City will not take any action or permit to suffer any action to be taken if the result of such action would be to cause any of



1 the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of
2 Section 149(b) of the Code.

3 D. Rebate Requirement. The City will take any and all actions necessary to
4 assure compliance with Section 148(f) of the Code, relating to the rebate of excess
5 investment earnings, if any, to the federal government, to the extent that such
6 section is applicable to the Tax-Exempt Bonds.
7

8 E. No Arbitrage. The City will not take, or permit or suffer to be taken, any
9 action with respect to the proceeds of the Tax-Exempt Bonds which, if such action
10 had been reasonably expected to have been taken, or had been deliberately and
11 intentionally taken, on the Issue Date of the Tax-Exempt Bonds would have caused
12 the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of
13 the Code.
14

15 F. System of Registration. The City will maintain a system for recording the
16 ownership of the Tax-Exempt Bonds that complies with the provisions of
17 Section 149 of the Code until the Tax-Exempt Bonds have been surrendered and
18 canceled.
19

20 G. Record Retention. The City will retain its records of all accounting and
21 monitoring it carries out with respect to the Tax-Exempt Bonds for at least three
22 years after the Tax-Exempt Bonds mature or are prepaid (whichever is earlier);
23 however, if the Tax-Exempt Bonds are redeemed prior to maturity, the City will
24 retain its records of accounting and monitoring at least three years after the earlier
25 of the maturity or redemption of the obligations that refunded the Tax-Exempt
26 Bonds.



1 H. Compliance with Federal Tax Certificate. The City will comply with the
2 provisions of the Federal Tax Certificate with respect to the Tax-Exempt Bonds,
3 which are incorporated herein as if fully set forth herein.

4 The covenants of this section will survive payment in full or defeasance of
5 the Tax-Exempt Bonds.
6

7 ARTICLE VIII

8 AMENDMENTS TO MASTER ORDINANCE

9 Section 8.1 Amendments to the Master Ordinance. The 2021
10 Supplemental Ordinance provides for amendments to the Master Ordinance, which
11 amendments shall be immediately effective, without the need for further action of
12 the Council, upon receipt of (a) consent of not less than 51% in aggregate principal
13 amount of the Parity Bonds at the time outstanding, and (b) the consent of Assured
14 Guaranty Municipal Corp., which has been received, so long as the surety policy
15 related to the 2010 Bonds and the 2013 Bonds (as applicable) remains in effect or
16 such bonds are no longer outstanding. Reference is made to Section 8.1 of the
17 2021 Supplemental Ordinance for the full contents of such amendments, which
18 were incorporated herein by reference. Owners of the Bonds, by taking and
19 owning the same, shall be deemed to have consented to the amendments
20 provided for in the 2021 Supplemental Ordinance. Assured Guaranty Municipal
21 Corp. consented to such amendments as of August 30, 2021.
22
23
24
25
26



SECTION IX

MISCELLANEOUS

Section 9.1. Ratification of Prior Acts. Any action taken consistent with the authority and prior to the effective date of this Supplemental Ordinance is ratified, approved and confirmed.

Section 9.2. Terms of Bonds Subject to the Master Ordinance. Except for matters otherwise provided for herein, every term and condition contained in the Master Ordinance shall apply to this Supplemental Ordinance and the Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations, and modification as may be appropriate to make the same conform to this Supplemental Ordinance.

In the event of any inconsistency between the terms and provisions provided for in this Supplemental Ordinance and the Master Ordinance, the terms and provisions of this Supplemental Ordinance shall control.

Section 9.3. Ratification of Master Ordinance. Except as supplemented and amended by this Supplemental Ordinance, the Master Ordinance is hereby ratified, approved and confirmed and shall continue in full force and effect in accordance with its terms and provisions thereof, as amended and supplemented.

Section 9.4. Corrections by Clerk. Upon approval of the City Attorney, or such individual's designee, and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this Supplemental Ordinance, including, but not limited to, the correction of clerical errors; references to other local, state or federal



1 laws, codes, rules, or regulations; ordinance numbering and section/subsection
2 numbering; and other similar necessary corrections.

3 Section 9.5. Severability. If any one or more of the provisions of this
4 Supplemental Ordinance is or are held by any court of competent jurisdiction to be
5 contrary to law, then such provision or provisions shall be null and void and shall
6 be deemed separable from the remaining provisions and shall in no way affect the
7 validity of the other provisions of this Supplemental Ordinance.

9 Section 9.6. Effective Date. Pursuant to Section 2.13 of the City Charter,
10 this Supplemental Ordinance shall take effect and be in force immediately after its
11 passage, approval and publication.

13 Passed: _____
14

15 _____
16 Mayor

17 Attest:
18

19 _____
20 City Clerk

21 Approved as to form and legality:

22 Pacifica Law Group LLP
23 Bond Counsel

24 By _____
25
26



EXHIBIT "A"

Form of Bonds

[DTC Language]

UNITED STATES OF AMERICA

No. _____

\$ _____

STATE OF WASHINGTON

CITY OF TACOMA

ELECTRIC SYSTEM REVENUE [AND REFUNDING] BONDS,
SERIES 2025[_____]

INTEREST RATE: % MATURITY DATE: CUSIP NO.:
REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT:

The City of Tacoma (the "City"), a municipal corporation duly organized and existing under and pursuant to the Charter of the City and the Constitution and laws of the State of Washington (the "State"), hereby acknowledges itself to owe and for value received promises to pay to the registered owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest from _____, 20____, or the most recent date to which interest has been paid or duly provided for, until payment of this bond at the Interest Rate set forth above, payable on _____, 20____, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC. Interest on this bond shall be calculated on the basis of actual days elapsed in a 360 day year consisting of twelve 30-day months.

This bond is one of an authorized issue of bonds of like series, date and tenor, except as to number, amount, rate of interest, date of maturity and rights of redemption, in the aggregate principal amount of \$_____ (the "Bonds") pursuant to Ordinance No. 28146 of the City, passed on April 30, 2013, as amended and supplemented (the "Master Ordinance"), including as supplemented by Supplemental Ordinance No. 29033 of the City, passed on



1 _____, 20____ (the "Supplemental Ordinance," and together with the
2 Master Ordinance, the "Bond Ordinance"). The Bonds are issued to provide
3 funds, to be used with available funds of the City, to finance and/or reimburse the
4 City for capital improvements to the Electric System, to defease and/or redeem
5 certain Outstanding Parity Bonds, and to pay the costs of issuance for the bonds.
6 Capitalized terms not otherwise defined herein shall have the meanings set forth
7 in the Bond Ordinance.

8
9 Payments on this bond shall be made solely from Revenues of the Electric
10 System, after payment of Operating Expenses, to the registered owner by the
11 Bond Registrar without the necessity of presentation and surrender of this bond.
12 Reference is made to the Bond Ordinance and the provisions of the Charter of
13 the City and all laws of the State (referred to as the "Act") for a description of the
14 terms on which the Bonds are issued and may be issued, the provisions with
15 regard to the nature and extent of the Revenues, and the rights of the registered
16 owners of the Bonds; and all the terms of the Bond Ordinance and the Act are
17 hereby incorporated herein and made a contract between the City and the
18 registered owner from time to time of this bond, and to all the provisions thereof
19 to which the registered owner of this bond, by its acceptance hereof, consents
20 and agrees. The Bonds are being issued on a parity of lien on Revenues of the
21 Electric System with the City's Outstanding Parity Bonds. The City has reserved
22 the right in the Bond Ordinance to issue additional bonds ("Future Parity Bonds")
23 on a parity with the Bonds and the Outstanding Parity Bonds. The Outstanding
24 Parity Bonds, the Bonds and any Future Parity Bonds are referred to herein as
25 the "Parity Bonds."

26
27 Under the Master Ordinance, the City is obligated to set aside and pay into
28 the Bond Fund and the accounts held therein out of the Revenues of the Electric
29 System, certain fixed amounts sufficient to pay the principal of and interest and
30 premium, if any, on all Parity Bonds as the same become due and payable, all as
31 is more fully provided in the Master Ordinance.

32
33 The Bonds are special limited obligations of the City payable from and
34 secured solely by Net Revenues of the Electric System and by other money and
35 assets specifically pledged under the Master Ordinance for the payment thereof.
36 Pursuant to the Master Ordinance, the City has pledged as security for the
37 payment of the principal of, premium, if any, and interest on the Parity Bonds in
38 accordance with the provisions of the Master Ordinance, subject only to the
39 provisions of the Master Ordinance restricting or permitting the application thereof
40 for the purposes and on the terms and conditions set forth in the Master
41 Ordinance: (i) the proceeds of the sale of the Parity Bonds to the extent held in
42 funds established by the Master Ordinance, (ii) Net Revenues, and (iii) the money
43 and investments, if any, credited to the Revenue Fund and the Bond Fund, and
44 the income therefrom.



1 THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY, OR
2 THE STATE, OR A CHARGE UPON ANY GENERAL FUND OR OTHER
3 PROPERTY OF THE CITY OR THE STATE NOT SPECIFICALLY PLEDGED
4 THERETO BY THE MASTER ORDINANCE, AND NEITHER THE FULL FAITH
5 AND CREDIT NOR THE TAXING POWER OF THE CITY OR OF THE STATE,
6 NOR ANY REVENUES OF THE CITY DERIVED FROM SOURCES OTHER
7 THAN THE ELECTRIC SYSTEM, ARE PLEDGED TO THE PAYMENT
8 HEREOF. NO HOLDER OF THIS BOND SHALL EVER HAVE THE RIGHT TO
9 COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY TO PAY
10 THIS BOND OR THE INTEREST HEREON.

11 Copies of the Bond Ordinance are on file at the office of the City, and
12 reference thereto, and to any and all modifications and amendments thereof, is
13 hereby made for a more complete description of the Revenues available for the
14 payment of the principal of, premium, if any, and interest on the Bonds and the
15 rights and remedies of the registered owners of the Bonds with respect thereto,
16 the terms and conditions upon which the Bonds have been issued, and the terms
17 and conditions upon which this bond shall no longer be secured by the Bond
18 Ordinance or deemed to be outstanding thereunder if money or certain specified
19 securities sufficient for the payment of this bond shall have been set aside in a
20 special account and held in trust for the payment thereof.

21 In and by the Bond Ordinance, the City covenants to establish, maintain
22 and collect rates or charges for electric energy sold through the ownership or
23 operation of the Electric System and all other services, facilities and commodities
24 sold, furnished or supplied by the City in connection with the ownership or
25 operation of the Electric System that shall be fair and nondiscriminatory and
26 reasonably anticipated to provide Revenues sufficient for the payment of the
Parity Bonds, and any other indebtedness of the Electric System, and all
payments that the City is obligated to set aside in the Bond Fund and for the
proper operation and maintenance of the Electric System, all necessary repairs
thereto and replacements and renewals thereof and all other costs of the Electric
System.

21 This bond is subject to redemption prior to maturity as provided in the Bond
22 Resolution and Bond Purchase Contract.

23 This bond is transferable by the registered owner hereof, but only in the
24 manner and subject to the limitations provided in the Bond Ordinance. Upon
25 such transfer a new fully registered bond for the same aggregate principal
26 amount will be issued to the transferee.

26 It is hereby certified and recited that any and all acts, conditions and things
required to exist, to happen and to be performed, precedent to and in the incurring
of the indebtedness evidenced by this bond, and in the issuing of this bond, do
exist, have happened and have been performed in due time, form and manner,



1 as required by the Constitution and statutes of the State and the Charter of the
2 City, and that this bond, together with all other indebtedness of the City pertaining
3 to the Electric System, is within every debt limitation and other limit prescribed by
4 the Constitution and statutes of the State and said Charter, and is not in excess
5 of the amount of Bonds permitted to be issued under the Master Ordinance.

6 This bond shall not be entitled to any benefit under the Bond Ordinance,
7 or become valid or obligatory for any purpose, until the certificate of
8 authentication hereon endorsed shall have been signed by the Bond Registrar.
9 This bond is a valid and binding obligation of City.

10 In the event of any inconsistency between the terms and provisions of the
11 Bond Ordinance and this bond, the terms and provisions of the Bond Ordinance
12 shall control.

13 IN WITNESS WHEREOF, the City of Tacoma, Washington, has caused this bond to
14 be signed with the manual or facsimile signature of the Mayor and attested by the
15 manual or facsimile signature of the City Clerk, and the seal of the City to be
16 impressed or a facsimile thereof to be imprinted hereon, as of this _____ day of
17 _____, 2025.

18 [SEAL]

19 CITY OF TACOMA, WASHINGTON

20 By /s/ manual or facsimile
21 Mayor

22 ATTEST:

23 /s/ manual or facsimile
24 City Clerk



1 The Bond Registrar's Certificate of Authentication on the Bonds shall be in
2 substantially the following form:

3 CERTIFICATE OF AUTHENTICATION

4 This bond is one of the bonds described in the within-mentioned Bond Ordinance
5 and is one of the Electric System Revenue [and Refunding] Bonds, Series 2025[]
6 of the City of Tacoma, Washington, dated _____, 2025.

7 WASHINGTON STATE FISCAL AGENT, as
8 Bond Registrar

9 By _____

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26



CLERK'S CERTIFICATE

I, the undersigned, City Clerk of the City of Tacoma, Washington, DO
HEREBY CERTIFY:

1. That the attached is a true and correct copy of Supplemental Ordinance
No. 29033 (the "Ordinance") of the City, duly passed at a regular meeting of the
City Council (the "Council") of the City held on _____, 2025.

2. That said meeting was duly convened and held in all respects in
accordance with law, and to the extent required by law, due and proper notice of
such meeting was given; that a legal quorum was present throughout the meeting
and a legally sufficient number of members of the Council voted in the proper
manner for the passage of said Ordinance; that all other requirements and
proceedings incident to the proper passage of said Ordinance have been fully
fulfilled, carried out and otherwise observed; and that I am authorized to execute
this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of
_____, 2025.

City Clerk
City of Tacoma, Washington