

**ORDINANCE NO. 2020-\_\_\_\_\_**

**AN ORDINANCE** of the City Council of the City of Yakima, Washington, authorizing the issuance of one or more series of Limited Tax General Obligation and Refunding Bonds in the aggregate principal amount of not to exceed \$28,000,000 to finance costs related to the expansion, improvement and rehabilitation of the Yakima Convention Center, to refund certain outstanding obligations of the City, and to pay the costs of issuance for each series of bonds; providing the form, terms and covenants of the bonds; delegating the authority to approve the final terms of the bonds; and providing for other matters relating thereto.

Passed \_\_\_\_\_, 2020

PREPARED BY:  
PACIFICA LAW GROUP LLP  
Seattle, Washington

CITY OF YAKIMA, WASHINGTON  
ORDINANCE NO. 20-\_\_\_\_\_  
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\* This Table of Contents is provided for convenience only and is not a part of this ordinance.

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**WHEREAS**, pursuant to chapter 35.57 of the Revised Code of Washington ("RCW") and an Interlocal Agreement dated July 25, 2001, as amended (the "Interlocal Agreement"), the City of Yakima, Washington (the "City") and the Cities of Selah and Union Gap, Washington (together with the City, the "Cities"), created the Yakima Regional Public Facilities District (the "District"); and

**WHEREAS**, the District is authorized by chapter 35.57 RCW and the Interlocal Agreement to acquire, construct, own, remodel, maintain, rehabilitate, repair, finance and operate one or more "regional centers" as defined in RCW 35.57.020, including, but not limited to, convention, conference or special event centers, or any combination of such facilities, with associated parking; and

**WHEREAS**, the District, as authorized by RCW 82.14.390, imposed a 0.033% sales and use tax (the "Convention Center Sales Tax") and as authorized by RCW 82.14.485, imposed a 0.025% sales and use tax (the "Capitol Theatre Sales Tax," and together, the "Sales Tax"), to assist in financing the design, development, acquisition, construction, operation, rehabilitation, improvement and management of qualifying "regional centers"; and

**WHEREAS**, the Sales Tax operates to shift 0.033% and 0.025%, respectively, of the retail sales and use taxes generated within the District boundaries to the District; and

**WHEREAS**, pursuant to chapter 67.28 RCW, the City imposes a hotel/motel tax at a rate of 5% (2% of which is levied pursuant to RCW 67.28.150 and RCW 67.28.160, and 3% of which is levied pursuant to authorization adopted by the Washington Legislature in 1995 under RCW 67.28.240) (the

“Hotel/Motel Tax”); and

**WHEREAS**, revenue received from the Hotel/Motel Tax may be used for the construction and operation of stadiums, convention centers, performing arts centers or visual arts facilities; and

**WHEREAS**, the City owns and the District operates the Yakima Convention Center (the “Convention Center”), a “regional center” within the meaning of chapter 35.57 RCW and a convention center within the meaning of chapter 67.28 RCW; and

**WHEREAS**, the City previously issued its Limited Tax General Obligation and Refunding Bonds, 2007 (the “2007 Bonds”), and applied a portion of the proceeds of such 2007 Bonds (a) to refund certain then-outstanding obligations of the City issued in 2002 to finance the construction of and expansion to the Convention Center (the “Prior Convention Center Project”) and (b) to finance various capital projects of the City, including renovations to the downtown area of the City; and

**WHEREAS**, the payment of the principal of and interest on the portion of the 2007 Bonds allocable to the Prior Convention Center Project is payable from and secured by a pledge of revenue received from the Convention Center Sales Tax and Hotel/Motel Tax; and

**WHEREAS**, the 2007 Bonds may be called for redemption on any date on or after May 1, 2017, at a price of par, plus accrued interest, if any, to the date of redemption; and

**WHEREAS**, the City and the District now desire to expand, rehabilitate and improve the Convention Center, including related parking (the “Convention Center Project”); and

**WHEREAS**, the Council deems it in the best interest of the City to issue its limited tax general obligation bonds to finance and/or reimburse the City for costs of the Convention Center Project and to pledge Convention Center Sales Tax and Hotel/Motel Tax revenue to the repayment of bonds issued for such purpose; and

**WHEREAS**, the City owns and operates the Capitol Theatre, also a “regional center” within the meaning of chapter 35.57 RCW and a performing arts center within the meaning of chapter 67.28 RCW; and

**WHEREAS**, the City issued its Limited Tax General Obligation Bonds, Series 2009B Taxable

(Build America Bonds – Direct Payment) (the “2009 Bonds”) and applied the proceeds of such 2009 Bonds to the expansion, rehabilitation, and improvement of the Capitol Theatre (the “Capitol Theatre Project”); and

**WHEREAS**, the payment of the principal of and interest on the 2009 Bonds is payable from and secured by a pledge of Capitol Theatre Sales Tax and Hotel/Motel Tax revenue; and

**WHEREAS**, the 2009 Bonds may be called for redemption on any date on or after June 1, 2019 at a price of par, plus accrued interest, if any, to the date of redemption; and

**WHEREAS**, the City has also issued and there remain outstanding certain Irrigation System Revenue Bonds, 2004 (the “2004 Bonds”), Limited Tax General Obligation Bonds 2008 (the “2008 LTGO Bonds”), and Water and Sewer Revenue and Refunding Bonds, 2008 (the “2008 Water and Sewer Bonds”); and

**WHEREAS**, the 2004 Bonds, the 2008 LTGO Bonds and the 2008 Water and Sewer Bonds may be called for redemption on any date on or after September 1, 2014, December 1, 2018, and May 1, 2018, respectively, at a price of par, plus accrued interest, if any, to the date of redemption; and

**WHEREAS**, it appears to the Council that all or a portion of the 2004 Bonds, the 2007 Bonds, the 2008 LTGO Bonds, the 2008 Water and Sewer Bonds, and the 2009 Bonds (the “Refunding Candidates”, and as selected for refunding as described herein, the “Refunded Bonds”) may be refunded by proceeds of limited tax general obligation refunding bonds at a savings to the City and its taxpayers and its ratepayers (with respect to the 2004 Bonds and the 2008 Water and Sewer Bonds); and

**WHEREAS**, the Council deems it in the best interest of the City to issue one or more series of limited tax general obligation and refunding bonds pursuant to the terms of this ordinance to provide financing for the Convention Center Project, to redeem and defease the Refunded Bonds, and to pay costs of issuing each series of bonds; and

**WHEREAS**, the City desires to pledge Sales Tax and Hotel/Motel Tax revenue to the payment

of the principal of and interest on the portion of each series of bonds issued hereunder and used to finance and/or reimburse the City for the Convention Center Project and on the portion of each series of bonds issued hereunder to refinance the Prior Convention Center Project and the Capitol Theatre Project, as applicable, including related costs of issuance; and

**WHEREAS**, the Council wishes to delegate authority to the City Manager and the Director of Finance and Budget (each, a “Designated Representative”), for a limited time, to approve the interest rates, maturity dates, redemption terms and principal maturities for each series of bonds within the parameters set by this ordinance; and

**WHEREAS**, the City expects to receive a proposal from Piper Sandler & Co. (the “Underwriter”) and now desires to issue and sell the bonds to the Underwriter as set forth herein;

**BE IT ORDAINED BY THE CITY OF YAKIMA:**

**Section 1. Definitions and Interpretation of Terms.**

(a) *Definitions.* As used in this ordinance, the following words shall have the following meanings:

***Acquired Obligations*** means the Government Obligations acquired by the City under the terms of this ordinance and each Escrow Agreement to effect the refunding of the Refunded Bonds, but only to the extent that the same are acquired at Fair Market Value.

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

***Bond Counsel*** means Pacifica Law Group LLP or an attorney at law or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

***Bond Purchase Contract*** means the contracts for the purchase of the Bonds between the Underwriter and the City, each executed pursuant to Section 12 of this ordinance.

**Bond Register** means the registration books showing the name, address and tax identification number of each Registered Owner of a series of Bonds, maintained for the Bonds in the manner required pursuant to Section 149(a) of the Code.

**Bond Registrar** means, initially, the fiscal agency of the State, for the purposes of registering and authenticating each series of Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

**Bonds** mean the limited tax general obligation and refunding bonds authorized to be issued from time to time in one or more series pursuant to this ordinance.

**Call Date** means the date(s) selected by the City and set forth in the applicable Escrow Agreement for redemption of each series of the Refunded Bonds.

**Capitol Theatre Project** means the expansion, rehabilitation, and improvement of the Capitol Theatre, including related parking, which are eligible “regional center” projects as described in chapter 35.57 RCW and chapter 67.28 RCW and financed with proceeds of the 2009 Bonds.

**Capitol Theatre Sales Tax** means the 0.025% sales and use tax imposed by the District pursuant to RCW 82.14.485 and remitted to the City pursuant to the applicable Development Agreements.

**City** means the City of Yakima, Washington, a municipal corporation duly organized and existing by virtue of the laws of the State.

**City Attorney** means the duly appointed and acting City Attorney of the City, including anyone acting in such capacity for the position, or the successor to the duties of that office.

**City Clerk** means the duly appointed and acting City Clerk of the City or the successor to the duties of that office.

**City Manager** means the duly appointed and acting City Manager of the City or the successor to the duties of such office.

**City Mayor** or **Mayor** means the duly elected and acting Mayor of the City or the successor to the duties of such office.

**Closing** means the date of issuance and delivery of a series of Bonds to the Underwriter.

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

**Commission** means the United States Securities and Exchange Commission.

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

**Convention Center** means the Yakima Convention Center.

**Convention Center Project** means the expansion, rehabilitation, and improvement of the Yakima Convention Center, including related parking, identified in the plans of the City that are eligible “regional center” projects as described in chapter 35.57 RCW and chapter 67.28 RCW.

**Convention Center Sales Tax** means the 0.033% sales and use tax imposed by the District pursuant to RCW 82.14.390 and remitted to the City pursuant to the applicable Development Agreements.

**Council** or **City Council** means the Yakima City Council, as the general legislative body of the City, as the same is duly and regularly constituted from time to time.

**Debt Service Fund** means one or more funds or accounts created pursuant to this ordinance for the purpose of paying debt service on a series of Bonds.

**Designated Representative** means the City Manager and the Director of Finance and Budget of the City, or any successor to the functions of such office. The signature of one Designated Representative shall be sufficient to bind the City.



**Development Agreements** mean the following documents, as each may be amended from time to time, (a) the Ground Lease Agreement relating to the Capitol Theatre, dated June 4, 2009, between the City and the District; (b) the Design, Development, Construction, Financing, Lease and Operating Agreement relating to the Capitol Theatre, dated June 4, 2009, between the City and the District; (c) any lease agreements relating to the Convention Center, between the City and the District; (d) the Design, Development, Construction, Financing and Operating Agreement, dated July 27, 2001, between the City and the District; and (e) any other agreements between the City and the District relating to the distribution of the Sales Tax Revenues from the District to the City to pay debt service on the Bonds..

**Director of Finance and Budget** means the duly appointed and acting Director of Finance and Budget of the City or the successor to the duties of that office.

**District** means the Yakima Regional Public Facilities District, a public facilities district created by the City and the Cities of Selah and Union Gap.

**DTC** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for any Bonds pursuant to this ordinance.

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

**Federal Tax Certificate** means one or more certificates of the City pertaining to the tax-exemption of interest on a series of Tax-Exempt Bonds, and any attachments thereto.

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

**Hotel/Motel Tax** mean hotel/motel taxes levied by the City pursuant to chapter 67.28 RCW at the rate of 5%.

**Letter of Representations** means the Blanket Issuer Letter of Representations given by the City to DTC, as amended from time to time.

**MSRB** means the Municipal Securities Rulemaking Board or any successors to its functions.

**Official Statement** means the disclosure documents prepared and delivered in connection with the issuance of any series of Bonds.

**Prior Convention Center Project** means the expansion, rehabilitation, and improvement of the Convention Center, including related parking, which are eligible “regional center” projects as described in chapter 35.57 RCW and chapter 67.28 RCW and refinanced with proceeds of the 2007 Bonds.

**Project Fund** means the fund or account created pursuant to Section 8 of this ordinance.

**Record Date** means the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with this ordinance.

**Refunded Bonds** mean all or a portion of the Refunding Candidates designated by a Designated Representative for refunding pursuant to this ordinance.

**Refunding Candidates** mean the outstanding 2004 Bonds, 2007 Bonds, 2008 LTGO Bonds, 2008 Water and Sewer Bonds, and 2009 Bonds.

**Regional Center Projects** mean the Convention Center Project, the Prior Convention Center Project, and the Capitol Theatre Project, including related costs of issuance.

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

**Rule** means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**Sales Tax** means the Convention Center Sales Tax and the Capitol Theatre Sales Tax.

**State** means the State of Washington.

**Taxable Bonds** means any Bonds determined to be issued on a taxable basis pursuant to Section 12.

**Tax-Exempt Bonds** mean any Bonds determined to be issued on a tax-exempt basis under the Code pursuant to Section 12.

**Underwriter** means Piper Sandler & Co., Seattle, Washington, and its successors.

**2004 Bonds** mean the City's outstanding Irrigation System Revenue Bonds, 2004 issued pursuant to Ordinance No. 2003-68 passed by the Council on November 4, 2003 and Resolution No. 2004-134 adopted by the Council on August 24, 2004.

**2007 Bonds** mean the City's outstanding Limited Tax General Obligation and Refunding Bonds, 2007 issued pursuant to Ordinance No. 2007-09 passed by the Council on March 20, 2007 and Resolution No. R-2007-48 adopted by the Council on April 17, 2007.

**2008 LTGO Bonds** mean the City's outstanding Limited Tax General Obligation Bonds, 2008 issued pursuant to Ordinance No. 2008-34 passed by the Council on July 15, 2008.

**2008 Water and Sewer Bonds** mean the City's outstanding Water and Sewer Revenue and Refunding Bonds, 2008 issued pursuant to Ordinance No. 2008-19 passed by the Council on March 18, 2018 and Resolution No. R-2008-73 adopted by the Council on May 6, 2008.

**2009 Bonds** mean the City's outstanding Limited Tax General Obligation Bonds, Series 2009B Taxable (Build America Bonds – Direct Payment) issued pursuant to Ordinance No. 2009-34 passed by the Council on July 7, 2009.

(b) *Interpretation.* In this ordinance, unless the context otherwise requires:

(1) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this ordinance;

(2) Words of the masculine or feminine gender shall mean and include correlative words of any genders and words importing the singular number shall mean and include the plural number and vice versa;

(3) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and

(5) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

**Section 2.** Authorization of the Convention Center Project. The Council hereby approves the expansion, rehabilitation, and improvement of the Convention Center, as such Convention Center Project is to be more fully described in the plans and specifications prepared by and filed with the City and the District. The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and

testing, demolition, administrative and relocation expenses and other costs incurred in connection with the foregoing capital improvements shall be deemed a part of the capital costs of such Convention Center Project. Such Convention Center Project shall be complete with all necessary equipment and appurtenances.

**Section 3.**     **Authorization and Description of Bonds.** For the purpose of paying and/or reimbursing the City for costs of the Convention Center Project, defeasing and refunding the Refunding Bonds, and paying costs of issuance, the City is hereby authorized to issue and sell from time to time one or more series of limited tax general obligation bonds in an aggregate principal amount not to exceed \$28,000,000 (the "Bonds").

The Bonds of each series shall be general obligations of the City and shall be designated "City of Yakima, Washington, Limited Tax General Obligation and Refunding Bonds, 2020" with any applicable series or other designation, all as established by the related Bond Purchase Contract. The Bonds of each series shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each, or any integral multiple thereof, provided that no Bond of a series shall represent more than one maturity; and shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification. The Bonds of each series shall be dated as of the date of Closing for such series of Bonds and shall mature on the date or dates and in the principal amounts, bear interest at the rates and payable on such dates, and be subject to redemption prior to maturity, as set forth in the applicable Bond Purchase Contract executed pursuant to the terms of this ordinance.

**Section 4.**     **Registration, Exchange and Payments.**

(a)     *Bond Registrar/Bond Register.* The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of State fiscal agencies. The City shall cause the Bond Register to be maintained by the Bond Registrar. So long as any Bonds of a series remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of such

Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Director of Finance and Budget upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Director of Finance and Budget. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the certificate of authentication on the Bonds.

(b) *Registered Ownership.* The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond of a series as the absolute owner thereof for all purposes (except as provided in a Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described herein, but such Bond may be transferred as herein provided. All such payments made as described in this ordinance shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds of a series initially shall be held in fully immobilized form by DTC acting as depository. The City has executed and delivered to DTC the Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or

other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held by a depository, DTC or its successor depository or its nominee shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) *Use of Depository.*

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

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Director of Finance and Budget to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Director of Finance and Budget may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (i) or (ii) of paragraph (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds together with a written request on behalf of the Director of Finance and Budget, issue a single new Bond for each maturity of that series then outstanding, registered in the name of such successor or such substitute

depository, or their nominees, as the case may be, all as specified in such written request of the Director of Finance and Budget.

(4) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the Director of Finance and Budget determines that it is in the best interest of the Beneficial Owners of the Bonds that such owners be able to obtain physical bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held by a depository. The Director of Finance and Budget shall deliver a written request to the Bond Registrar, together with a supply of physical bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds of a series together with a written request on behalf of the Director of Finance and Budget to the Bond Registrar, new Bonds of such series shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, series, maturity, and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, series, maturity, and interest rate, in any authorized denomination. The



Bond Registrar shall not be obligated to register the transfer of or to exchange any Bond during the 15 days preceding any principal payment or redemption date.

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

(g) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are held by a depository, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer held by a depository, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least by the Record Date), such payment shall be made by the Bond Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the designated office of the Bond Registrar.

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

**Section 5.**    Redemption Prior to Maturity and Purchase of Bonds.

(a) *Mandatory Redemption of Term Bonds and Optional Redemption.* The Bonds of each series shall be subject to mandatory redemption of term bonds to the extent, if any, set forth

in the Bond Purchase Contract and as approved by a Designated Representative pursuant to Section 12. The Bonds of each series shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract approved by a Designated Representative pursuant to Section 12.

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

(c) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds of a series are held by a depository, notice of redemption shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar shall provide any notice of redemption to any Beneficial Owners. The notice of redemption may be conditional. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any such redemption

(which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

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

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds of such series are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (D) any conditions to redemption,
- (E) that unless conditional notice of redemption has been given and such conditions have either been satisfied or waived, on the redemption date the redemption price shall become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded or revoked, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected Registered Owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and

the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

(2) Effect of Notice; Bonds Due. If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Bonds of such series or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the series and maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to the applicable Continuing Disclosure Certificate and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the

persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

(d) *Purchase of Bonds.* The City reserves the right to purchase any or all of the Bonds offered to it at any time at a price deemed reasonable by the Director of Finance and Budget plus accrued interest to the date of purchase.

**Section 6.** Form of Bonds. The Bonds of each series shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference, with such changes thereto as may be approved by a Designated Representative.

**Section 7.** Execution of Bonds. The Bonds of each series shall be executed on behalf of the City by the facsimile or manual signature of the Mayor and shall be attested to by the facsimile or manual signature of the City Clerk, and shall have the seal of the City impressed or a facsimile thereof imprinted, or otherwise reproduced thereon.

In the event any officer who shall have signed or whose facsimile signatures appear on any of the Bonds shall cease to be such officer of the City before said Bonds shall have been authenticated or delivered by the Bond Registrar or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issuance, shall be as binding upon the City as though said person had not ceased to be such officer. Any Bond may be signed and attested on behalf of the City by such persons who, at the actual date of execution of such Bond shall be the proper officer of the City, although at the original date of such Bond such persons were not such officers of the City.

Only such Bonds as shall bear thereon a certificate of authentication manually executed by an authorized representative of the Bond Registrar shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such certificate of authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance and the applicable Sale Resolution.

**Section 8.**     Application of Bond Proceeds; Project Fund; Refunding Plan.

(a)     *Project Fund.* The Director of Finance and Budget is hereby authorized to create a fund or account (the "Project Fund"), and subaccounts therein as necessary, for the purposes set forth in this section. A portion of the proceeds of each series of Bonds, net of any associated Underwriter's discount and fees, shall be deposited in the Project Fund in the amounts specified in the closing memorandum prepared in connection with the issuance of such Bonds. Such proceeds shall be used to pay and/or reimburse the City for the costs of the Convention Center Project and, unless otherwise provided by the City to be paid by the Escrow Agent under (b) below, to pay associated costs of issuance of such Bonds.

The Director of Finance and Budget shall invest money in the Project Fund and the subaccounts contained therein in such obligations as may now or hereafter be permitted by law to cities of the State and which will mature prior to the date on which such money shall be needed, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Upon completion of the Convention Center Project, any remaining Bond proceeds (including interest earnings thereon) may be used for other capital projects of the City or shall be transferred to the Debt Service Fund for the allocable series of Bonds after consultation with Bond Counsel.

(b)     *Refunding Plan.* For the purpose of realizing a debt service savings, the City proposes to apply a portion of the proceeds of the Bonds to defease and refund the Refunded Bonds as set forth herein. If a Designated Representative determines that it is in the best interest of the City to proceed with the refunding authorized herein, a Designated Representative shall designate all or a portion of the Refunding Candidates as Refunded Bonds and such designation shall be set forth in the applicable Bond Purchase Contract.

A portion of the proceeds of the Bonds, together with other available funds of the City and/or the District, net of any associated Underwriter's discount and fees, shall be deposited with the Escrow Agent on behalf of the City pursuant to the Escrow Agreement to be used immediately upon receipt thereof to defease the Refunded Bonds as authorized by the bond ordinance(s)

authorizing the Refunded Bonds, and to pay costs of issuance of the Bonds as set forth in the closing memorandum for the Bonds. The net proceeds deposited with the Escrow Agent shall be used to defease the Refunded Bonds and discharge the obligations thereon by the purchase of certain Acquired Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of interest on the Refunded Bonds as the same becomes due on and prior to the applicable call date, and the redemption price (100% of the principal amount) of the Refunded Bonds on the applicable Call Date. Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

The City hereby appoints U.S. Bank National Association, Seattle Washington, as the Escrow Agent for the Refunded Bonds (the "Escrow Agent"). A cash balance and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. In order to carry out the purposes of this section, each Designated Representative is authorized and directed to execute and deliver to the Escrow Agent, one or more Escrow Agreements.

The City hereby irrevocably sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Bonds to make the payments described above. The City hereby irrevocably calls the Refunded Bonds for redemption on the applicable Call Date in accordance with the provisions of the applicable bond ordinance(s) authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the delivery of the cash and Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the redemption of the Refunded Bonds in accordance with the applicable provisions of the

applicable ordinances authorizing the issuance of the Refunded Bonds. The costs of publication of such notices shall be an expense of the City.

**Section 9.**    **Tax Covenants.** The City will take all actions necessary to assure the exclusion of interest on any Tax-Exempt Bonds from the gross income of the owners of such 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 date of issuance of such 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 Projects.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the projects financed and/or refinanced with proceeds of the Tax-Exempt Bonds other than in the ordinary course of an established government program under Treasury Regulation § 1.141-2(d)(4) or (ii) any real property components of the projects financed and/or refinanced with proceeds of the Tax-Exempt Bonds, unless it has received an opinion of 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 or suffer any action to be taken if the result of such action would be to cause any of the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

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



(e) *No Arbitrage.* The City will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Tax-Exempt Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The City will maintain a system for recording the ownership of each Tax-Exempt Bond that complies with the provisions of Section 149 of the Code until all Tax-Exempt Bonds have been surrendered and canceled.

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

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to a series of Tax-Exempt Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Tax-Exempt Bonds.

(i) *Bank Qualification.* In the Federal Tax Certificate executed in connection with the issuance of each series of Tax-Exempt Bonds, the City may designate such Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code for investment by financial institutions.

**Section 10. Debt Service Fund; Pledge of Security.**

(a) *Debt Service Fund.* The City hereby authorizes the creation of one or more funds, and accounts held therein which may be one or more segregated accounts held within another fund, to be used for the payment of debt service on each series of Bonds, designated as the

“Limited Tax General Obligation Bond Debt Service Fund” or other such designation selected by the City (the “Debt Service Fund”). No later than the date each payment of principal of or interest on the Bonds becomes due, the City shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources including but not limited to those revenues received pursuant to (c) below, to the Bond Registrar for the payment of such principal or interest. Money in the Debt Service Fund may be invested in legal investments for City funds, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Any interest or profit from the investment of such money shall be deposited in the Debt Service Fund.

(b) *Pledge of Regular Property Taxes and Full Faith and Credit of the City.* The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it shall include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, including but not limited to those revenues pledged pursuant to (c) below, to pay the principal of and interest on the Bonds as the same shall become due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the property tax levy permitted to cities without a vote of the electorate, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds when due.

(c) *Pledge of Hotel/Motel Tax Revenue to Regional Center Projects.* The City hereby further irrevocably pledges all Convention Center Sales Tax revenue received by the District under the applicable Development Agreements and Hotel/Motel Tax revenue to the payment of

principal and interest on the portion of each series of Bonds issued to finance and/or refinance the Convention Center Project and the Prior Convention Center Project (the qualifying portion of the 2007 Bonds), including related costs of issuance.

The City hereby further irrevocably pledges all Capitol Theatre Sales Tax revenue received by the District under the applicable Development Agreements and Hotel/Motel Tax revenue to the payment of principal and interest on the portion of each series of Bonds issued to refinance the Capitol Theatre Project (the 2009 Bonds), including related costs of issuance.

The City covenants and agrees to enforce the applicable provisions of the Development Agreements related to the imposition and remittance of the Sales Taxes from the District to the City in order to pay the corresponding portions of the principal of and interest on the Bonds.

**Section 11. Defeasance.** In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Debt Service 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 or pay 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 Debt Service 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 lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Debt Service Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance. The City shall give written notice of defeasance of any Bonds of a series in accordance with the applicable Continuing Disclosure Certificate.

**Section 12. Sale of Bonds.**

(a) The Bonds of each series may be sold from time to time at negotiated sale to the Underwriter pursuant to the terms of one or more Bond Purchase Contracts. The Council has determined that it is in the best interest of the City to delegate to the Designated Representatives, for a limited time, the authority to designate each series of Bonds as Tax-Exempt Bonds or Taxable Bonds, to select the Refunded Bonds from the Refunding Candidates, and to approve the final interest rates, aggregate principal amount(s), principal amount of each maturity of the Bonds of each series, and the redemption rights for each series of the Bonds.

Subject to the terms and conditions set forth in this Section 12, each Designated Representative is hereby authorized to approve final terms of each series of Bonds in the manner provided hereafter so long as:

(1) the aggregate principal (face) amount of all Bonds issued under this ordinance does not exceed \$28,000,000,

(2) the final maturity date for each series of Bonds is no later than December 1, 2045,

(3) the Bonds of each series are sold (in the aggregate) at a price not less than 90%,

(4) the true interest cost for the Bonds (in the aggregate) does not exceed 4.00%,

(5) any series of Bonds or portion of a series of Bonds that are sold for the purpose of refunding the Refunded Bonds are sold for a price (calculated by deducting scheduled federal subsidy payments with respect to the 2009 Bonds designated as Refunded Bonds from annual debt service and assuming no future sequestration of such payments) that results in a minimum aggregate net present value debt service savings over the Refunded Bonds to be refunded with the proceeds of such series of at least 2.00%; and

(6) the series of Bonds conform to all other terms of this ordinance.

Subject to the terms and conditions set forth in this section, each Designated Representative is hereby authorized to execute the Bond Purchase Contract on behalf of the City.

Following the execution of a Bond Purchase Contract, a Designated Representative shall provide a report to the Council describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representatives by this Section 12 shall expire 180 days after the effective date of this ordinance. If a Bond Purchase Contract for the Bonds has not been executed within 180 days after the effective date of this ordinance, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds are re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 12.

(b) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance and execution of the Bond Purchase Contract, the proper officials of the City, including the Designated Representatives, the Mayor, the City Manager, and the City Clerk, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the Bond Purchase Contract. Such documents may include, but are not limited to, documents related to a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of the Bonds as provided therein, if such insurance is determined by the Designated Representative to be in the best interest of the City, and any documents or amendments to the Development Agreements as needed and in the best interest of the City to pledge and transfer Sales Tax revenue from the District to the City in order to pay debt service on the portion of any Bonds issued to finance and/or refinance the Regional Center Projects.

**Section 13.** Preliminary and Final Official Statements. The Director of Finance and Budget and the City Manager are each hereby authorized to deem final the preliminary Official Statement(s) relating to any Bonds for the purposes of the Rule. The Director of Finance and Budget and the City Manager are each further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement(s) relating to the issuance and sale of any Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

**Section 14.** Undertaking to Provide Ongoing Disclosure; Covenants. The City covenants to execute and deliver at the time of Closing of any Bonds a Continuing Disclosure Certificate. The Director of Finance and Budget and the City Manager are each hereby authorized to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of any Bonds with such terms and provisions as such individuals shall deem appropriate and in the best interests of the City.

**Section 15.** Lost, Stolen or Destroyed Bonds. In case any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like series, amount, date and tenor to the Registered Owner thereof if the Registered Owner pays the expenses and charges of the Bond Registrar and the City in connection therewith and files with the Bond Registrar and the City evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership thereof, and furnishes the City and the Bond Registrar with indemnity satisfactory to both.

**Section 16.** Severability; Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of

the other provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

**Section 17.** Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

**Section 18.** Effective Date of Ordinance. As provided in Article VI, Section 2 of the Yakima City Charter, this ordinance shall become effective 30 days after the date of its passage and publication.

**PASSED BY THE CITY COUNCIL**, signed and approved this 18<sup>th</sup> day of February, 2020.

CITY OF YAKIMA, WASHINGTON

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Patricia Byers, Mayor

ATTEST:

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Sonya Claar Tee, City Clerk

Publication Date:

Effective Date:

APPROVED AS TO FORM:

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Pacifica Law Group LLP

EXHIBIT A

FORM OF BOND

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. \_\_\_\_\_

\$ \_\_\_\_\_

STATE OF WASHINGTON

CITY OF YAKIMA

LIMITED TAX GENERAL OBLIGATION [AND] [REFUNDING] BOND, 20\_\_\_\_[(Taxable)]

INTEREST RATE: \_\_\_\_%

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Yakima, Washington (the "City"), 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 thereon 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 \_\_\_\_\_ 1, 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. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). 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.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. \_\_\_\_\_ duly passed by the City Council on \_\_\_\_\_, 2020 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like series, date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$\_\_\_\_\_ and is issued pursuant to the Bond Ordinance to provide a portion of the funds necessary to pay the costs of \_\_\_\_\_.

The bonds of this issue are subject to redemption prior to their stated maturities as provided in the Bond Purchase Contract.



The City has irrevocably covenanted with the owner of this bond that it shall include in its annual budget and levy taxes annually, within and a part of the tax levy permitted to the City without a vote of the electorate, upon all the taxable property in the City in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond when due. The full faith, credit and resources of the City are irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The City has further irrevocably pledged all Sales Tax revenue and Hotel/Motel Tax revenue to the portion of the Bonds allocable to the Regional Center Projects.

The pledge of tax levies for payment of principal of and interest on the bonds may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Yakima, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City to be imprinted, impressed or otherwise reproduced hereon as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

[SEAL]

CITY OF YAKIMA, WASHINGTON

By           /s/ manual or facsimile            
Mayor

ATTEST:

          /s/ manual or facsimile            
City Clerk

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

#### CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation [and] [Refunding] Bonds, 20\_\_, of the City of Yakima, Washington, dated \_\_\_\_\_, 20\_\_.

WASHINGTON STATE FISCAL AGENT, as  
Bond Registrar

By \_\_\_\_\_



## CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of Yakima, Washington (the "City"), DO HEREBY CERTIFY:

1. The attached copy of Ordinance No. \_\_\_\_ (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on \_\_\_\_\_, 2020 as that ordinance appears in the minute book of the City; and the Ordinance will be in full force and effect after its passage and publication as provided by law; and

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.

3. That Ordinance No. \_\_\_\_ has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2020.

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City Clerk