Official Gazette

City of Spokane, Washington

Statement of City Business, including a Summary of the Proceedings of the City Council

Volume 116 **July 29, 2026** Issue 30 Part I of II

Mayor and City Council

Mayor Lisa Brown

Council President Betsy Wilkerson

Council Members:

Michael Cathcart (District 1)

Paul Dillon (District 2)

Sarah Dixit (District 1)

Kitty Klitzke (District 3)

Kate Telis (District 2)

Zack Zappone (District 3)

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Minutes

NOTICE
MEETING MINUTES OF SPOKANE CITY COUNCIL
Tuesday, July 21, 2026

The minutes for the Tuesday, July 21, 2026, Spokane City Council Agenda Review Meeting were not available for publication in this issue of the *Official Gazette*. The minutes will be published in the Wednesday, August 5, 2026, issue of the *Official Gazette*.

NOTICE
MEETING MINUTES OF SPOKANE CITY COUNCIL
Wednesday, July 22, 2026

The minutes for the Wednesday, July 22, 2026, Spokane City Council Legislative Meeting were not available for publication in this issue of the *Official Gazette*. The minutes will be published in the Wednesday, August 5, 2026, issue of the *Official Gazette*.

STANDING COMMITTEE MINUTES
City of Spokane
Public Infrastructure, Environment & Sustainability Committee
City Council Chambers
July 13, 2026

Call to Order: 1:03 p.m.

Recording of the meeting may be viewed here: https://vimeo.com/1210003530?fl=pl&fe=sh

Attendance
Committee Members Present: Betsy Wilkerson, Kitty Klitzke, Michael Cathcart, Zack Zappone, Paul Dillon, Kate Telis (arrived at 1:06 PM), Sarah Dixit

Executive Session
None

Public Comment
None

Discussion Items
1. PUBLIC WORKS MONTHLY DIRECTOR'S REPORT - JULY 2026 - UTILITY RATES SETTING FOR 2027 & 2028 - MARLENE FEIST (45 minutes)
   - **No action taken, Presentation Only**

2. SPECIAL BUDGET ORDINANCE - PUBLIC WORKS ADDITIONAL FTES -MARLENE FEIST (5 minutes)
   - **No action taken, Presentation Only**

3. TRANSPORTATION AND SUSTAINABILITY MONTHLY DIRECTOR'S REPORT -JULY 2026- JON SNYDER (10 minutes)
   - **No action taken, Presentation Only**

4. JOINT RESOLUTION APPROVING AIRPORT ACQUISITION OF W 53RD AVE PROPERTY - ROB SCHULTZ (10 minutes)
   - **No action taken, Presentation Only**

5. JOINT RESOLUTION APPROVING AIRPORT ACQUISITION S HAYFORD RD PROPERTY - ROB SCHULTZ (10 minutes)
   - **No action taken, Presentation Only**

6. GENERAL FACILITIES CHARGE PUBLIC RULE UPDATE TO WATER/WASTEWATER - NATE SULYA (5 minutes)
   - **No action taken, Presentation Only**

7. CONNECTING HOUSING TO INFRASTRUCTURE (CHIP) GRANT (26-96330-- NATE SULYA (5 minutes)
   - **No action taken, Presentation Only**

8. SPECIAL BUDGET ORDINANCE TO ACCEPT CHIP GRANT AWARDS - NATE SULYA (5 minutes)
   - **No action taken, Presentation Only**

9. OUTSIDE COUNSEL CONTRACT AMENDMENT - ELIZABETH SCHOEDEL (5 minutes)
   - **No action taken, Presentation Only**

10. COUNCIL'S MANAGER OF NEIGHBORHOOD CONNECTIVITY REPORT -ABIGAIL MARTIN (5 minutes)
    - **No action taken, Presentation Only**

11. COUNCIL STAFF, BOARD & COMMISSION UPDATES - KITTY KLITZKE (5 minutes)
    - **No action taken, Presentation Only**

Consent Items

1. VALUE BLANKET RENEWAL FOR TRAFFIC SIGNAL STANDARDS (STREET)

2. VALUE BLANKET RENEWAL FOR TRAFFIC CONTROL CABINETS (STREET)

3. 4320 PURCHASE W/OUT CONTRACT CALCIUM CARBONATE (WASTEWATER MANAGEMENT)

4. GEOTECHNICAL ENGINEERING ON-CALL CONTRACT BUDGET INCREASE -BUDINGER 2023115 (ENGINEERING SERVICES)

5. VALUE BLANKET RENEWAL FOR THE PURCHASE OF MAXON GAS VALVES (SOLID WASTE DISPOSAL)

6. CONTRACT RENEWAL FOR BOILER FEEDWATER PUMP SERVICES (SOLID WASTE DISPOSAL)

7. WATERWORKS ACCESS FRAMES & COVERS (WATER & HYDROELECTRIC SERVICES)

8. 4100 – ENGINEERING DESIGN ON CALL SUPPORT SERVICES FOR UPRIVER DAM (WATER & HYDROELECTRIC SERVICES)

9. WATER DEPARTMENT PURCHASE OF COPPER PIPE (WATER & HYDROELECTRIC SERVICES)

Adjournment

The meeting adjourned at 2:20 PM

General Notices

Notice of Seizure and Intended Forfeiture

In a seizure conducted by the Spokane Police Department in the State of Washington for the county of Spokane.

Report No.: **2026-20103450** Date of Seizure: 06/16/2026 Seizure No.: 26-016.

The seizing agency, Spokane Police Department (SPD), to the said potentially interested party, **Steven D Hulme**:

You are hereby notified that **pursuant to RCW 69.50.505, property you own or may have an interest in has been seized by SPD** and is subject to seizure and forfeiture and **NO PROPERTY RIGHT EXISTS IN THEM**.

If you would like to make a claim because this property belongs to you and/or you are an interested party, you MUST, **within 60 days of the date of first publication of this notice**, notify SPD in writing of your claim of ownership or right to possession to the item(s) seized. Send your written claim (certified mail preferred) to: **Forfeiture Claim, SPD Civil Enforcement Unit, 1100 West Mallon, Spokane, WA 99260**. In your letter please identify the property you are claiming and whether you wish to request a copy of the police report documenting the seizure of the property.

Your failure to notify SPD in writing of your claim no later than 08/21/2026 constitutes a default forfeiture and a loss of your right to an adjudicative hearing regarding this matter. RCW 69.50.505(4); RCW 34.05.440.

THE FOLLOWING PROPERTY HAS BEEN SEIZED:

Item #	Description (for vehicles, do not include the VIN #)
5	**Taurus TX .22 Pistol and Magazine**
7	**$1,233.00 Currency from blue bag**

Lt. Robert Boothe, #409
Spokane Police Department
1100 W. Mallon Ave
Spokane, WA 99260

Published weekly: July 1, 2026, through August 5, 2026

Ordinances

These ordinances are published in this issue of the *Official Gazette* pursuant to passage by the Spokane City Council. It should be noted that these ordinances may be subject to veto by the Mayor. If an ordinance is vetoed by the Mayor, the Mayoral veto will be published in a subsequent issue of the *Official Gazette*.

ORDINANCE NO. C36892

An ordinance expanding and strengthening the 1% for Public Art Program; amending Sections 07.06.410, 07.06.430, and 07.08.106; repealing Sections 04.05.050 and 07.06.420; and adopting a new Section 07.06.425 of the Spokane Municipal Code.

WHEREAS, the City of Spokane's Comprehensive Plan establishes a goal of supporting community image and identity through the arts and accessible arts activities; and

WHEREAS, the City of Spokane's Comprehensive Plan Policy SH 3.1 – *Support for the Arts* calls for the City to "Encourage public and private participation in and support of arts and cultural events in recognition of their contribution to the physical, mental, social, and economic well-being of the community."; and

WHEREAS, the City of Spokane's Comprehensive Plan Policy SH 3.7 – *Support Local Artists* calls for the City to "Solicit local artists to design or produce functional and decorative elements for the public realm, whenever possible."; and

WHEREAS, City of Spokane's Comprehensive Plan Policy N 2.5 – *Neighborhood Arts* calls for the City to "Devote space in all neighborhoods for public art, including sculptures, murals, special sites, and facilities."; and

WHEREAS, City of Spokane's Comprehensive Plan Policy N 6.4 – *Maintenance of City Property* calls for the City to "Ensure that city land, property, and infrastructure within neighborhoods are adequately maintained to protect the public health, safety, and welfare."; and

WHEREAS, this ordinance strengthens the City of Spokane's 1% for Public Art Program by integrating it into the Citywide Capital Improvement Program, clarifying eligible projects, and providing flexibility to the Public Art Fund for new public art projects and the maintenance of the City's existing public art inventory.

NOW, THEREFORE, the City of Spokane does ordain:

Section 1. That Section 04.05.050 of the Spokane Municipal Code is hereby repealed.

Section 2. That Section 07.06.410 of the Spokane Municipal Code is amended to read as follows:

Section 07.06.410 <u>Public Art</u> Definitions

((~~A. "Art" is visual art as defined in SMC 4.05.070~~.

~~B. "Construction project" is a capital project, at a cost in excess of twenty-five thousand dollars, paid for wholly or in part by the City to construct or remodel any building or permanent structure; except that the art funding requirement of SMC 7.06.420 does not apply to any construction project:~~
~~1. for streets, sidewalks or alleys;~~
~~2. funded by local improvement district assessments;~~
~~3. under the authority of the park board.~~

~~C. "Eligible fund" is any source of payment of a construction project of which an expenditure for art is not prohibited. In the case of proprietary utility funds or other restricted funding sources, moneys may only~~

~~be spent on purposes or projects with a close nexus to the utility or restricted fund's primary utility or other restricted purpose~~))

Term	Definition
Art	Art for purposes of the 1% for Public Art program is visual art as defined in SMC 4.05.070.
Eligible Fund	An Eligible Fund is any source of payment of a qualifying capital improvement project for which an expenditure for art is not prohibited. In the case of enterprise funds or other restricted funding sources, funds shall only be spent on purposes or qualifying capital improvement projects with a close nexus to the enterprise or restricted fund's primary utility or other restricted purpose.
Qualifying Capital Improvement Project	A Qualifying Capital Improvement Project is a project in the Six-Year Citywide Capital Improvement Program, at an estimated cost of one hundred thousand dollars or more, paid for wholly or in part by the City to construct or remodel any publicly accessible building or permanent infrastructure. The 1% for Public Art Program requirement established through SMC 07.06.425 applies to projects where a majority of the project is funded through an eligible fund and does not apply to any of the following capital improvement projects: • for streets, sidewalks, or alleys unless authorized by the City Council through resolution or ordinance; • funded by local improvement district assessments; • under the authority of the Park Board; • under the authority of the Spokane Public Library Board of Trustees; • for studies, reports, or routine or emergency maintenance or repair; or • for the purchase, update, upgrade, or replacement of equipment, vehicles, software, or building or mechanical systems. The City Administrator or their designee shall have final determination as to

	whether a capital improvement qualifies for the 1% for Public Art Program consistent with the definitions in this section.

Section 3. That Section 07.06.420 of the Spokane Municipal Code is hereby repealed.

Section 4. That there is adopted a new Section 07.06.425 of the Spokane Municipal Code to read as follows:

Section 07.06.425 1% for Public Art Program

A. Beginning in the 2027-2032 Citywide Capital Improvement Program, all new qualifying capital improvement projects, as defined in SMC 07.06.410, shall include one percent (1%) of the estimated project cost for the acquisition, installation, and maintenance of works of art. The equivalent of one percent (1%) of the executed construction contract of the qualifying capital improvement project shall be transferred to the Public Art Project Fund for purposes authorized in SMC 7.08.106 upon the execution of the project. The one percent (1%) shall not apply to contract amendments, change orders, or the qualifying capital improvement project's administrative reserves.

B. Nothing shall preclude a requesting department from incorporating works of art into capital improvement projects approved prior to the adoption of the 2027-2032 Citywide Capital Improvement Program.

C. The execution and placement of art projects supported by funds transferred to the Public Art Project Fund is led by the Arts, Culture, and Historic Preservation Department in consultation with the Spokane Arts Commission and the department leading the qualifying capital improvement project, where applicable.

D. Transfer of funds to the Public Art Project Fund remains subject to any restrictions or requirements applicable to uses of the funds in contract or law, such as applicable requirements as may arise under RCW 43.09.210 or from funding or grant sources. The department that originated the qualifying capital improvement project may also propose additional restrictions.

E. The Arts, Culture, and Historic Preservation Department, in consultation with the Spokane Arts Commission, shall develop criteria for use of or access to funds transferred to the Public Art Project Fund. The criteria for the selection of art funded through the Public Art Project Fund shall include, but are not limited to:
   1. accessibility of the work to the community (e.g., placement in parks, publicly accessible corridors, community gathering places, and public buildings or other zones of public interaction);
   2. compatibility with the Comprehensive Plan, Downtown Plan, and other neighborhood plans; and
   3. art proposed to be placed in City parks shall further be subject to approval of the Park Board.
   4. art in libraries shall further be subject to approval of the Spokane Public Library Board of Trustees.
   5. the Arts, Culture, and Historic Preservation Department may also consider the advice of other jurisdictional bodies such as neighborhood councils, Landmarks Commission, business improvement district ratepayer advisory boards, or similar bodies exercising oversight or advisory over affected areas.

F. All selection and placement of art shall be subject to the judgment and discretion of the Spokane Arts Commission in consultation with the Arts, Culture, and Historic Preservation Department and the department leading the qualifying capital improvement project.

Section 5. That Section 07.06.430 of the Spokane Municipal Code is amended to read as follows:

Section 07.06.430 Spokane Arts Commission
The Spokane Arts Commission coordinates the selection, placement, and other planning and design factors of ((~~municipal~~)) public art projects in accordance with the ((~~overall Municipal Arts Plan as provided in SMC 4.05.050~~ public art selection procedures.

Section 6. That Section 07.08.106 of the Spokane Municipal Code is amended to read as follows:

Section 07.08.106 ((~~Municipal Arts~~)) Public Art Project Fund

A. There is created a fund to be known as the ((~~"municipal arts project fund"~~)) "Public Art Project Fund" into which all funds received by the City from such sources as federal and state grants, public or private contributions, transfers from other funds as may be directed by ((~~city council~~)) City Council under appropriate ordinances, or any other funds designated for use in carrying out the projects ((~~of~~)) approved by the City Council pursuant to SMC 07.06.425 as recommended by the Spokane ((~~arts commission~~)) Arts Commission shall be deposited.

B. The term "projects" as herein used does not include ((~~maintenance and~~)) operating expenses of the ((~~Spokane arts department~~)) Arts, Culture, and Historic Preservation Department, which are included as operating revenues and expenditures within the general fund.

C. Funds deposited into the fund may be accumulated or expended for municipal purposes of furthering the visual arts and cultural development of the City.

D. Moneys to be expended from this fund shall be appropriated in the regular City budget, and such moneys may either be directly disbursed or reimbursed to other funds upon proper and usual accounting by the chief financial officer.

Section 7. Severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase, or word of this ordinance.

Section 8. Clerical Errors. Upon approval by the city attorney, the city clerk is authorized to make necessary corrections to this ordinance, including scrivener's errors or clerical mistakes; references to other local, state, or federal laws, rules, or regulations; or numbering or referencing of ordinances or their sections and subsections.

Passed by City Council July 22, 2026
Delivered to Mayor July 24, 2026

ORDINANCE NO. C36895

Amending ordinance C36776 entitled in part of "An Ordinance relating to municipal sewer services" chapter 13.03 of the Spokane Municipal Code; and setting an effective date.

WHEREAS, ordinance C36654 was passed March 31, 2025, which repealed sections 13.03.0702, 13.03.0704, 13.03.0706, 13.0708, 13.03.0710, and 13.03.0712; and

WHEREAS, ordinance C36776 was passed December 8, 2025. This ordinance inadvertently included previously repealed SMC 13.03.0702, 13.03.0704, 13.03.0706, 13.0708, 13.03.0710, and 13.03.0712; and

WHEREAS, this ordinance is to correct the inadvertent inclusion of repealed ordinances and for clarification purposes.

NOW, THEREFORE, the City of Spokane does ordain:

Section 1: That SMC section 13.03.0702 entitled "Special Connection Agreements – Execution" is repealed.

((~~**13.03.0702 Special Connection Agreements – Execution**~~

~~Whenever the connection to a City public sewer requires a written agreement, the director of engineering services is authorized to execute it on behalf of the City.~~))

Section 2: That SMC section 13.03.0704 entitled "Special Connection Charge Authorized – Basis" is repealed.

((~~**13.03.0704 Special Connection Charge Authorized – Basis**~~

~~A. In addition to sewer connection permit fees required by this code, there is imposed, and the owners of properties which have not been assessed or charged or borne an equitable share of the cost of the City's sewerage system must pay prior to connection to a City sewer, a special connection charge in an amount to be computed under SMC 13.03.0712.~~

~~B. Property owners subject to the special connection charge must execute and record all appropriate documents required by this chapter necessary to secure full payment and costs of collection, including reasonable attorney's fees.~~

~~C. Projects subject to the special connection charge are specifically identified by the City and are subject to the express review and approval of the city council.~~))

Section 3: That SMC section 13.03.0706 entitled "Notice" is repealed.

((~~**13.03.0706 Notice**~~

~~A. The City records appropriate notice with the county auditor concerning real property (which has been specifically identified by the director of engineering services and approved by the city council as property for which sewer facilities either have been constructed or which it contemplates will be constructed) for which a special connection charge will be levied upon connection of such property to the City sewer system, pursuant to the requirements of RCW 65.08.170 and RCW 65.08.180.~~

~~B. Such notice shall be effective until there is recorded with the county auditor a certificate of payment and release executed by the City, which certificate must be recorded within thirty days of full payment of such special connection charge.~~))

Section 4: That SMC section 13.03.0708 entitled "Payment" is repealed.

((~~**13.03.0708 Payment**~~

~~A. Cash or Contract.~~
   ~~1. The special connection charge is paid in cash or under installment contract within the discretion of the City.~~
      ~~a. Interest charged under an installment contract is at the same rate as the effective annual interest of the most recent City of Spokane local improvement district bond issue, computed annually on unpaid balances.~~
   ~~2. Such contract must provide:~~
      ~~a. for a down payment of twenty percent of the total connection charge, payable upon execution of the contract;~~
      ~~b. for payment of the balance in ten installments, payable annually;~~
      ~~c. that any unpaid balance may be paid in full in any year at the time the annual payment of such year is due and payable.~~

~~Such contract contains the legal description of the property served by the sewer, is executed and acknowledged by the property owner and is recorded by the City with the county auditor, at the expense of the property owner.~~

3. ~~The special connection charge is paid in full or the installment contract is executed, as a condition precedent to the issuance of a permit for connection to the City sewer system.~~

~~B. Unpaid Charges.~~

1. ~~Delinquent payments of special collection charges under such installment contract or otherwise unpaid special collection charges are a lien upon the described property as provided in RCW 35.67.220, enforceable in accordance with RCW 35.67.220 through RCW 35.67.280.~~
2. ~~Upon full payment of the charges due, the finance, treasury and administration division director on behalf of the City executes and delivers to the property owner a release of such lien.~~))

Section 5: That SMC section 13.03.0710 entitled “Project Accrued Interest” is repealed.

((**~~13.03.0710 Project Accrued Interest~~**

~~A. In addition to interest charges allowable under payment by installment contract, the amount of the special connection charge includes the project accrued interest on the construction costs, computed from the date of construction of the sewer system until the date of connection, except that the computation period shall not exceed ten years.~~

~~B. The project accrued interest is set by the City treasurer at a rate commensurate with the interest rate of the local improvement district bond issue most recent to the date of city council approval of the project for special connection charges, or as otherwise determined pursuant to RCW 35.92.025, except the:~~

1. ~~interest may not exceed ten percent, and~~
2. ~~aggregate amount of interest charge to a property may not exceed the share of the cost of the system allocated to that property.~~))

Section 6: That SMC section 13.03.0712 entitled “Special Connection Charge – Computation” is repealed.

((**~~13.03.0712 Special Connection Charge – Computation~~**

~~A. Determination by Director of Engineering Services.~~

~~The special connection charge imposed pursuant to this chapter is paid into the sewer fund and is computed based on the areas to be served by the sewer, which determination is made by the director of engineering services. Notwithstanding the methods of computing the special connection charge provided below, the City may use any other method or combination of methods to compute special connection charges which may be deemed to most fairly reflect the sewer service to the properties subject to the special connection charge. The amount may be computed as follows:~~

1. ~~Method I: Lineal Front Footage – Square Footage.~~
   a. ~~Lateral Sewers.~~

      ~~The lineal feet of frontage of property to be served by the sewer, as determined by the director of engineering services, is multiplied by the average cost per front foot of lateral sewers constructed in the City for the year in which the sewer to which the property is to be connected was constructed and accepted.~~

      i. ~~Exhibit “A” to Ordinance C26649 shall set forth those costs per front foot of lateral sewers previously completed and accepted by the City.~~

   b. ~~Trunk Sewers.~~

      ~~The number of square feet of property to be served, as determined by the director of engineering services, is multiplied by the cost per square foot of service area (in the year of actual construction) of the trunk sewer to which a connection is being made.~~

i. ~~Exhibit "A" to Ordinance C26649 shall set forth those costs per area served of trunk sewers previously completed and accepted by the City.~~

2. ~~Method II: Actual Cost.~~
~~For those specifically identified projects (as determined by the director of engineering services) where the computation of special connection charges for trunk sewer can be determined based on actual cost and where the City can identify at the outset of the project the service area and those properties for which the sewer facilities have been constructed, the special connection charge may be computed as follows:~~
   a. ~~Trunk Sewers.~~
   ~~The trunk service area is divided generally into those zones which are immediately serviceable by the trunk (with the addition of lateral lines) and those zones which are not serviceable by the existing trunk without an extension or subtrunk (plus the necessary laterals). Each separate lot, tract, parcel or other property within the trunk sewer service area is divided into those zones, as determined by the director of engineering services.~~
      i. ~~Based upon the specific project cost, the director of engineering services computes an estimated cost of completing the trunk system necessary to serve the entire service area.~~
      ii. ~~A cost per acre is then computed for the entire service area and this cost is the basis for special connection charges within the zone receiving immediate trunk sewer service from the completed project.~~
      iii. ~~The special connection charges outside the immediately serviceable zone are based upon the average cost per acre after the charges for the immediately serviceable zone are deducted from the specific project costs.~~
   b. ~~Lateral Service in Conjunction with Trunk Service.~~
   ~~Where lateral service is provided together with trunk sewer service (i.e., a side sewer connecting directly into the trunk line), a lateral service fee may be charged as a part of the special connection fee.~~
      i. ~~This lateral fee is determined by multiplying the average cost, per square foot of area served, of lateral sewers constructed and accepted in the City in the year in which the sewer being connected to was constructed and accepted, by the area being served by the new connection.~~
   c. ~~The projects described above are subject to the approval of the city council for this charge and are specified in Exhibit "B" to Ordinance C26649.~~

B. ~~Annual Average.~~
~~The director of engineering services is authorized to annually compute and establish the average cost per area for lateral and trunk sewers completed by local improvement district and accepted by the City during the previous calendar year, which average assessment is used in computing the special connection charge imposed under this section.~~
1. ~~The director of engineering services is also authorized to compute and establish the special connection charges based on actual construction costs for lateral and trunk sewers, constituting special projects for which properties subject to the special connection charge can be identified at the outset of the project.~~
2. ~~Such actual costs and the manner in which the special connection charges will be computed are determined by the director of engineering services upon completion and acceptance of the project by the City.~~
3. ~~Such special projects shall be designated by project name and shall conform to the notice requirements of SMC 13.03.0706.~~
4. ~~A copy of the rates for computation of special connection charges is delivered and filed with the city clerk. Annual rate computations based on average costs are filed with the city clerk each year.~~))

Section 7: The changes in this ordinance shall take effect _______ day of ___________, 2026.

Passed by City Council July 22, 2026
Delivered to Mayor July 24, 2026

ORDINANCE NO. C36896

An Ordinance of the City of Spokane making technical corrections to the notice requirements for residential evictions, and amending sections 10.57.220 and 10.57.230 of the Spokane Municipal Code.

WHEREAS, on February 2, 2026, the City Council adopted Ordinance C36808 relating to evictions, establishing new requirements to help prevent evictions of tenants from residential tenancies, and enacting new sections 10.57.200 through 10.57.250 of the Spokane Municipal Code; and

WHEREAS, certain sections of Ordinance C36808, namely sections 10.57.210, 10.57.220 and 10.57.230, contain ambiguities that could make it hard for tenants and landlords alike to understand their obligations under the new provisions; and

WHEREAS, certain providers of subsidized housing regularly include eviction prevention services as part of their services to tenants, and it makes more sense to allow such landlords an opportunity to participate in eviction prevention resolution before issuing formal paperwork to commence evictions; and

WHEREAS, it is the objective of the City of Spokane to clarify those sections to ensure that the notice requirements are clear;

NOW, THEREFORE, the City of Spokane does ordain as follows:

Section 1. That section 10.57.220 of the Spokane Municipal Code is amended to read as follows:

Section 10.57.220 Notice of Eviction Prevention Resources to Tenant

Landlords shall provide written notice of contact information for all city managed eviction prevention programs ((~~, rental assistance application procedure,~~)) and state-funded pre-eviction legal aid programs:

A. At the time of lease/rental agreement signing or commencement of a tenancy, <u>whichever is earlier</u>;

B. At the time of renewal of any tenancy; and

C. At the time of <u>or prior to</u> service of a notice to pay or vacate pursuant to RCW 59.18.057. Any notice provided for in this subsection shall comply with statutory prerequisites pursuant to RCW 59.18 and 59.20 as required to commence an unlawful detainer action, and be served in the manner set forth in RCW 59.12.040; and

D. At the time of providing a notice to increase rent pursuant to SMC 10.57.160; and

E. Prior to seeking a mutual termination agreement to avoid the unlawful detainer process.

Section 2. That section 10.57.230 of the Spokane Municipal Code is amended to read as follows:

Section 10.57.230 Participation in Eviction Prevention Program

Either landlord or tenant may initiate eviction prevention assistance, as follows:

A. A landlord may initiate eviction prevention program by notifying the tenant in writing prior to or at the time of notice to pay or vacate, as provided in Section 10.57.220. Such notice shall include the name, contact information, and the applicable case number (if known) of the prevention program provider chosen by the landlord.

B. A tenant who receives notice of landlord's election to participate in eviction prevention must notify the landlord in writing within five (5) days if the tenant desires to participate in the eviction prevention program. If a tenant does not receive notice from the landlord as provided in subsection A above, a tenant may initiate eviction prevention by notifying the landlord in writing of the tenant's desire to participate in eviction prevention within ten (10) calendar days of receipt of the notice ((~~to pay or vacate as~~)) provided in Section 10.57.220 <u>(C)</u>. The tenant's notice shall include the name, contact information, and the applicable case number (if known) of the prevention program provider chosen by the tenant.

C. Unless exempted under section 10.57.240, the landlord shall not commence an unlawful detainer action, or seek to otherwise remove a residential tenant unless the following have occurred:
   1. The landlord has enrolled with the pre-filing eviction prevention program and provided notice of prevention resources to the tenant consistent with section SMC 10.57.220; and
   2. The landlord:
      i. Initiated eviction prevention and the tenant failed to notify the landlord under subsection B, or
      ii. After receipt of tenant's notice under subsection B above, participated in the eviction prevention program in good faith prior to that date which is thirty (30) calendar days from the date of notice in Section 10.57.220 (C).

D. The landlord must provide the tenant with a notice of eviction prevention resources under 10.57.220 regardless of the landlord or tenants' participation in the eviction prevention program.

Section 3. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase or word of this ordinance.

Section 4. Clerical Errors. Upon approval by the city attorney, the city clerk is authorized to make necessary corrections to this ordinance, including scrivener's errors or clerical mistakes; references to other local, state, or federal laws, rules, or regulations; or numbering or referencing of ordinances or their sections and subsections.

Passed by City Council July 22, 2026
Delivered to Mayor July 24, 2026

CITY OF SPOKANE
WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2026

ORDINANCE NO. C36897

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON, AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF NOT TO EXCEED $106,000,000 OF THE CITY'S WATER AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2026 TO PAY, DEFEASE, REDEEM AND RETIRE ALL OR A PORTION OF THE CITY'S OUTSTANDING WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2014; PROVIDING FOR THE DEFEASANCE, CALL, PAYMENT AND REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE OPTION OF SELLING THE BONDS BY COMPETITIVE OR NEGOTIATED SALE; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO DETERMINE THE MANNER OF SALE AND TERMS OF THE BONDS UNDER THE CONDITIONS SET FORTH HEREIN; DESIGNATING A FISCAL AGENT; PROVIDING FOR THE REGISTRATION AND AUTHENTICATION OF THE BONDS; CREATING AND ADOPTING CERTAIN FUNDS AND ACCOUNTS AND PROVIDING FOR DEPOSITS THEREIN; COVENANTING TO COMPLY WITH CERTAIN FEDERAL TAX AND SECURITIES LAWS; DELEGATING CERTAIN ACTIONS IN CONNECTION WITH THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

Passed: July 22, 2026

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Spokane, Washington

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WHEREAS, the City of Spokane, Washington (the "**City**") is a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the "**State**") and the Charter of the City; and

WHEREAS, the City now owns and operates a combined system of water supply and distribution system and wastewater treatment and disposal (the "**System**"); and

WHEREAS, the City is authorized and empowered by chapters 35.41, 39.46 and 39.53 RCW to issue revenue refunding bonds to redeem or retire the Refunded Bonds (as hereinafter defined);

WHEREAS, the City now has outstanding its Water and Wastewater System Revenue Bonds, Series 2014 (Green Bonds), issued on December 2, 2014, pursuant to Ordinance No. C35170, passed by the City Council of the City (the "**Council**") on October 27, 2014 (the "**2014 Bond Ordinance**"), in the original aggregate principal amount of $181,225,000 (the "**2014 Bonds**"), which remain outstanding as follows:

Outstanding 2014 Bonds

Years (December 1)	Amounts	Interest Rates	CUSIP Nos.
2026	$9,645,000	3.00%	849103 AM8
2027	9,935,000	3.15	849103 AN6
2028	10,250,000	4.50	849103 AP1
2029	10,710,000	4.50	849103 AQ9
2030	11,190,000	4.00	849103 AR7
2031	11,640,000	4.00	849103 AS5
2032	12,105,000	4.00	849103 AT3
2033	12,590,000	3.75	849103 AU0
2034	13,060,000	3.75	849103 AV8

; and

WHEREAS, the Council wishes to delegate authority to the Designated Representative (as hereinafter defined) to approve the final principal amount of the Bonds, the date of the Bonds, denominations, the interest rates, the number of series, the series designation, the tax status of each series, payment dates, redemption provisions, minimum savings and maturity dates of the Bonds under such terms and conditions as are approved by this Ordinance; and

WHEREAS, the Council is desirous of taking all reasonable actions to enable it to defease and/or refund the Refunded Bonds in order to obtain maximum savings for the ratepayers of the City; and

WHEREAS, the Council has determined it to be in the best interest of the City to sell the Bonds at competitive sale or negotiated sale;

NOW, THEREFORE, THE CITY OF SPOKANE DOES HEREBY FURTHER FIND, DETERMINE AND ORDAIN as follows:

Section 1: Definitions

As used in this Ordinance, the following terms have the meanings provided in this Section 1.

Accreted Value means (1) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in the ordinance authorizing their issuance as the amount representing the initial principal amount of such Capital Appreciation Bonds plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (2) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Bonds plus the amount of discounted principal that has accreted since the date of issue. In any case, the Accreted Value shall be determined in accordance with the provisions of the ordinance authorizing the issuance of Balloon Maturity Bonds.

Annual Debt Service means, the sum of (1) the interest accruing on all Parity Bonds during any calendar year, assuming that all Parity Bonds are retired as scheduled, plus (2) the principal amount (including principal due as sinking fund installment payments) allocable to all Parity Bonds then outstanding, minus (3) any federal subsidy legally available to pay the principal of or interest on Parity Bonds in the year of calculation. Annual Debt Service shall be net of any principal and/or interest funded out of Bond proceeds. Annual Debt Service shall include reimbursement obligations to providers of Credit Facilities to the extent authorized by ordinance. Annual Debt Service shall exclude the payments required to be made with respect to revenue bond anticipation notes to the extent that the ordinance authorizing their issuance provides that the bond anticipation notes will be funded with the proceeds of Future Parity Bonds.

Approved Bid means the winning bid submitted for a series of the Bonds if such series is sold by competitive sale, as selected by the Designated Representative.

Average Annual Debt Service shall mean the average amount of the Annual Debt Service which will become due on the Parity Bonds for the period from the date of such calculation until the final maturity date of such Parity Bonds then Outstanding.

Balloon Maturity Bonds means any evidences of indebtedness of the City payable from Revenue of the System which are so designated in the ordinance or resolution pursuant to which such indebtedness is incurred.

Base Period means any consecutive 12-month period selected by the City out of the 36-month period next preceding the date of issuance of an additional series of Future Parity Bonds.

Bond Counsel shall mean Kutak Rock LLP or such other nationally recognized bond counsel firm as designated by the Council.

Bond Purchase Contract means the contract between the City and the Underwriter pertaining to the sale and delivery of the Bonds, if the Bonds are sold by negotiated sale (including a private placement), as more fully described in Section 4 of this Ordinance.

Bond Register means the registration records maintained by the Registrar on which shall appear the names and addresses of the Registered Owners.

Bonds shall mean the herein authorized Bonds designated as the "City of Spokane, Washington, Water and Wastewater System Revenue Refunding Bonds, Series 2026" or such other designation as the Designated Representative shall determine.

Capital Appreciation Bonds means any Future Parity Bonds, all or a portion of the interest on which is compounded, accumulated and payable only upon redemption or on the maturity date of such Capital Appreciation Bonds. If so provided in the ordinance authorizing their issuance, Future Parity Bonds may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on which Future Parity Bonds no longer are Capital Appreciation Bonds, they shall be deemed outstanding in a principal amount equal to their Accreted Value.

Chief Financial Officer means the duly qualified, appointed and acting Chief Financial Officer of the City or any other officer who succeeds to the duties now delegated to that office.

City means the City of Spokane, a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington and the Charter of the City.

City Clerk means the Clerk of the City or other officer of the City who is the custodian of the records of the proceedings of the Council or her successor in functions, if any.

Code shall mean the Internal Revenue Code of 1986, as amended, and any treasury regulations promulgated thereunder or applicable thereto.

Continuing Disclosure Undertaking shall mean the Continuing Disclosure Undertaking substantially in the form attached hereto as Exhibit "C."

Consultant means at any time an independent municipal financial consultant or advisor appointed by the City to perform the duties of the Consultant as required by this Ordinance. For the purposes of delivering any certificate required by Section 24 hereof and making the calculation required by Section 24 hereof, the term Consultant shall also include any independent public accounting firm or engineer appointed by the City to make such calculation or to provide such certificate.

Costs of Maintenance and Operation shall mean all necessary operating expenses, current maintenance expenses, expenses of reasonable upkeep and repairs, and insurance and administrative expense with respect to the System, but excludes depreciation, payments for debt service or into reserve accounts, costs of capital additions to or replacements of the System, municipal taxes, or payments to the City in lieu of taxes.

Council means the City Council as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

Coverage Stabilization Account shall mean the account of that name that shall, at the option of the Designated Representative, be created in the Revenue Fund and maintained pursuant to this Ordinance.

Covered Bonds means the Bonds, if designated as such by the Designated Representative, and any Future Parity Bonds, if designated as such in the ordinance authorizing their issuance, which are secured by the Reserve Account.

Credit Event means when (a) a Qualified Letter of Credit terminates, (b) the issuer of Qualified Insurance or a Qualified Letter of Credit shall become insolvent or no longer be in existence, or (c) a Qualified Letter of Credit or Qualified Insurance no longer meets the requirements established therefor in the definition thereof.

Credit Facility means a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee or other financial instrument or any combination of the foregoing, which obligates a third party to make payment or provide funds for the payment of financial obligations of the City. There may be one or more Credit Facilities outstanding at any time.

Designated Representative means the Chief Financial Officer or the Director of the Public Works Division.

Director of the Public Works Division means the duly qualified, appointed and acting Director of the Public Works Division of the City or any other officer who succeeds to the duties now delegated to that office.

DTC means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, which will act as securities depository for the Bonds.

Escrow Account means the City's "Water and Wastewater System Revenue and Refunding Bonds Escrow Account" which may be created by the Refunding Trustee to accomplish the defeasance and/or refunding of the Refunded Bonds.

Escrow Agreement means the agreement of that name by and between the City and the Refunding Trustee, which may be executed by the Designated Representative, if deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds.

Future Parity Bonds means any water and wastewater system revenue bonds or other obligations which the City may hereafter issue having a lien upon the Revenue of the System for the payment of the principal thereof and interest thereon equal to the lien upon the Revenue of the System to pay the principal of and interest on the Bonds.

Good Faith Deposit has the meaning ascribed thereto in Section 6 hereof.

Government Loans means the PWTF Loans, State Revolving Fund Loans, and other subordinate lien revenue loans currently outstanding or received by the City in the future from the state of Washington or the United States of America.

Government Obligations means those obligations now or hereafter defined as such in Chapter 39.53 RCW.

Letter of Representations means the Blanket Issuer Letter of Representations from the City to DTC.

Maximum Annual Debt Service means, at the time of calculation, the maximum amount of Annual Debt Service in any fiscal year on all outstanding Parity Bonds and/or for all subordinate lien evidences of indebtedness secured by Revenue of the System, as the context requires.

Mayor means the Mayor of the City or her successor in functions, if any.

Municipal Advisor means Northwest Municipal Advisors, Bellevue, Washington, as the City's municipal advisor with respect to the issuance of the Bonds, or such other municipal advisor as designated by the Council.

MSRB shall mean the Municipal Securities Rulemaking Board or any successor in functions thereto.

Net Revenue shall mean the Revenue of the System less the Costs of Maintenance and Operation.

Official Notice of Sale means, if the Bonds are sold by competitive sale, the notice of bond sale to be submitted to potential bidders for the Bonds and authorized to be given in Section 4 of this Ordinance.

Ordinance means this Ordinance adopted by the Council on July 22, 2026, authorizing the sale, issuance and delivery of the Bonds.

Original Issue Discount Bonds means Parity Bonds which are sold at an initial public offering price of less than 95% of their face value and which are specifically designated as Original Issue Discount Bonds in the ordinance authorizing their issuance.

Outstanding, when used with reference to a Bond, or a Parity Bond, as of any particular date, shall mean all such bonds that have been issued, executed, authenticated and delivered under this Ordinance or under any ordinance authorizing the issuance of any Parity Bonds, except (1) Bonds or Parity Bonds canceled because of payment or redemption prior to their stated dates of maturity, (2) any Bond (or portion thereof) deemed to have been paid within the meaning of Section 21 hereof, and (3) any Parity Bond (or portion thereof) deemed to have been paid pursuant to the ordinance under which it was issued.

Parity Bonds shall mean the Bonds, any 2014 Bonds that remain Outstanding following the issuance of the Bonds, and any Future Parity Bonds.

Parity Requirement means Net Revenues equal to or greater than 125% of Annual Debt Service for all Parity Bonds computed by deducting from Annual Debt Service the Annual Debt Service for each series or issue of Parity Bonds that is covered by ULID Assessments. In determining the amount of Annual Debt Service covered by ULID Assessments, Annual Debt Service for each future year is reduced by the dollar amount of ULID Assessments projected to be received during such future year, and the remaining outstanding ULID Assessments are assumed to be paid in the remaining number of annual installments with no prepayments. For purposes of determining whether the Parity Requirement has been met, transfers from the Coverage Stabilization Account shall not be taken into account.

Participants means those broker-dealers, banks and other financial institutions from time to time for which DTC holds the Bonds as securities depository.

PWTF Loans mean the loans from the State of Washington Department of Commerce under the Public Works Trust Fund loan program pursuant to any loan agreements existing as of the effective date of this Ordinance or hereafter entered into by the City under the Public Works Trust Fund loan program.

Qualified Insurance shall mean any noncancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies), which insurance company or service corporation, as of the time of issuance of such policy or surety bond, is rated in one of the two highest rating categories by Moody's Ratings, S&P Global Ratings, or Fitch Ratings or their comparably recognized business successors.

Qualified Letter of Credit shall mean any irrevocable letter of credit issued by a financial institution for the account of the City on behalf of the owners of any Parity Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the two highest rating categories by Moody's Ratings, S&P Global Ratings, or Fitch Ratings or their comparably recognized business successor.

Rate Covenant means Net Revenue in each fiscal year at least equal to 125% of the amounts required in such fiscal year to be paid as scheduled debt service (principal and interest) on all Parity Bonds, subtracting from scheduled debt service the amount of ULID Assessments collected in such year. Furthermore, in determining compliance with the Rate Covenant, Net Revenues are subject to adjustment to reflect the following: Revenue of the System and Costs of Maintenance and Operation may be adjusted, regardless of then applicable generally accepted accounting principles, for certain items (e.g., to omit unrealized gains or losses in investments) to more fairly reflect the System's annual operating performance. Scheduled debt service shall exclude the payments required to be made with respect to revenue bond anticipation notes to the extent that the proceedings authorizing their issuance provides that the bond anticipation notes will be funded with the proceeds of Future Parity Bonds. For purposes of determining compliance with the Rate Covenant, amounts withdrawn from the Coverage Stabilization Account shall increase Revenue of the System for the period in which they are withdrawn, and amounts deposited in the Coverage Stabilization Account shall reduce Revenue of the System for the period during which they are deposited. Credits to or from the Coverage Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within such fiscal year.

Redemption Date means the date on which the Refunded Bonds will be redeemed, as selected by the Designated Representative.

Refunded Bonds means all or a portion of the 2014 Bonds maturing on and after December 1, 2026, as selected by the Designated Representative.

Refunding Trustee has the meaning ascribed thereto in Section 9 hereof.

Registered Owner means the person named as the registered owner of a Bond on the Bond Register.

Registrar means the Washington State Fiscal Agent, acting in the capacity as registrar, authenticating agent, paying agent and transfer agent of the Bonds, or its successors in functions, as now or hereafter designated.

Reserve Account shall mean the account of that name previously created in the Revenue Bond Fund and maintained pursuant to this Ordinance.

Reserve Requirement means the dollar amount to be calculated with respect to all Covered Bonds and separately with respect to other Parity Bonds.

(a) With respect to Covered Bonds, the Reserve Requirement shall be equal to the lesser of:

(i) Maximum Annual Debt Service for Covered Bonds,

(ii) 10% of the initial principal amount of Covered Bonds of each series, and

(iii) 125% of average annual debt service for Covered Bonds;

provided, however, that 10% of the initial principal amount of Covered Bonds of each series may be contributed to the Reserve Account from any series of Covered Bonds.

(b) With respect to other series of Parity Bonds, the Reserve Requirement shall be equal to the amount specified in the ordinance authorizing the issuance of that series of Parity Bonds.

The Reserve Requirement shall be adjusted accordingly and remain in effect until the earlier of (i) at the City's option, a payment of principal of Parity Bonds, or (ii) the issuance of a subsequent series of Future Parity Bonds, at which time the Reserve Requirement shall be re-calculated.

Revenue Bond Fund means the "Water Revenue Bond Fund" previously created in the office of the Treasurer by Section 1 of Ordinance No. C34024 and previously renamed as the "Water-Wastewater Revenue Bond Fund" in the 2014 Bond Ordinance for the sole purpose of paying and securing the payment of the principal of, premium, if any, and interest on Parity Bonds.

Revenue Fund means the Water and Wastewater Revenue Fund of the City created by Section 1 of Ordinance No. C-34981, and known as the Water-Wastewater Fund and shall include cash accounts therein.

Revenue of the System means all of the earnings, revenues and money received by the City from or on account of the ownership and operation of the System and connection and capital improvement charges collected for the purpose of defraying the cost of capital facilities of the System; including to the extent of internally approved policies of the City, investment earnings and income from investments of money in the Revenue Fund and the Revenue Bond Fund or from any other investment of Revenues; but excluding government grants, any federal subsidy legally available to pay the principal of or interest on Parity Bonds, proceeds from the sale of System property, City taxes collected by or through the System, principal proceeds of bonds and earnings or proceeds from any investments in a trust, defeasance or escrow fund created to defease or refund System obligations (until commingled with other earnings and revenues of the System) or held in a special account for the purpose of paying a rebate to the United States Government under the Code. *Revenue of the System* shall also include any federal or state reimbursements of operating expenses to the extent such expenses are included as *Costs of Maintenance and Operation of the System*; provided, however, that Revenue of the System shall not include ULID Assessments.

Rule shall mean the SEC's Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time-to-time.

SEC shall mean the Securities and Exchange Commission.

Serial Bonds means any Bonds other than Term Bonds.

State means the state of Washington.

State Revolving Fund Loans mean the loans outstanding as of the date of this Ordinance or hereafter entered into by the City under the State of Washington Department of Ecology Clean Water State Revolving Fund Loan Program as part of the State's participation in the federal Clean Water State Revolving Fund established by the Clean Water Act amendments of 1987.

System means the combined utility of the City's existing water supply and distribution system and the sanitary sewage transmission, treatment and disposal system, inclusive of stormwater, of the City, as they now exist and as they may be added to, improved and extended, for as long as any Parity Bonds are outstanding.

Term Bonds means the Bonds specifically designated as such in the Official Notice of Sale and the Approved Bid or the Bond Purchase Contract, as applicable.

Treasurer means the Treasurer of the City, and any successor treasurer of the City in accordance with applicable law.

True Interest Cost means the yield that, when discounting all future principal and interest payments to the delivery date of the Bonds, produces a present value equal to the principal amount of the Bonds, less any Bond insurance policy premium, less the successful bidder's discount, plus any original issue premium, less any original issue discount, plus accrued interest.

ULID means a utility local improvement district of the City.

ULID Assessments means the assessments levied in all ULIDs, the assessments in which are payable into the Revenue Bond Fund, and shall include installments thereof and interest and any penalties thereon.

Underwriter means the firm submitting the Approved Bid for the Bonds, or if it is determined that a negotiated sale (including a private placement) is in the best interest of the City, the underwriting firm or bank entering into the Bond Purchase Contract.

2014 Bond Ordinance means Ordinance No. C35170, passed by the Council on October 27, 2014.

2014 Bonds means the City's Water and Wastewater System Revenue Bonds, Series 2014 (Green Bonds), issued on December 2, 2014, pursuant to the 2014 Bond Ordinance.

Section 2: Interpretation

For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

A. *Internal References.* All references in this Ordinance to designated “Sections” and other subdivisions are to the designated sections and other subdivisions of this Ordinance. The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder” and other words of similar import refer to this Ordinance as a whole and not to any particular section or other subdivision.

B. *Persons.* 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.

C. *Headings.* Any headings preceding the texts of the several sections of this Ordinance and the table of contents 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.

D. *Writing Requirement.* Every “notice,” “certificate,” “consent” or similar action hereunder by the City shall, unless the form thereof is specifically provided, be in writing signed by an authorized representative of the City.

E. *Time.* In the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and each of the words “to” and “until” means “to but excluding.”

F. *Redemption.* Words importing the redemption or redeeming of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

G. *Payment Terms.* References to the payment of the Bonds shall be deemed to include references to the payment of interest thereon.

H. *Gender.* Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa, unless the context shall otherwise dictate.

Section 3: The Purpose of the Bonds

The Bonds are being issued to provide money to pay, defease, redeem and/or retire the Refunded Bonds, fund the Reserve Requirement, if any, and pay certain expenses incurred in connection with the issuance of the Bonds and the defeasance and/or refunding of the Refunded Bonds, all as set forth more specifically herein.

Section 4: Authorization of the Bonds

A. *General Terms.* Water and wastewater system revenue bonds of the City, designated “City of Spokane, Washington, Water and Wastewater System Revenue Refunding Bonds, Series 2026,” (or such other designation as the Designated Representative shall determine) are hereby authorized to be sold, issued and delivered pursuant to chapters 35.41, 39.46 and 39.53 RCW, in the event that an Approved Bid for the Bonds is accepted, or a Bond Purchase Contract is executed if the Bonds are sold by negotiated sale (including a private placement), as provided in this Section 4. The Bonds shall be issued in the aggregate principal amount of not to exceed $106,000,000; shall be dated as of their date of delivery; shall be issued in fully registered form; shall be in the denomination of $5,000 each, or any integral multiple thereof within a single maturity; and shall be numbered separately in such manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Bonds shall be in substantially the form of Exhibit “A” attached hereto and by this reference incorporated herein.

B. *Competitive Sale.* The Designated Representative is authorized to cause the Official Notice of Sale for the Bonds to be prepared and published, and provide for such other matters pertaining to the competitive sale as deemed necessary or desirable. The Official Notice of Sale shall establish:

(1) that the True Interest Cost of the Bonds shall not exceed 4.00%;

(2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;

(3) the date or dates upon which the Bonds shall mature;

(4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;

(5) the date on which interest shall first be payable for each Bond, which date shall be no later than December 1, 2027;

(6) the yield and price for each maturity of the Bonds, which price shall be not less than 95% nor more than 140% of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00% of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to accept the Approved Bid for the Bonds, which Approved Bid must state the rate or rates of interest the Bonds shall bear and any premium or discount the Bonds shall bear.

C. *Negotiated Sale.* In the event the Designated Representative determines that it is in the best interest of the City and its ratepayers to sell the Bonds by negotiated sale (including a private placement), the Designated Representative, upon the approval of the Mayor, is hereby authorized to select a bank for placement, or an underwriter, and to enter into a Bond Purchase Contract as provided in this Section 4. The Bond Purchase Contract shall establish the following:

(1) the True Interest Cost of the Bonds, which shall not exceed 4.00%;

(2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;

(3) the date or dates upon which the Bonds shall mature;

(4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;

(5) the date on which interest shall first be payable for each Bond, which date shall be no later than December 1, 2027;

(6) the yield and price for each maturity of the Bonds, which price shall be not less than 95% nor more than 140% of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00% of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to approve additions, deletions or alterations to the Bond Purchase Contract or any other document or certificate related thereto so long as such additions, deletions or alterations do not substantially alter the intent and substance of this Ordinance.

D. *Findings.* The Council hereby finds that the determinations made in this Ordinance are the determinations set forth in RCW 39.46.040; and as such, the Council has fully and properly authorized the sale, issuance and delivery of the Bonds.

E. *Negotiable Instruments.* The Bonds shall be negotiable instruments to the extent provided by chapter 62A.3 RCW.

Section 5: Redemption Prior to Maturity

A. *Redemption.* The Bonds shall be subject to redemption at the times and in such amounts as provided in the Official Notice of Sale and the Approved Bid, or, if the Bonds are sold by negotiated sale (including a private placement), in the Bond Purchase Contract.

B. *Partial Redemption.* In accordance with the preceding paragraph, portions of the principal amount of any Bond, in installments of $5,000 or any integral multiple of $5,000 within a maturity, may also be redeemed. If less than all the principal amount of any Bond is redeemed, upon surrender of such Bond at the designated corporate trust office of the Registrar, there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the Registered Owner, with like maturity and interest rate, in any denomination authorized by this Ordinance.

C. *Notice of Redemption.* Except as set forth in subsection D below, and unless waived by the Registered Owner of any Bond to be redeemed, written notice of any such redemption shall be sent by the Registrar by first-class mail, postage prepaid, not less than 20 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. The requirements of this subsection shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether it is actually received by the Registered Owner of any Bond to be redeemed. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the written notice, and if funds for the redemption are not irrevocably deposited with the Registrar or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the City. The Designated Representative is hereby authorized to agree to redemption provisions they deem to be in the best interest of the City.

Any notice given pursuant to this subsection may be rescinded by written notice given by the City to the Registrar on or prior to the date specified for redemption. The Registrar shall give notice of such rescission as soon thereafter as practicable, and to the same Registered Owners, as notice of such redemption was given pursuant to this subsection.

D. *Special Notice of Redemption to DTC*. For so long as DTC is the securities depository for the Bonds, the Registrar shall send redemption and defeasance notices to DTC in the manner required by the Letter of Representations.

E. *Continuing Disclosure Undertaking*. Except in the case of a private placement, for so long as Section 28 of this Ordinance remains in effect, each redemption notice shall also be provided to EMMA by the City in the manner and timeframe specified in the Continuing Disclosure Undertaking; provided, neither any defect in such notice nor any failure to give all or any portion of such notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in subsection C above.

F. *Effect of Redemption.* When so called for redemption, the Bonds shall cease to accrue interest on the specified redemption date, provided money for redemption is on deposit at the place of payment at that time, and shall not be deemed to be Outstanding as of such redemption date.

G. *Voluntary Redemption Notice.* In addition to the notice required by subsection C above, further notice may be given by the Registrar as set out below, but neither any defect in such 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 prescribed in subsection C hereof.

(1) Each further notice of redemption given hereunder may contain the following information: (a) the redemption date; (b) the redemption price; (c) if less than all Bonds Outstanding are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (d) notification that, on the redemption date, the redemption price will 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 such date; (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated corporate trust office of the Registrar; (f) the CUSIP numbers, if any, of all Bonds being redeemed; (g) the date of issue of the Bonds as originally issued; (h) the rate of interest borne by each Bond being redeemed; (i) the maturity date of each Bond being redeemed; and (j) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption may be sent at least 20 days before the redemption date by registered or certified mail or overnight delivery service to: (a) all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, such depositories now being DTC; and (b) one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Each such further notice may be published one time in *The Bond Buyer* in New York, New York, or, if such publication is impractical or unlikely to reach a substantial number of the Registered Owners, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 20 days prior to the date fixed for redemption.

H. *Open Market Purchase and Cancellation*. The City hereby reserves the right and option to purchase any or all of the Bonds on the open market at any time and at any price. To the extent the City partially redeems Term Bonds or Balloon Maturity Bonds, pursuant to this Ordinance, the City may, at its discretion, reduce the amount of any mandatory sinking fund deposit or deposits by an aggregate principal amount equal to the principal amount of the Term Bonds so redeemed. All Bonds purchased or redeemed under this Section shall be canceled.

Section 6: Sale of the Bonds

A. *Competitive Sale Authorized*. The Bonds may be sold by competitive sale. In any such competitive sale, the Bonds will be awarded to the bidder whose bid will result in the lowest True Interest Cost to the City. In the event that two or more bidders offer bids at the same lowest True Interest Cost, the City will award the Bonds to the bidder submitting the bid resulting in the highest net present value savings to the City. The Underwriter must pay accrued interest, if any, computed on a 360-day year and 30-day month basis, or as otherwise designated by the Designated Representative, from the date of the Bonds to the date of delivery.

(1) *Notice of Sale*. The City hereby authorizes the Designated Representative, with the assistance of the Municipal Advisor, if the Bonds are sold by competitive sale, to cause the Official Notice of Sale to be disseminated to prospective purchasers of the Bonds in such manner as it deems to be in the best interest of the City.

(2) *Good Faith Deposit*. Each bid must be unconditional and the successful bidder shall, within three hours of the award of the Bonds, make a good faith deposit (the "**Good Faith Deposit**") by federal wire or by a certified or bank cashier's check in immediately available funds payable to the City in an amount set forth in the Official Notice of Sale, which amount shall not be less than 0.5% of the principal amount of the Bonds.

The Good Faith Deposit of the successful bidder will become the property of the City and will be credited to the purchase price of the Bonds at the time of delivery of the Bonds. No interest will be paid by the City on a bidder's Good Faith Deposit. If the purchase price is not paid in full upon tender of the Bonds, the successful bidder shall have no right to the Bonds or to the recovery of the Good Faith Deposit, or to any allowance or credit by reason of the Good Faith Deposit, unless it appears the Bonds would not be validly issued if delivered to the Underwriter in the form and manner proposed. However, in the event of such nonpayment, the City reserves any and all rights granted by law to recover the agreed purchase price of the Bonds, and, in addition, any damages suffered by the City.

(3) *Opening and Award of Bids*. If the Bonds are sold pursuant to the provisions of this Section 6.A, bids will be opened by the City no later than 9:00 a.m. Pacific Time, in the offices of the Designated Representative, on the date set forth in the Official Notice of Sale. The Designated Representative is hereby authorized and directed to conduct the competitive sale of the Bonds in accordance with the Official Notice of Sale. The City reserves the right to reject any and all bids and to waive any irregularity or informality in any bid.

B. *Negotiated Sale Authorized.* The Bonds may be sold by negotiated sale (including a private placement) if it is determined by the Designated Representative, upon approval from the Mayor, that such method of sale is in the best interests of the City. If the Bonds are sold at negotiated sale or private placement, the terms of such sale must comply with Section 4 of this Ordinance.

C. *Other Related Matters.* The Designated Representative is authorized and directed to take such other actions to publicize or facilitate the sale of the Bonds as may be deemed desirable or necessary including, but not limited to, securing a rating on the Bonds from one or more of the established nationally recognized rating services.

Section 7: Place, Manner and Medium of Payment

A. *Payment Medium*. Both principal of and interest on the Bonds are payable in lawful money of the United States to the Registered Owners thereof.

B. *Payment of Interest*. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, or as otherwise designated by the Designated Representative. Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding the interest payment date. Each installment of interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner of at least $1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by such Registered Owner.

C. *Payment of Principal*. Principal of each Bond shall be payable to the Registered Owner, upon presentation and surrender of the Bonds on or after the date of maturity or prior redemption, whichever occurs first, at the designated corporate trust office of the Registrar. Upon the payment of the Bonds at maturity of any Bond being redeemed, each check or other transfer of money issued for such purpose shall bear the CUSIP number, if any, and identify by issue and maturity the Bonds being paid with the proceeds of such check or other transfer.

D. *Interest on Delinquent Amounts*. If any Bond is not redeemed when properly presented at its maturity date, the City shall pay interest on that Bond at the same rate provided in the Bond from and after its maturity date until the principal of and interest on that Bond is paid in full or until sufficient money for its payment in full is on deposit in the Revenue Bond Fund and the Bond has been called for payment by giving notice to the Registered Owner of that unpaid Bond.

E. *Ownership of Bonds*. The City and the Registrar may deem and treat the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of receiving payments of principal and interest due on such Bond and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

F. *Unclaimed Money*. The Designated Representative may submit a written request to the Registrar that the Registrar return to the Designated Representative all money previously remitted to the Registrar for the payment of the Bonds that has not been distributed by the Registrar as of one year after the final maturity of all of the Bonds. The Designated Representative shall deposit such money into a separate account to be held solely for the benefit of the Registered Owners of Bonds which have not been presented for payment, and which shall be used solely for paying the principal of such Bonds and the interest which had accrued thereon to the date of maturity. Interest earnings on the money in such account may be deposited into the Revenue Bond Fund to pay the principal of and interest on any Bonds that are Outstanding.

Section 8: The Refunding Plan

A. *Description of the Refunded Bonds*. The City is desirous of defeasing, paying, redeeming and/or retiring the Refunded Bonds, if market conditions permit such refunding. The Designated Representative is authorized to designate all or a portion of the following outstanding 2014 Bonds as the "Refunded Bonds":

Outstanding 2014 Bonds

Years (December 1)	Amounts	Interest Rates	CUSIP Nos.
2026	$9,645,000	3.00%	849103 AM8
2027	9,935,000	3.15	849103 AN6
2028	10,250,000	4.50	849103 AP1
2029	10,710,000	4.50	849103 AQ9
2030	11,190,000	4.00	849103 AR7
2031	11,640,000	4.00	849103 AS5
2032	12,105,000	4.00	849103 AT3
2033	12,590,000	3.75	849103 AU0
2034	13,060,000	3.75	849103 AV8

B. *Application of Bond Proceeds.* The net proceeds of the Bonds (exclusive of any amounts that may be designated by the Designated Representative in a closing certificate to be allocated to pay costs of issuance of the Bonds or to make a deposit into the Reserve Account, and exclusive of amounts paid to an Underwriter as a fee or an Underwriter's discount) (the "**Net Bond Proceeds**"), together with other available funds of the City in the amount (if any) specified by the Designated Representative, shall be held by the City and used at the direction of the Designated Representative to pay the costs of, or to reimburse the City for the costs of, redeeming the Refunded Bonds and/or may be placed into the Escrow Account pursuant to the terms of an Escrow Agreement to effect a defeasance of the Refunded Bonds.

C. *Notice of Redemption*. The Refunding Trustee is hereby directed to give notice of the call and redemption of the Refunded Bonds in substantially the form set forth as Attachment II to the Form of Escrow Agreement attached hereto as Exhibit “B” and in the manner required by the 2014 Bond Ordinance.

D. *Modification of Refunding Plan.* The Designated Representative is hereby authorized, upon advice from the City’s Municipal Advisor, to modify the refunding plan if such modification is determined to be in the City’s best interest.

Section 9: The Refunding Trustee; Escrow Agreement

The City hereby authorizes the Designated Representative to select a financial institution to act as the Refunding Trustee with respect to the Refunded Bonds (the “**Refunding Trustee**”) if deemed necessary to effect the defeasance and/or refunding of the Refunded Bonds. In order to carry out the purposes of this Ordinance, if deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee an Escrow Agreement substantially in the form marked Exhibit “B” attached hereto and by this reference incorporated herein. If utilized, the Escrow Agreement, shall set forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the defeasance and/or refunding of the Refunded Bonds as provided herein, and shall set forth the payment of the fees, compensation and expenses of the Refunding Trustee.

Section 10: Creation of the Escrow Account & Government Obligations

A. *Creation of the Escrow Account*. If deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee is authorized and directed to establish a special account for the City designated the “Water and Wastewater System Revenue and Refunding Bonds Escrow Account,” or such other designation conforming to accounting principles and banking practices.

B. *Deposits into the Escrow Account*. If deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, may be deposited into the Escrow Account and may be held as cash or used to acquire Government Obligations, as more specifically provided in the Escrow Agreement. Such funds shall be irrevocably deposited into the Escrow Account. Any funds to be deposited into the Escrow Account shall be held by the Refunding Trustee in trust. All funds credited to the Escrow Account shall be deemed so credited to and held in the Escrow Account notwithstanding the fact that such funds are held by the Refunding Trustee in trust for the owners of the Refunded Bonds.

C. *Use of Money in the Escrow Account*. If deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee, on behalf of the City, may be authorized and directed to use the Net Bond Proceeds, together with other legally available money of the City, to purchase Government Obligations in the amounts, of the type, bearing interest and maturing in such amounts as are necessary to make the payments described in this Ordinance and in the Escrow Agreement. The investment income from and maturing principal of the Government Obligations and money to be deposited into the Escrow Account, if any, shall be transmitted to the Washington State Fiscal Agent, as Registrar for the City, for the sole purpose of paying the principal of and interest on the Refunded Bonds. Any money remaining on deposit in the Escrow Account created hereunder after the payment in full of the Refunded Bonds and the costs of issuing the Bonds, shall be transferred by the Refunding Trustee to the City and deposited into the Revenue Bond Fund.

D. Government Obligations.

(1) *Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, the Government Obligations shall be payable in such amounts and at such times that, together with other legally available money of the City, will be sufficient to provide for the payment of: (a) the interest on the Refunded Bonds as such becomes due on and before the Redemption Date or maturity of the Refunded Bonds; and (b) the price of redemption of the Refunded Bonds on the Redemption Date or the maturity value of the Refunded Bonds that are defeased to maturity.

(2) *Sufficiency of the Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to effect the defeasance and/or refunding of the Refunded Bonds, prior to the delivery of the Bonds, the City shall receive an opinion of a nationally recognized firm of independent certified public accountants or from a nationally recognized financial advisor, stating, in substance, that the money and Government Obligations to be deposited with the Refunding Trustee for the payment of the Refunded Bonds will discharge and satisfy the City's obligations under the 2014 Bond Ordinance to make payments on the Refunded Bonds. Such opinion will not be required in the event the City deposits sufficient funds at closing to provide for all debt service payments, without taking into account interest earnings thereon.

Section 11: Irrevocable Call

A. Refunded Bonds.

(1) *Irrevocable Call for Redemption.* In accordance with Section 5 of the 2014 Bond Ordinance, the City hereby calls the Refunded Bonds for redemption on the Redemption Date. Such call for redemption shall be irrevocable upon the delivery of the Bonds to the Underwriter.

(2) *Irrevocable Pledge of Proceeds of the Bonds*. The City hereby irrevocably pledges the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, Government Obligations (if any) and any amounts on deposit in the Escrow Account (if utilized), to pay the interest on the Refunded Bonds, up to and including the Redemption Date, and to redeem and retire the Refunded Bonds on such date at the price of 100% of the principal amount thereof plus accrued interest to the Redemption Date. Such amounts are hereby irrevocably pledged to be set aside to effect such payment, redemption and retirement.

B. *Findings Regarding the Defeasance and/or Refunding of the Refunded Bonds*. The Council hereby finds that, as of the date the Bonds are issued and the Net Bond Proceeds are utilized as set forth herein: (1) no further payments need to be made into the Revenue Bond Fund for the payment of the principal of and interest on the Refunded Bonds; (2) the Refunded Bonds and the interest accrued thereon shall cease to be entitled to any lien, benefit or security of the 2014 Bond Ordinance, except the right to receive the funds so set aside and pledged; and (3) the Refunded Bonds and the interest accruing thereon shall no longer be deemed to be Outstanding under the 2014 Bond Ordinance. The Council hereby further finds and determines that the issuance and sale of the Bonds will benefit the City by affecting a savings to the City's ratepayers. In making such finding and determination, the Council has given consideration to the interest that will be payable on the Bonds through the maturity of the Bonds, the costs of issuance of the Bonds and the net present value savings due to the defeasance and/or refunding of the Refunded Bonds.

Section 12: [Reserved]

Section 13: Pledge of Net Revenue

All of the Net Revenue is pledged for the payment of the Bonds, as a prior first charge and lien thereon equal to and on parity with the charge or lien of Future Parity Bonds, if any, and Revenue of the System shall be used and applied in the order of priority provided in Section 14 of this Ordinance.

The Bonds are payable solely from amounts deposited into the Revenue Bond Fund, shall not constitute general obligations of the City and are not payable from ad valorem taxes collected within the City. Accordingly, the full faith and credit of the City is not pledged for the payment of the principal of and interest on the Bonds.

Section 14: The Revenue Fund; Priority of Payments from Revenue Fund; Coverage Stabilization Account

A. *Revenue Fund.* A special fund of the City known as the "Water-Wastewater Fund" (including subaccounts therein, the "**Revenue Fund**") has heretofore been established into which shall be deposited the Revenue of the System as collected. The Revenue Fund shall be held separate and apart from all other funds and accounts of the City.

B. *Priority of Payments from the Revenue Fund*. The Revenue of the System deposited in the Revenue Fund shall be used only for the following purposes and in the following order of priority:

First, to pay the Costs of Maintenance and Operation of the System;

Second, to make all payments required to be made into the Revenue Bond Fund to pay the interest on any Parity Bonds, including reimbursements to the issuer of a Credit Facility if the Credit Facility secures the payment of interest on Parity Bonds and the ordinance authorizing such Parity Bonds provides for such reimbursement;

Third, to make all payments required to be made into the Revenue Bond Fund to pay the principal of any Parity Bonds, including reimbursements to the issuer of a Credit Facility if the Credit Facility secures the payment of principal of Parity Bonds and the ordinance authorizing such Parity Bonds provides for such reimbursement;

Fourth, to make all payments required to be made into any sinking fund account hereafter created to provide for the payment of the principal of Term Bonds or Balloon Maturity Bonds;

Fifth, to make all payments required to be made into the Reserve Account for Covered Bonds and to any reserve account created in the future for the payment of debt service on Future Parity Bonds;

Sixth, to make all payments required to be made into any revenue debt redemption fund, debt service account, reserve account or sinking fund account created to pay and secure the payment of the principal of and interest on Government Loans and any revenue bonds, or revenue warrants or other revenue obligations of the City having a lien upon the Revenue of the System junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds; and

Seventh, to retire by redemption or purchase on the open market any outstanding water and wastewater system revenue bonds or revenue warrants of the City, to make necessary additions, betterments, improvements and repairs to or extensions and replacements of the System, or for any other lawful City purposes.

The City may transfer any money from any funds or accounts of the System legally available therefor, except bond redemption funds, refunding escrow funds or defeasance funds, to meet the required payments to be made into the Revenue Bond Fund. Money in the Revenue Fund may be invested by the City in any investment that is a legal investment for the City.

C. *Coverage Stabilization Account*. A Coverage Stabilization Account shall be established within the Revenue Fund at the option of the Designated Representative. The City hereby determines that the maintenance of a Coverage Stabilization Account will moderate fluctuations in Net Revenues and help to alleviate the need for short-term rate adjustments. Money in the Coverage Stabilization Account will be transferred as determined from time to time by the City. The City may make payments into the Coverage Stabilization Account from the Revenue Fund at any time. Money in the Coverage Stabilization Account may be withdrawn at any time and used for the purpose for which the Revenue of the System may be used. Amounts withdrawn from the Coverage Stabilization Account shall increase Revenue of the System for the period in which they are withdrawn, and amounts deposited in the Coverage Stabilization Account shall reduce Revenue of the System for the period during which they are deposited for purposes of measuring compliance with the Rate Covenant. Credits to or from the Coverage Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within such fiscal year. Earnings on the Coverage Stabilization Account shall be credited to the Revenue Fund.

Section 15: Payments into Revenue Bond Fund

A. *Revenue Bond Fund.* A special account of the City known as the “Water and Wastewater Fund — Bond Redemption Subaccount” (the “**Revenue Bond Fund**”) has been created for the sole purpose of paying and securing the payment of Parity Bonds.

B. *Payments into Revenue Bond Fund*. As long as the Bonds remain outstanding, the City hereby irrevocably obligates and binds itself to set aside and pay from the Revenue Fund into the Revenue Bond Fund on or before the date due those amounts necessary, together with ULID Assessments deposited and such other money as is on hand and available therefor in the Revenue Bond Fund, to pay the interest or principal and interest next coming due on the Bonds.

As long as the Parity Bonds remain outstanding, the City hereby irrevocably covenants and agrees to pay the ULID Assessments into the Revenue Bond Fund.

Notwithstanding anything in Section 15(F) hereof to the contrary, money in the Revenue Bond Fund may be used to pay arbitrage rebate, if any, to the extent the rebate is attributable to earnings on money in the Revenue Bond Fund.

C. *Payments into Reserve Account*. The City hereby agrees that a special account to be known as the “Water-Wastewater Bond Fund Reserve Account” (the “**Reserve Account**”) shall be maintained for the purpose of securing the payment of the principal of and interest on all Covered Bonds. The Bonds shall be Covered Bonds, secured by the Reserve Account, if deemed necessary and designated as such by the Designated Representative. To the extent the Bonds are designated as Covered Bonds, the City hereby covenants that the Reserve Requirement for the Bonds will be fully funded as of the date of issuance of the Bonds.

The City covenants and agrees that when the required deposits have been made into the Reserve Account, it will, at all times for so long as any Covered Bonds remain outstanding, maintain therein an amount at least equal to the Reserve Requirement except for withdrawals therefrom authorized hereinafter. Whenever there is a sufficient amount in the Revenue Bond Fund, including all accounts therein, to pay the principal of, premium, if any, and interest on all outstanding Parity Bonds, the money in the Reserve Account may be used to pay the principal of, premium, if any, and interest on the Parity Bonds secured thereby. Money in the Reserve Account may also be withdrawn to redeem and retire, and to pay the premium, if any, and interest due to such date of redemption, on the outstanding Parity Bonds, as long as the money remaining on deposit in the Reserve Account is at least equal to the Reserve Requirement determined with respect to the Covered Bonds then outstanding.

In the event there shall be a deficiency in the Revenue Bond Fund to meet maturing installments of either interest on or principal of and interest on any Parity Bonds, such deficiency shall be made up from the Reserve Account by the withdrawal of money therefrom. Cash and investments shall be drawn upon prior to any drawing upon a Credit Facility. Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up out of Revenue of the System or ULID Assessments within one year after making necessary provision for the payments required to be made by subparagraphs First through Fourth, inclusive, of Section 14(B) of this Ordinance.

If a Credit Event occurs, the Reserve Requirement shall be satisfied (A) within one year after the occurrence of such Credit Event with other Qualified Insurance or another Qualified Letter of Credit, or (B) within three years (in three approximately equal annual installments) after the occurrence of such Credit Event, out of Revenue of the System or ULID Assessments after making necessary provision for the payments required to be made by subparagraphs First through Fourth, inclusive, of Section 14(B) of this Ordinance.

In the event the City issues any Future Parity Bonds that are Covered Bonds, it will provide in the ordinance authorizing the issuance of the same for payment into the Reserve Account out of proceeds of such Future Parity Bonds, Revenue of the System, or ULID Assessments (or, at the option of the City, out of any other funds on hand and legally available therefor) approximately equal additional annual installments so that by three years from the date of issuance of such Future Parity Bonds there will have been paid into the Reserve Account an amount that, together with the money already on deposit therein, will be at least equal to the Reserve Requirement. Such annual payments into the Reserve Account shall be made not later than December 20 of each year.

Notwithstanding anything in this Section to the contrary, the City may fund the Reserve Requirement, in whole or in part, through a surety bond issued by a Qualified Insurer. The amount payable by the Qualified Insurer under such surety bond shall be credited against the amounts otherwise required to be accumulated and maintained in the Reserve Account.

The Reserve Requirement may be maintained by deposits of cash. As used herein, the term “cash” shall include U.S. currency, cash equivalents and evidences thereof, including demand deposits, certified or cashier’s check; and the deposit to the Reserve Account may be satisfied initially by the transfer of qualified investments to such account.

E. *Priority of Lien of Payments into the Revenue Bond Fund*. The amounts so pledged to be paid into the Revenue Bond Fund from the Revenue Fund are hereby declared to be a lien and charge upon the Revenue of the System junior in lien to the Costs of Maintenance and Operation and equal to the lien of the charges upon such Revenue of the System and ULID Assessments that may hereafter be made upon the Revenue of the System and ULID Assessments to pay and secure the payment of the principal of and interest on any Future Parity Bonds, and prior and superior to all other charges of any kind or nature whatsoever.

F. *Application and Investment of Money in the Revenue Bond Fund*. Money in the Revenue Bond Fund and the Reserve Account shall be invested in any legal investment for City funds. Investments in the Revenue Bond Fund shall mature prior to the date on which such money shall be needed for required interest or principal payments. Investments in any Reserve Account shall mature not later than the last maturity of the Parity Bonds secured thereby.

G. *Sufficiency of Revenues*. The Council hereby finds and declares that in fixing the amounts to be paid into the Revenue Bond Fund out of the Revenue of the System, it has exercised due regard for the Costs of Maintenance and Operation and has not obligated the City to set aside and pay into such Fund a greater amount of such Revenue than in its judgment will be available over and above the Costs of Maintenance and Operation.

Section 16: Execution and Authorization of the Bonds

A. *Execution of the Bonds.* The Bonds shall be executed on behalf of the City by the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the City Clerk and shall have the seal of the City impressed or imprinted thereon.

B. *Authentication of the Bonds.* The executed Bonds shall be delivered to the Registrar for authentication. The Bonds shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification. Only those Bonds that bear a Certificate of Authentication substantially in the form set forth in Exhibit “A” attached hereto and manually executed by an authorized representative of the 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.

C. *Validity of Signatures.* In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the City before the Bonds so signed or attested shall have been authenticated or delivered by the Registrar, or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued, and, upon such authentication, delivery and issue, shall be as binding upon the City as though those who signed and attested the same had continued to be such officers of the City. Any Bond may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bond shall be the proper officers of the City although at the original date of such Bond any such person shall not have been such officer of the City.

Section 17: The Registrar

A. *Registrar Appointed.* The Treasurer has designated the Washington State Fiscal Agent as the City's legally designated fiscal agent with respect to the Bonds. The Council hereby confirms such designation with respect to the Bonds and appoints the Washington State Fiscal Agent as Registrar, authenticating agent, paying agent and transfer agent with respect to the Bonds, subject to the terms and conditions of this Section.

B. *Delegated Duties.* The Registrar is hereby authorized and directed, on behalf of the City, to authenticate and deliver Bonds initially issued or transferred or exchanged in accordance with the provisions of the Bonds and this Ordinance and to carry out all of the Registrar's powers and duties under this Ordinance and the Agreement for Fiscal Agency Services between the Washington State Finance Committee and the Registrar (as the same may be amended or readopted from time to time).

C. *Bond Register.* The Bonds shall be issued only in registered form as to both principal and interest. The Registrar shall keep, or cause to be kept, at its designated corporate trust office the Bond Register which shall at all times be open to inspection by the City. The City hereby specifies and adopts the system of registration for the Bonds approved by the Washington State Finance Committee.

D. *Fees and Costs.* The City shall pay to the Registrar from time to time reasonable compensation for all services rendered under this Ordinance together with reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of its attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Ordinance. The administrative fees provided for in this subsection D may be paid from the Revenue Bond Fund.

E. *Representations.* The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Bonds.

F. *Ownership Rights.* The Registrar may become the Registered Owner of Bonds with the same rights it would have if it were not the Registrar, and, to the extent permitted by law, may act as depositary 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 rights of Registered Owners of the Bonds.

G. *Cancellation of Surrendered Bonds.* Bonds surrendered to the Registrar for payment, redemption, transfer or exchange, as well as Bonds surrendered by the City for cancellation, shall be canceled immediately by the Registrar and returned to the City. Such Bonds thereafter shall be destroyed.

Section 18: Book-Entry System Authorized

A. The Bonds shall be initially issued in the form of a separate, single-certificated, fully registered Bond for each maturity set forth in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), the Bond Purchase Contract, as provided for in Section 4 of this Ordinance, in the aggregate principal amount of such maturity. Upon initial issuance, the ownership of each Bond may be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the securities depository for the Bonds. Except as provided in subsection D of this Section, all of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

B. With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, neither the City nor the Registrar shall have any responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Registrar shall have no responsibility or obligation with respect to: (1) the accuracy of the records of DTC, Cede & Co., or any Participant with respect to any ownership interest in the Bonds; (2) the delivery to any Participant or any other person, other than a Registered Owner, of any notice with respect to the Bonds; or (3) the payment to any Participant or any other person, other than a Registered Owner, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City and the Registrar may treat and consider the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and the interest on the Bonds as provided for in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), Bond Purchase Contract, and as further provided in this Ordinance and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sums so paid. No person other than a Registered Owner shall receive a certificated Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to the transfer and payment of the Bonds, the phrase "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

C. The City heretofore has delivered a Letter of Representations to the Registrar and DTC. The delivery of the Letter of Representations shall not in any way limit the provisions of subsection B of this Section or in any other way impose upon the City any obligation whatsoever with respect to persons having interests in the Bonds other than the Registered Owner. The Registrar shall take all action necessary for all representations of the City in the Letter of Representations with respect to the Registrar, to, at all times, be complied with.

D. (1) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and to the Registrar, and discharging its responsibilities with respect thereto under applicable law.

(2) The City, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the City determines that: (a) DTC is unable to discharge its responsibilities with respect to the Bonds; or (b) a continuation of the requirement that all of the Bonds be registered in the Bond Register in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

(3) Upon termination of the services of DTC with respect to the Bonds pursuant to subsection D(2)(b) of this Section, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection D(1) or subsection D(2)(a) of this Section, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found that, in the opinion of the City, is willing and able to undertake such functions upon reasonable and customary terms, the City shall deliver certificated Bonds at the expense of the City, as described in this Ordinance, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the names that the Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance. In the event the Bonds are transferred by the City to fully registered form, the Bonds shall be payable by the Registrar. Thereafter, the principal of the Bonds shall be payable upon due presentment and surrender thereof at the designated corporate trust office of the Registrar; interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be

furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least $1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner, and the Bonds shall be transferable as provided in this Ordinance.

E. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

F. If the Bonds are privately placed with a bank, the City may determine not to comply with this Section if the Designated Representative deems it to be in the best interest of the City.

Section 19: Transfer and Exchange of the Bonds

A. *Transfer of Bonds.* Each Bond shall be transferable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, upon due completion of the assignment form appearing thereon and upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor.

B. *Exchange of Bonds.* Each Bond shall be exchangeable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, for one or more new Bonds, upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation.

C. *Authentication and Delivery of New Bonds.* Whenever a Bond shall be surrendered for transfer or exchange, the Registrar shall authenticate and deliver to the transferee or exchangee, in exchange therefor, a new fully registered Bond or Bonds of any authorized denomination or denominations, of the same maturity and interest rate as, and for the aggregate principal amount of, the Bond being surrendered. Notwithstanding the foregoing sentence, the Registrar is not required to transfer or exchange any Bond during the 15 days preceding any principal or interest payment date.

D. *Payment of Fees and Costs.* The Registrar shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

Section 20: Mutilated, Destroyed, Lost or Stolen Bonds

A. *Issuance of Substitute Bonds.* If any Bond shall become mutilated, lost, stolen or destroyed, the affected Registered Owner shall be entitled to the issuance of a substitute Bond only as follows:

(1) in the case of a lost, stolen or destroyed Bond, the Registered Owner shall: (a) provide notice of the loss, theft or destruction to the City and the Registrar within a reasonable time after the Registered Owner receives notice of the loss, theft or destruction; (b) request the issuance of a substitute Bond; (c) provide evidence, satisfactory to the City and the Registrar, of the ownership and the loss, theft or destruction of the affected Bond; and (d) file in the offices of the City and the Registrar a written affidavit specifically alleging on oath that such Registered Owner is the proper owner, payee or legal representative of such owner or payee of the Bond that has been lost, stolen or destroyed, giving the date the Bond was issued and the number, principal amount and series of such Bond, and stating that the Bond has been lost, stolen or destroyed, and has not been paid and has not been received by such Registered Owner;

(2) in the case of a mutilated Bond, the Registered Owner shall surrender the Bond to the Registrar for cancellation; and

(3) in all cases, the Registered Owner shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section satisfactory to the City and the Registrar.

Upon compliance with the foregoing, a new Bond of like tenor and denomination, bearing the same number as the mutilated, destroyed, lost or stolen Bond, and with the word "DUPLICATE" stamped or printed plainly on its face, shall be executed by the City, authenticated by the Registrar and delivered to the Registered Owner, all at the expense of the Registered Owner to whom the substitute Bond is delivered. Notwithstanding the foregoing, the Registrar shall not be required to authenticate and deliver any substitute Bond for a Bond which has been called for redemption or which has matured or is about to mature and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid by the Registrar in accordance with the terms of the mutilated, destroyed, lost or stolen Bond without substitution therefor.

B. *Notation on the Bond Register*. Upon the issuance and authentication of any substitute Bond under the provisions of this Section, the Registrar shall enter upon the Bond Register a notation that the original Bond was cancelled and a substitute Bond was issued therefor.

C. *Rights of Registered Owners of Substitute Bonds*. Every substituted Bond issued pursuant to this Section shall constitute an additional contractual obligation of the City and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued hereunder unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the City may recover the substitute Bond from the Registered Owner to whom it was issued or from anyone taking under the Registered Owner except a bona fide purchaser for value without notice.

D. *Exclusive Rights.* All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or of investment or other securities without their surrender.

Section 21: Defeasance of the Bonds

In the event that money and/or Government Obligations, maturing or having guaranteed redemption prices at the option of the owner at such times and bearing interest to be earned thereon, in such amounts as are sufficient (together with any resulting cash balances) to redeem and retire part or all of the Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Revenue Bond Fund or any account therein for the payment of the principal of and interest on the certain Bonds so provided for, and such Bonds and interest accrued thereon shall no longer be deemed to be Outstanding hereunder.

If the principal or redemption price of any Bonds becoming due, at maturity or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor has been made in accordance with this Section, all interest on such Bonds shall cease to accrue on the due date and all liability of the City with respect to such Bonds shall likewise cease, except as hereinafter provided. Thereafter the Registered Owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Registrar shall hold such funds in trust for such Registered Owners uninvested and without interest.

Section 22: Bond Covenants

A. *Maintenance and Operation*. The City shall at all times maintain, preserve and keep the properties of the System in good repair, working order and condition and will from time to time make all necessary and proper repairs, renewals, replacements, extensions and betterments thereto, so that at all times the business carried on in connection therewith will be properly and advantageously conducted, and the City will at all times operate or cause to be operated said properties of the System and the business in connection therewith in an efficient manner and at a reasonable cost.

B. *Rate Covenant*. The City will establish, maintain and collect such rates and charges, which shall be fair and nondiscriminatory, for service of its System as will maintain the Rate Covenant for so long as any Parity Bonds are outstanding.

C. *Maintain Revenue Fund Balance*. After making or providing for the payments from the Revenue Fund as required by Section 14 hereof, there shall be maintained in the Revenue Fund sufficient money to enable the City to meet the Costs of Maintenance and Operation of the System on a current basis.

D. *Sale or Disposition of the System*. The City will not sell or otherwise dispose of the System in its entirety unless simultaneously with such sale or other disposition, provision is made for the payment into the Revenue Bond Fund of cash or Government Obligations sufficient together with interest to be earned thereon to pay the principal of and interest on the then-outstanding Parity Bonds, nor will it sell or otherwise dispose of any part of the useful operating properties of the System unless such facilities are replaced or provision is made for payment into the Revenue Bond Fund of the greatest of the following:

(1) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (defined as the total amount of the Parity Bonds less the amount of cash and investments in the Revenue Bond Fund and accounts therein) that the Revenue from the portion of the System sold or disposed of for the preceding year bears to the total Net Revenue for such period; or

(2) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (as defined above) that the Net Revenue from the portion of the System sold or disposed of for the preceding year bears to the total Net Revenue for such period; or

(3) An amount which will be in the same proportion to the net amount of Parity Bonds then outstanding (as defined above) that the depreciated cost value of the facilities sold or disposed of bears to the depreciated cost value of the entire System immediately prior to such sale or disposition.

The proceeds of any such sale or disposition of a portion of the properties of the System (to the extent required above) shall be paid into the Revenue Bond Fund.

Notwithstanding any other provision of this subsection D, the City may sell or otherwise dispose of any of the works, plant, properties and facilities of the System or any real or personal property comprising a part of the same which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the System, or no longer necessary, material to or useful in such operation, without making any deposit into the Revenue Bond Fund.

E. *Liens or Encumbrances*. The City will not at any time create or permit to accrue or to exist any lien or other encumbrance or indebtedness upon the System or the Revenue of the System, or any part thereof, prior or superior to the lien thereon for the payment of the Parity Bonds, and will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Revenue of the System, or any part thereof, or upon any funds in the hands of the City, prior to or superior to the lien of the Parity Bonds, or which might impair the security of the Parity Bonds.

F. *Insurance*. The City will keep the works, plants and facilities comprising the System insured, and will carry such other insurance, with responsible insurers, with policies payable to the City, against risks, accidents or casualties, at least to the extent that insurance is usually carried by private corporations operating like properties, or will implement a self-insurance program with reserves adequate, in the judgment of the Council, to protect the City and the holders of Parity Bonds against loss. In the event of any loss or damage, the City will promptly repair or replace the damaged portion of the insured property and apply the proceeds of any insurance policy for that purpose; or in the event the City should determine not to repair or reconstruct such damaged portion of the properties of the System, the proceeds of such insurance shall be paid into any Reserve Account to the extent that such transfer shall be necessary to make up any deficiency in said Reserve Account and the balance, if any, shall, at the option of the City, be used either for repairs, renewals, replacements, or capital additions to the System, for the redemption of Parity Bonds, or for deposit into the Revenue Bond Fund.

G. *Books and Accounts*. The City shall keep proper books of account in accordance with any applicable rules and regulations prescribed by the State of Washington. The City shall prepare, and any owner or holder of Parity Bonds may, upon written request, obtain copies of, balance sheets and profit and loss statements showing in reasonable detail the financial condition of the System as of the close of each year, and the income and expenses of such year, including the amounts paid into the Revenue Fund, the Revenue Bond Fund, and into any and all special funds or accounts created pursuant to the provisions of this Ordinance, and the amounts expended for maintenance, renewals, replacements, and capital additions to the System.

H. *Additions and Improvements.* The City will not expend any of the revenues derived by it from the operation of the System or the proceeds of any indebtedness payable from the Revenue of the System for any extensions, betterments or improvements to the System that are not legally required or economically sound, and that will not properly and advantageously contribute to the conduct of the business of the System in an efficient manner.

I. *Collection and Application of ULID Assessments.* As long as the Parity Bonds remain outstanding, all ULID Assessments shall be paid into the Revenue Bond Fund and shall be used to pay and secure the payment of the principal of and interest on the Parity Bonds. Nothing in this Ordinance or this section shall be construed to prohibit the City from issuing water, wastewater or water and wastewater system revenue bonds junior in lien to the Bonds and pledging as security for their payment assessments levied in any ULID which may have been specifically created to pay part of the cost of improvements to the System for which those junior lien bonds were specifically issued.

J. *Collection of Delinquent ULID Assessments.* The City will, on or before April 1 of each calendar year, determine all ULID Assessments or installments thereof that are delinquent and will take all necessary action to enforce payment of such ULID Assessments, including real property foreclosure actions pursuant to applicable law, or its successor statute, if any, against the property owners whose ULID Assessments are delinquent.

K. *No Free Service.* Unless permitted by law or City policy, the City will not furnish or supply or permit the furnishing or supplying of any commodity, service or facility furnished by or in connection with the operation of the System, free of charge to any person, firm or corporation, public or private, so long as any Bonds are outstanding and unpaid.

Section 23: Tax Covenants

A. *Compliance With the Code.* The City covenants to comply with each requirement of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the City covenants to comply with the provisions of the Tax Certificate executed by the City on the date of initial issuance and delivery of the Bonds, as such Tax Certificate may be amended from time to time.

B. *Necessary Payments.* The City covenants to make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148 of the Code.

C. *Survival of Tax Covenants* Notwithstanding any other provision of this Ordinance to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 21 of this Ordinance.

D. *Remedies.* Notwithstanding any other provision of this Ordinance to the contrary: (1) upon the City's failure to observe or refusal to comply with the above covenants, the Registered Owners, or any trustee acting on their behalf, shall be entitled to the rights and remedies provided to the Registered Owners under this Ordinance; and (2) neither the holders or Registered Owners of bonds of any series other than Bonds, nor a trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to Registered Owners under this Ordinance based upon the City's failure to observe, or refusal to comply with, the above covenants.

Section 24: Issuance of Future Parity Bonds

A. *Conditions upon the Issuance of Future Parity Bonds.* The City hereby reserves the right to issue Future Parity Bonds, which shall constitute a charge and lien upon the Revenue of the System equal to the lien thereon of the Bonds. Except as provided in subsection (C) below, the City shall not issue any series of Future Parity Bonds or incur any additional indebtedness with a parity lien or charge on Net Revenues (i.e., on a parity of lien with Parity Bonds at the time outstanding) unless:

(1) the City shall not have been in default of its Rate Covenant for the immediately preceding fiscal year, without regard to transfers from the Coverage Stabilization Account;

(2) the ordinance authorizing the issuance of such Future Parity Bonds shall include the covenants provided in Section 22(B) hereof; and

(3) there shall have been filed a certificate (prepared as described in subsection (C) or (D) below) demonstrating fulfillment of the Parity Requirement, commencing with the first full fiscal year following the date on which any portion of interest on the series of Future Parity Bonds then being issued no longer will be paid from the proceeds of such series of Future Parity Bonds.

B. *No Certificate Required.* The certificate described in the foregoing subsection (A)(3) shall not be required as a condition to the issuance of Future Parity Bonds:

(1) if the Future Parity Bonds being issued are for the purpose of refunding outstanding Parity Bonds; or

(2) if the Future Parity Bonds are being issued to pay costs of construction of facilities of the System for which Future Parity Bonds have been issued previously and the principal amount of such Future Parity Bonds being issued for completion purposes does not exceed an amount equal to an aggregate of 15% of the principal amount of Future Parity Bonds theretofore issued for such facilities and reasonably allocable to the facilities to be completed as shown in a written certificate of the Designated Representative, and there is delivered a Designated Representative's certificate stating that the nature and purpose of such facilities has not materially changed.

C. *Certificate of the City Without A Consultant.* If required pursuant to the foregoing subsection (A)(3), a certificate may be delivered by the City (executed by the Designated Representative) without a Consultant if Net Revenues for the Base Period conclusively demonstrate that the Parity Requirement will be fulfilled commencing with the first full fiscal year following the date on which any portion of interest on the series of Future Parity Bonds then being issued will not be paid from the proceeds of such series of Future Parity Bonds.

D. *Certificate of a Consultant.* Unless compliance with the requirements of subsection (A)(3) have been otherwise satisfied (as provided in subsection (B) or (C) above), compliance with the Parity Requirement shall be demonstrated conclusively by a certificate of a Consultant.

In making the computations of Net Revenues for the purpose of certifying compliance with the Parity Requirement, the Consultant shall use as a basis the Net Revenues (which may be based upon unaudited financial statements of the City if the audit has not yet been completed) for the Base Period. Such Net Revenues shall be determined by adding the following:

(1) The historical net revenue of the City for the Base Period being issued as determined by a Consultant.

(2) The net revenue derived from those customers of the City that have become customers during such 12-month period or thereafter and prior to the date of such certificate, adjusted to reflect a full year's net revenue from each such customer to the extent such net revenue was not included in (1) above.

(3) The estimated annual net revenue to be derived from any person, firm, association, private or municipal corporation under any executed contract for service, which net revenue was not included in any of the sources of net revenue described in this subsection (D).

(4) The estimated annual net revenue to be derived from the operation of any additions or improvements to or extensions of the City under construction but not completed at the time of such certificate and not being paid for out of the proceeds of sale of such Future Parity Bonds being issued, and which net revenue is not otherwise included in any of the sources of net revenue described in this subsection (D).

(5) The estimated annual net revenue to be derived from the operation of any additions and improvements to or extensions of the City being paid for out of the proceeds of sale of such Future Parity Bonds being issued.

In the event the City will not derive any revenue as a result of the construction of the additions, improvements or extensions being made or to be made to the System within the provisions of subparagraphs (4) and (5) immediately above, then the estimated normal Costs of Maintenance and Operation (excluding any transfer of money to other funds of the City and license fees, taxes and payments in lieu of taxes payable to the City) of such additions, improvements and extensions shall be deducted from estimated annual net revenue.

The words "historical net revenue" or "net revenue" as used in this subsection (D) shall mean the Revenue of the System or any part or parts thereof less the normal expenses of maintenance and operation of the System or any part or parts thereof, but before depreciation. Such "historical net revenue" or "net revenue" shall be adjusted to reflect the rates and charges effective on the date of such certificate if there has been any change in such rates and charges during or after such 12-consecutive-month period.

E. *Junior Liens*. Nothing herein contained shall prevent the City from issuing revenue bonds or other obligations that are a charge upon the Revenue of the System junior or inferior to the payments required by this Ordinance to be made out of such Revenue into the Revenue Bond Fund and accounts therein to pay and secure the payment of any outstanding Parity Bonds.

F. *Refunding to Avoid Default*. Nothing herein contained shall prevent the City from issuing revenue bonds to refund maturing Parity Bonds for the payment of which money is not otherwise available.

Section 25: Amendments to Ordinance

A. *Amendments Not Requiring Registered Owner Consent.* The Council may adopt at any time ordinances supplemental hereto, which ordinances thereafter shall become a part of this Ordinance, for any one or more of all of the following purposes:

(1) to add to the covenants and agreements of the City in this Ordinance, other covenants and agreements thereafter to be observed, which shall not materially adversely affect the interests of the holders of any Parity Bonds, or to surrender any right or power herein reserved.

(2) to make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this Ordinance or any ordinance authorizing future Parity Bonds in regard to matters or questions arising under such ordinances as the Council may deem necessary or desirable and not inconsistent with such ordinances and which shall not adversely affect, in any material respect, the interest of the holders of Parity Bonds.

Any such supplemental ordinance may be adopted without the consent of the Registered Owners of any Parity Bonds at any time Outstanding, notwithstanding any of the provisions of subsection B of this Section.

B. *Amendments Requiring Registered Owner Consent.* With the consent of the holders of not less than 50% in aggregate principal amount of the Parity Bonds at the time outstanding, the Council may pass an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

(1) extend the fixed maturity of any Parity Bonds, or reduce the rate of interest thereon, or extend the time of payment of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each bond so affected; or

(2) reduce the aforesaid percentage of bondholders required to approve any such supplemental ordinance, without the consent of the holders of all of the Parity Bonds then outstanding.

It shall not be necessary for the consent of bondholders under this subsection B to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

For the purpose of consenting to amendments under this Section 25(B) except for amendments that alter the interest rate on any Parity Bonds, the maturity date, interest payment dates, purchase upon tender or redemption of any Parity Bonds, the issuer of a Credit Facility shall be deemed to be the sole Registered Owner of the Parity Bonds that are payable from such Credit Facility and that are then outstanding.

C. *Effect of Supplemental Ordinances.* Upon the passage of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City under this Ordinance and all holders of Parity Bonds outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

Section 26: Sale and Delivery of the Bonds and Taking of Other Actions Authorized

The Council hereby authorizes and directs each of the Mayor, the Chief Financial Officer, the Director of the Public Works Division, the City Clerk, the Treasurer, the Municipal Advisor and Bond Counsel, to prepare, execute and deliver the Bonds to the Underwriter, or in the case of a private placement with a bank, to the bank, and for the proper application and use of the proceeds of the sale thereof, including:

A. preparing the final official statement regarding the Bonds, if the Bonds are publicly offered; and

B. executing such certificates and receipts as may be necessary to properly document the issuance of the Bonds.

In addition, the Mayor, the Chief Financial Officer, the Director of the Public Works Division, the City Clerk, the Treasurer, the Municipal Advisor and Bond Counsel, are hereby authorized by the Council to execute and deliver such other certificates, agreements and documents, and to take such other actions on behalf of the City as may be reasonable and necessary:

A. to facilitate the issuance and sale of the Bonds;

B. to meet all provisions of the Code in order to maintain tax-exempt status of the Bonds; and

C. in connection with any matters related thereto, until the final maturity date of the Bonds or redemption, whichever occur first.

Section 27: The Preliminary Official Statement

If the Bonds are publicly offered, the Council hereby delegates authority to the Designated Representative to determine all acts to be undertaken by the City's officers, employees and agents with respect to the preparation and distribution of the preliminary official statement regarding the Bonds, including any action taken to deem such preliminary official statement final as of its date except for the omission of information dependent upon the pricing of the issue and the completion of the underwriting agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Bonds dependent on the foregoing matters. The City agrees to cooperate with the Underwriter to deliver or cause to be delivered, within seven business days from the date of the sale date of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, copies of a final official statement in sufficient quantity to comply with the rules of the MSRB and paragraph (b)(4) of Securities and Exchange Commission Rule 15c2-12.

Section 28: Covenant to Provide Continuing Disclosure

The City covenants to execute and deliver at the time of issuance of the Bonds a Continuing Disclosure Undertaking in substantially the form set forth in Exhibit "C" attached hereto and by this reference incorporated herein. The Designated Representative is authorized and directed to execute and deliver a Continuing Disclosure Undertaking upon the sale, issuance and delivery of the Bonds with such terms and provisions as such officer shall deem appropriate and in the best interest of the City, upon consultation with Bond Counsel. The City hereby reserves the right to comply with this Section by meeting its annual disclosure requirements through any system approved by the SEC. All required filings shall be made in an electronic format as prescribed by the MSRB.

Section 29: Contract; Severability

The covenants contained in this Ordinance and in the Bonds shall constitute a contract between the City and the holder of each and every Bond. All the covenants, promises and agreements in this Ordinance contained by or on behalf of the City, or by or on behalf of the Registrar, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

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 covenants or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of any Bonds.

Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon or give to any person other than the City, the Registrar and the Registered Owners any rights, remedies or claims under or by reason of this Ordinance or any covenant, condition or stipulation thereof; and all of the covenants, stipulations, promises and agreements in this Ordinance contained by or on behalf of the City shall be for the sole and exclusive benefit of the City, the Registrar and the Registered Owners.

Section 30: No Personal Recourse

No recourse shall be had for any claim based on this Ordinance or Bonds against any Council member, officer or employee, past, present or future, of the City or of any successor body as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 31: Ratification

All actions not inconsistent with the provisions of this Ordinance heretofore taken by the Council and the City's employees with respect to the adoption of this Ordinance and the issuance, sale and delivery of the Bonds, are hereby in all respects ratified, approved and confirmed.

Section 32: Repealer

All ordinances or resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

Section 33: Rescission

The Council previously held a regular meeting on April 21, 2025, at which time the Board adopted Ordinance No. C36665 ("**Ordinance No. C36665**") authorizing the issuance by the City of certain indebtedness to defease and/or refund the Refunded Bonds within one year from the date thereof. Due to variable interest rates and market conditions, issuing indebtedness within one year from the date of Ordinance No. C36665 was not deemed to be in the best interest of the City and was not undertaken. For the avoidance of doubt, the Council hereby rescinds Ordinance No. C36665.

Section 34: Effective Date

This Ordinance shall become effective 30 days following its enactment.

Note: All attachments are available to view with the Office of the City Clerk.

Passed by City Council July 22, 2026
Delivered to Mayor July 24, 2026

CITY OF SPOKANE, WASHINGTON
UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2026

ORDINANCE NO. C36898

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF NOT TO EXCEED $56,500,000 OF THE CITY'S UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026, TO PROVIDE MONEY TO DEFEASE AND/OR REFUND ALL OR A PORTION OF THE CITY'S OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2015; PROVIDING FOR THE CALL, DEFEASANCE, PAYMENT AND REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE OPTION OF SELLING THE BONDS BY COMPETITIVE OR NEGOTIATED SALE; DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO DETERMINE THE MANNER OF SALE AND TERMS OF THE BONDS UNDER THE CONDITIONS SET FORTH HEREIN; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DESIGNATING A FISCAL AGENT; PLEDGING THE CITY'S FULL FAITH, CREDIT AND RESOURCES TO THE PAYMENT OF THE BONDS; CREATING AND ADOPTING CERTAIN FUNDS AND ACCOUNTS AND PROVIDING FOR DEPOSITS THEREIN; COVENANTING TO COMPLY

WITH CERTAIN FEDERAL TAX AND SECURITIES LAWS; DELEGATING CERTAIN ACTIONS IN CONNECTION WITH THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

Passed: July 22, 2026

Prepared by:
KUTAK ROCK LLP
Spokane, Washington

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ORDINANCE NO. C36898

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF NOT TO EXCEED $56,500,000 OF THE CITY’S UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026, TO PROVIDE MONEY TO DEFEASE AND/OR REFUND ALL OR A PORTION OF THE CITY’S

OUTSTANDING UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2015; PROVIDING FOR THE CALL, DEFEASANCE, PAYMENT AND REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE OPTION OF SELLING THE BONDS BY COMPETITIVE OR NEGOTIATED SALE; DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO DETERMINE THE MANNER OF SALE AND TERMS OF THE BONDS UNDER THE CONDITIONS SET FORTH HEREIN; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DESIGNATING A FISCAL AGENT; PLEDGING THE CITY'S FULL FAITH, CREDIT AND RESOURCES TO THE PAYMENT OF THE BONDS; CREATING AND ADOPTING CERTAIN FUNDS AND ACCOUNTS AND PROVIDING FOR DEPOSITS THEREIN; COVENANTING TO COMPLY WITH CERTAIN FEDERAL TAX AND SECURITIES LAWS; DELEGATING CERTAIN ACTIONS IN CONNECTION WITH THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the City of Spokane, Washington (the "**City**") is a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the "**State**") and the Charter of the City; and

WHEREAS, the City is authorized and empowered by chapters 35.22, 39.36, 39.46 and 39.53 RCW to sell, issue and deliver its unlimited tax general obligation refunding bonds to refund all or a portion of its outstanding unlimited tax general obligation bonds; and

WHEREAS, the City now has outstanding its Unlimited Tax General Obligation Bonds, Series 2015, issued on January 27, 2015, pursuant to Ordinance No. C35207, passed by the City Council of the City (the "**Council**") on December 15, 2014 (the "**2015 Bond Ordinance**"), in the aggregate principal amount of $60,070,000 (the "**2015 Bonds**"), which remain outstanding as follows:

Outstanding 2015 Bonds

Years (December 1)	Amounts	Interest Rates	CUSIP Nos.
2026	$1,615,000	4.00%	849067 S46
2027	1,970,000	4.00	849067 S53
2028	5,770,000	4.00	849067 S61
2029	6,315,000	4.00	849067 S79
2030	6,895,000	4.00	849067 S87
2031	7,505,000	4.00	849067 S95
2032	8,160,000	3.00	849067 T29
2033	8,770,000	4.00	849067 T37
2034	9,500,000	4.00	849067 T45

; and

WHEREAS, the 2015 Bonds maturing on and after December 1, 2026 are callable for redemption at any time on and after December 1, 2024, at a price of par plus accrued interest to the date of redemption; and

WHEREAS, after due consideration, the Council has determined it will be financially advantageous to the City and result in a savings to the City's taxpayers to pay, defease, redeem and/or retire all or a portion of the outstanding 2015 Bonds maturing on and after December 1, 2026 (as more specifically defined herein, the "**Refunded Bonds**") the Refunded Bonds through the issuance of Unlimited Tax General Obligation Refunding Bonds, Series 2026 (the "**Bonds**"); and

WHEREAS, the Bonds will not mature later than the Refunded Bonds would have matured; and

WHEREAS, the annual debt service requirements of the Bonds will not exceed the annual debt service requirements of the Refunded Bonds; and

WHEREAS, the Council wishes to delegate authority to the Designated Representative (as hereinafter defined) to approve the final principal amount of the Bonds, the date of the Bonds, denominations, the interest rates, the number of series, the series designation, the tax status of each series, payment dates, redemption provisions, minimum savings and maturity dates of the Bonds under such terms and conditions as are approved by this ordinance; and

WHEREAS, the Council is desirous of taking all reasonable actions to enable it to refund the Refunded Bonds in order to obtain maximum savings for the taxpayers of the City; and

WHEREAS, the Council has determined it to be in the best interest of the City to sell the Bonds at competitive sale or negotiated sale;

NOW, THEREFORE, THE CITY OF SPOKANE DOES HEREBY FURTHER FIND, DETERMINE AND ORDAIN as follows:

Section 1: Definitions

As used in this Ordinance, the following terms have the meanings provided in this Section 1.

Approved Bid means the winning bid submitted for a series of the Bonds if such series is sold by competitive sale, as selected by the Designated Representative.

Bond Fund means the City's "General Obligation Debt Service Fund" maintained pursuant to Section 9 of this Ordinance.

Bond Purchase Contract means the contract between the City and the Underwriter pertaining to the sale and delivery of the Bonds, if the Bonds are sold by negotiated sale (including a private placement), as more fully described in Section 4 of this Ordinance.

Bond Register means the registration records maintained by the Registrar on which shall appear the names and addresses of the Registered Owners.

Bonds means the bonds herein authorized, designated as "City of Spokane Unlimited Tax General Obligation Refunding Bonds, Series 2026," or such other designation as the Designated Representative shall determine.

Chief Financial Officer means the duly qualified, appointed and acting Chief Financial Officer of the City or any other officer who succeeds to the duties now delegated to that office.

City means the City of Spokane, a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington and the Charter of the City.

City Clerk means the Clerk of the City or other officer of the City who is the custodian of the records of the proceedings of the Council or her successor in functions, if any.

Code means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder.

Council means the City Council as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

Debt Service Account means the City's "UTGO 2026 Debt Service Account" referred to in Section 9 of this Ordinance.

Designated Representative means the Chief Financial Officer or the Director of Management and Budget.

Director of Management and Budget means the duly qualified, appointed and acting Director of Management and Budget of the City or any other officer who succeeds to the duties now delegated to that office.

DTC means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, which will act as securities depository for the Bonds.

Escrow Account means the City's "Unlimited Tax General Obligation Bonds, Series 2015 Escrow Account" which may be created by the Refunding Trustee to accomplish the defeasance and/or refunding of the Refunded Bonds.

Escrow Agreement means the agreement of that name by and between the City and the Refunding Trustee, which may be executed by the Designated Representative, if deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds.

Good Faith Deposit has the meaning ascribed thereto in Section 6 hereof.

Government Obligations means those obligations now or hereafter defined as such in Chapter 39.53 RCW.

Letter of Representations means the Blanket Issuer Letter of Representations from the City to DTC.

Mayor means the Mayor of the City or her successor in functions, if any.

Municipal Advisor means Northwest Municipal Advisors, Bellevue, Washington, the City's municipal advisor with respect to the issuance of the Bonds.

Official Notice of Sale means, if the Bonds are sold by competitive sale, the notice of bond sale to be submitted to potential bidders for the Bonds and authorized to be given in Section 4 of this Ordinance.

Ordinance means this Ordinance adopted by the Council on July 22, 2026, authorizing the sale, issuance and delivery of the Bonds.

Outstanding means, when used with reference to the Bonds, as of any particular date, all Bonds that have been issued, executed, authenticated and delivered except: (A) Bonds canceled because of payment or redemption prior to their stated dates of maturity; and (B) any Bond (or portion thereof) deemed to have been paid pursuant to Section 19 of this Ordinance.

Participants means those broker-dealers, banks and other financial institutions from time to time for which DTC holds the Bonds as securities depository.

Redemption Date means the date on which the Refunded Bonds will be redeemed, as selected by the Designated Representative.

PERIODICAL

Note: For the remainder of ORD C36898, Executive Orders, Job Opportunities, and Notices for Bids, see Volume 116, Issue 30 Part II of the Official Gazette.

Official Gazette

City of Spokane, Washington

Statement of City Business, including a Summary of the Proceedings of the City Council

Volume 116 **July 29, 2026** Issue 30 Part II of II

Mayor and City Council

Mayor Lisa Brown

Council President Betsy Wilkerson

Council Members:

Michael Cathcart (District 1)

Paul Dillon (District 2)

Sarah Dixit (District 1)

Kitty Klitzke (District 3)

Kate Telis (District 2)

Zack Zappone (District 3)

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Ordinances Cont.

These ordinances are published in this issue of the *Official Gazette* pursuant to passage by the Spokane City Council. It should be noted that these ordinances may be subject to veto by the Mayor. If an ordinance is vetoed by the Mayor, the Mayoral veto will be published in a subsequent issue of the *Official Gazette*.

Refunded Bonds means all or a portion of the 2015 Bonds maturing on and after December 1, 2026, as selected by the Designated Representative.

Refunding Trustee has the meaning ascribed thereto in Section 11 hereof.

Registered Owner means the person named as the registered owner of a Bond on the Bond Register.

Registrar means the Washington State Fiscal Agent, acting in the capacity as registrar, authenticating agent, paying agent and transfer agent of the Bonds, or its successors in functions, as now or hereafter designated.

Serial Bonds means any Bonds other than Term Bonds.

Term Bonds means the Bonds specifically designated as such in the Official Statement.

Treasurer means the Treasurer of the City, and any successor treasurer of the City in accordance with applicable law.

True Interest Cost means the yield that, when discounting all future principal and interest payments to the delivery date of the Bonds, produces a present value equal to the principal amount of the Bonds, less any Bond insurance policy premium, less the successful bidder's discount, plus any original issue premium, less any original issue discount, plus accrued interest.

Underwriter means the firm submitting the Approved Bid for the Bonds, or if it is determined that a negotiated sale (including a private placement) is in the best interest of the City, the underwriting firm or bank entering into the Bond Purchase Contract.

2015 Bond Ordinance means Ordinance No. C35207, passed by the Council on December 15, 2014.

2015 Bonds means the Unlimited Tax General Obligation Bonds, Series 2015, of the City issued January 27, 2015, and authorized by the 2015 Bond Ordinance.

Section 2: Interpretation

For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

A. *Internal References.* All references in this Ordinance to designated "Sections" and other subdivisions are to the designated sections and other subdivisions of this Ordinance. The words "herein," "hereof," "hereto," "hereby," "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular section or other subdivision.

B. *Persons.* Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public boards, as well as natural persons.

C. *Headings.* Any headings preceding the texts of the several sections of this Ordinance and the table of contents, 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.

D. *Writing Requirement.* Every “notice,” “certificate,” “consent” or similar action hereunder by the City shall, unless the form thereof is specifically provided, be in writing signed by an authorized representative of the City.

E. *Time.* In the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and each of the words “to” and “until” means “to but excluding.”

F. *Redemption.* Words importing the redemption or redeeming of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

G. *Payment Terms.* References to the payment of the Bonds shall be deemed to include references to the payment of interest thereon.

H. *Gender.* Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa, unless the context shall otherwise dictate.

Section 3: Purpose of the Bonds

The Bonds are being issued to provide money to pay, defease, redeem and/or retire the Refunded Bonds and to pay certain expenses incurred in connection with the issuance of the Bonds and the defeasance and/or refunding of the Refunded Bonds, all as set forth more specifically herein.

Section 4: Authorization of the Bonds

A. *General Terms.* Unlimited tax general obligation refunding bonds of the City, designated “City of Spokane Unlimited Tax General Obligation Refunding Bonds, Series 2026,” are hereby authorized to be sold, issued and delivered pursuant to chapters 35.22, 39.36, 39.46 and 39.53 RCW, in the event that an Approved Bid for the Bonds is accepted, or a Bond Purchase Contract is executed if the Bonds are sold by negotiated sale (including a private placement), as provided in this Section 4. The Bonds shall be issued in the aggregate principal amount of not to exceed $56,500,000; shall be dated as of their date of delivery; shall be issued in fully registered form; shall be in the denomination of $5,000 each, or any integral multiple thereof within a single maturity; and shall be numbered separately in such manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Bonds shall be in substantially the form set forth in Exhibit “A” attached hereto and by this reference incorporated herein.

B. *Competitive Sale.* The Designated Representative is authorized to cause the Official Notice of Sale for the Bonds to be prepared and published, and provide for such other matters pertaining to the competitive sale as deemed necessary or desirable. The Official Notice of Sale shall establish:

(1) that the True Interest Cost of the Bonds shall not exceed 4.00 percent;

(2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;

(3) the date or dates upon which the Bonds shall mature;

(4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;

(5) the date on which interest shall first be payable for each Bond, which date shall be no later than December 1, 2027;

(6) the yield and price for each maturity of the Bonds, which price shall be not less than 95 percent nor more than 140 percent of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00 percent of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to accept the Approved Bid for the Bonds, which Approved Bid must state the rate or rates of interest the Bonds shall bear and any premium or discount the Bonds shall bear.

C. *Findings.* The Council hereby finds that the determinations made in this Ordinance are the determinations set forth in RCW 39.46.040; and as such, the Council has fully and properly authorized the sale, issuance and delivery of the Bonds.

D. *Negotiated Sale.* In the event the Designated Representative determines that it is in the best interest of the City and its taxpayers to sell the Bonds by negotiated sale (including a private placement), the Designated Representative, upon the approval of the Mayor, is hereby authorized to select a bank for placement, or an underwriter, and to enter into a Bond Purchase Contract as provided in this Section 4. The Bond Purchase Contract shall establish the following:

(1) the True Interest Cost of the Bonds, which shall not exceed 4.00 percent;

(2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;

(3) the date or dates upon which the Bonds shall mature;

(4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;

(5) the date on which interest shall first be payable for each Bond, which date shall be no later than December 1, 2027;

(6) the yield and price for each maturity of the Bonds, which price shall be not less than 95 percent nor more than 140 percent of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00 percent of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to approve additions, deletions or alterations to the Bond Purchase Contract or any other document or certificate related thereto so long as such additions, deletions or alterations do not substantially alter the intent and substance of this Ordinance.

E. *Negotiable Instruments.* The Bonds shall be negotiable instruments to the extent provided by chapter 62A.3 RCW.

Section 5: Redemption Prior to Maturity

A. *Redemption.* The Bonds shall be subject to redemption at such time and in such amounts as provided in the Official Notice of Sale and the Approved Bid, or, if the Bonds are sold by negotiated sale (including a private placement), in the Bond Purchase Contract.

B. *Partial Redemption.* In accordance with the preceding paragraph, portions of the principal amount of any Bond, in installments of $5,000 or any integral multiple of $5,000 within a maturity, may also be redeemed. If less than all the principal amount of any Bond is redeemed, upon surrender of such Bond at the designated corporate trust office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the Registered Owner, with like maturity and interest rate, in any denomination authorized by this Ordinance.

C. *Notice of Redemption.* Except as set forth in subsection D below, and unless waived by the Registered Owner of any Bond to be redeemed, notice of any such redemption shall be sent by the Registrar by first-class mail, postage prepaid, not less than 20 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. The requirements of this subsection shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether it is actually received by the Registered Owner of any Bond to be redeemed. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the written notice, and if funds for the redemption are not irrevocably deposited with the Registrar or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the City. The Designated Representative is hereby authorized to agree to redemption provision they deem to be in the best interest of the City.

Any notice given pursuant to this subsection may be rescinded by written notice given by the City to the Registrar on or prior to the date specified for redemption. The Registrar shall give notice of such rescission as soon thereafter as practicable, and to the same Registered Owners, as notice of such redemption was given pursuant to this subsection.

D. *Special Notice of Redemption to DTC*. For so long as DTC is the securities depository for the Bonds, the Registrar shall send redemption and defeasance notices to DTC in the manner required by the Letter of Representations.

E. *Continuing Disclosure Undertaking*. Except in the case of a private placement, for so long as Section 24 of this Ordinance remains in effect, each redemption notice shall also be provided to EMMA by the City in the manner and timeframe specified in the Continuing Disclosure Undertaking; provided, neither any defect in such notice nor any failure to give all or any portion of such notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in subsection C above.

F. *Effect of Redemption.* When so called for redemption, the Bonds shall cease to accrue interest on the specified redemption date, provided money for redemption is on deposit at the place of payment at that time, and shall not be deemed to be Outstanding as of such redemption date.

G. *Voluntary Redemption Notice.* In addition to the notice required by subsection C above, further notice may be given by the Registrar as set out below, but neither any defect in such 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 prescribed in subsection C hereof.

(1) Each further notice of redemption given hereunder may contain the following information: (a) the redemption date; (b) the redemption price; (c) if less than all Bonds Outstanding are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (d) notification that, on the redemption date, the redemption price will 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 such date; (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated corporate trust office of the Registrar; (f) the CUSIP numbers, if any, of all Bonds being redeemed; (g) the date of issue of the Bonds as originally issued; (h) the rate of interest borne by each Bond being redeemed; (i) the maturity date of each Bond being redeemed; and (j) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption may be sent at least 20 days before the redemption date by registered or certified mail or overnight delivery service to: (a) all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, such depositories now being DTC; and (b) one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Each such further notice may be published one time in *The Bond Buyer* in New York, New York, or, if such publication is impractical or unlikely to reach a substantial number of the Registered Owners, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 20 days prior to the date fixed for redemption.

H. *Open Market Purchase and Cancellation*. The City hereby reserves the right and option to purchase any or all of the Bonds on the open market at any time and at any price. To the extent the City partially redeems Term Bonds, pursuant to this Ordinance, the City may, at its discretion, reduce the amount of any mandatory sinking fund deposit or deposits by an aggregate principal amount equal to the principal amount of the Term Bonds so redeemed. All Bonds purchased or redeemed under this Section shall be canceled.

Section 6: Sale of the Bonds

A. *Competitive Sale Authorized*. The Bonds may be sold by competitive sale. In any such competitive sale, the Bonds will be awarded to the bidder whose bid will result in the lowest True Interest Cost to the City. In the event that two or more bidders offer bids at the same lowest True Interest Cost, the City will award the Bonds to the bidder submitting the bid resulting in the highest net present value savings to the City. The Underwriter must pay accrued interest, if any, computed on a 360-day year and 30-day month basis, from the date of the Bonds to the date of delivery.

(1) *Notice of Sale*. The City hereby authorizes the Designated Representative, with the assistance of the Municipal Advisor, if the Bonds are sold by competitive sale, to cause the Official Notice of Sale to be disseminated to prospective purchasers of the Bonds in such manner as it deems to be in the best interest of the City.

(2) *Good Faith Deposit*. Each bid must be unconditional and the successful bidder shall, within three hours of the award of the Bonds, make a good faith deposit (the "**Good Faith Deposit**") by federal wire or by a certified or bank cashier's check in immediately available funds payable to the City in an amount set forth in the Official Notice of Sale, which amount shall not be less than 0.5 percent of the principal amount of the Bonds.

The Good Faith Deposit of the successful bidder will become the property of the City and will be credited to the purchase price of the Bonds at the time of delivery of the Bonds. No interest will be paid by the City on a bidder's Good Faith Deposit. If the purchase price is not paid in full upon tender of the

Bonds, the successful bidder shall have no right to the Bonds or to the recovery of the Good Faith Deposit, or to any allowance or credit by reason of the Good Faith Deposit, unless it appears the Bonds would not be validly issued if delivered to the Underwriter in the form and manner proposed. However, in the event of such nonpayment, the City reserves any and all rights granted by law to recover the agreed purchase price of the Bonds, and, in addition, any damages suffered by the City.

(3) *Opening and Award of Bids*. If the Bonds are sold pursuant to the provisions of this Section 6.A, bids will be opened by the City no later than 9:00 a.m. Pacific Time, in the offices of the Designated Representative, on the date set forth in the Official Notice of Sale. The Designated Representative is hereby authorized and directed to conduct the competitive sale of the Bonds in accordance with the Official Notice of Sale. The City reserves the right to reject any and all bids and to waive any irregularity or informality in any bid.

B. *Negotiated Sale Authorized.* The Bonds may be sold by negotiated sale (including a private placement) if it is determined by the Designated Representative, upon approval from the Mayor, that such method of sale is in the best interests of the City. If the Bonds are sold at negotiated sale or private placement, the terms of such sale must comply with Section 4 of this Ordinance.

C. *Other Related Matters.* The Designated Representative is authorized and directed to take such other actions to publicize or facilitate the sale of the Bonds as may be deemed desirable or necessary including, but not limited to, securing a rating on the Bonds from one or more of the established nationally recognized rating services.

Section 7: Place, Manner and Medium of Payment

A. *Payment Medium.* The principal of and interest on the Bonds are payable in lawful money of the United States of America to the Registered Owners thereof.

B. *Payment of Interest.* Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding the interest payment date. Each installment of interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least $1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner.

C. *Payment of Principal.* Principal of each Bond shall be payable to the Registered Owner, upon presentation and surrender of the Bonds on or after the date of maturity or prior redemption, at the designated corporate trust office of the Registrar. Upon the payment of the Bonds at maturity, or upon payment of the redemption price of any Bond being redeemed, each check or other transfer of money issued for such purpose shall bear the CUSIP number, if any, and identify by issue and maturity the Bonds being paid or redeemed with the proceeds of such check or other transfer.

D. *Interest on Delinquent Amounts of the Bonds.* If any Bond is not redeemed when properly presented at its maturity or redemption date, the City shall pay interest on that Bond at the same rate provided in the Bond from and after its maturity or redemption date until the principal of and interest on that Bond is paid in full or until sufficient money for its payment in full is on deposit in the Debt Service Account and the Bond has been called for payment by giving notice to the Registered Owner of that unpaid Bond.

E. *Ownership of Bonds.* The City and the Registrar may deem and treat the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of receiving payments of principal and interest due on such Bond and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

F. *Unclaimed Money.* he Treasurer shall submit a written request to the Registrar that the Registrar return to the Treasurer all money previously remitted to the Registrar for the payment of the Bonds that has not been distributed by the Registrar as of one year after the final maturity or prior redemption of all of the Bonds. The Treasurer shall deposit such money into a separate account to be held solely for the benefit of the Registered Owners of Bonds which have not been presented for payment, and which shall be used solely for paying the principal of such Bonds and the interest which had accrued thereon to the date of maturity or prior redemption. Interest earnings on the money in such account may be deposited into the Debt Service Account to pay the principal of and interest on any Bonds that are Outstanding.

Section 8: Pledge of Full Faith, Credit and Resources of the City

The full faith, credit and resources of the City are hereby irrevocably pledged for the punctual and full payment of the principal of and interest on the Bonds.

The City hereby irrevocably covenants that, for as long as any of the Bonds are Outstanding, it will make annual levies of *ad valorem* taxes without limitation as to rate or amount upon all the property within the City subject to taxation which, together with other money legally available therefor, will be sufficient in amount to pay the principal of and interest on the Bonds as the same shall become due.

Section 9: The Bond Fund

A. *Bond Fund & Debt Service Account.* The Treasurer currently maintains a fund to be used for the payment of debt service on all general obligation bonds, designated as the "General Obligation Debt Service Fund" (the "**Bond Fund**"). Within the Bond Fund, there has heretofore been created and shall continue to be maintained, a subsidiary account separate and distinct from all other accounts of the City, designated the "UTGO 2026 Debt Service Account" (the "**Debt Service Account**") or such other designation conforming to accounting practices, for the purpose of paying the principal of, premium, if any, and interest on the Bonds when due.

B. *Deposits to the Debt Service Account.* Accrued interest received from the sale of the Bonds, if any, shall be deposited into the Debt Service Account. All or a portion of original issue premium, if any, received from the sale of the Bonds may be deposited into the Debt Service Account. Tax receipts levied for the purpose of paying principal of and interest on the Bonds and, as from time to time directed by the Council, other City money legally available for payment of the Bonds will be deposited to the Debt Service Account to the extent necessary, and no later than the date such funds are required, to pay the principal of, premium, if any, and interest on the Bonds. The Treasurer is hereby authorized and directed to pay to the Registrar, in its capacity as the City's paying agent, all payments of principal and interest due on the Bonds in sufficient time for such payments to be made.

C. *Investment of Money in the Debt Service Account.* Money in the Debt Service Account may be invested as permitted by law, which investments shall mature prior to the date on which such money shall be needed for required interest or principal payments. All interest earned and income derived by virtue of such investments shall remain in the Debt Service Account and be used to meet the required deposits therein.

Section 10: The Refunding Plan

A. *Designation of the Refunded Bonds*. The City is desirous of defeasing, paying, redeeming and/or retiring the Refunded Bonds. The Designated Representative is authorized to designate all or a portion of the following outstanding 2015 Bonds as the "Refunded Bonds":

Outstanding 2015 Bonds

Years (December 1)	Amounts	Interest Rates	CUSIP Nos.
2026	$1,615,000	4.00%	849067 S46
2027	1,970,000	4.00	849067 S53
2028	5,770,000	4.00	849067 S61
2029	6,315,000	4.00	849067 S79
2030	6,895,000	4.00	849067 S87
2031	7,505,000	4.00	849067 S95
2032	8,160,000	3.00	849067 T29
2033	8,770,000	4.00	849067 T37
2034	9,500,000	4.00	849067 T45

B. *Application of Bond Proceeds.* The net proceeds of the Bonds (exclusive of any amounts that may be designated by the Designated Representative in a closing certificate to be allocated to pay costs of issuance of the Bonds and exclusive of amounts paid to an Underwriter as a fee or an Underwriter's discount)(the "**Net Bond Proceeds**"), together with other available funds of the City in the amount (if any) specified by the Designated Representative, shall be held by the City and used at the direction of the Designated Representative to pay the costs of, or to reimburse the City for the costs of, redeeming the Refunded Bonds and/or may be placed into the Escrow Account pursuant to the terms of an Escrow Agreement to effect a defeasance of the Refunded Bonds.

C. *Notice of Redemption*. The Refunding Trustee is hereby directed to give notice of the call and redemption of the Refunded Bonds in substantially the form set forth as Attachment II to the Form of Escrow Agreement attached hereto as Exhibit "B" and in the manner required by the 2015 Bond Ordinance.

D. *Modification of Refunding Plan.* The Designated Representative is hereby authorized, upon advice from the City's Municipal Advisor, to modify the refunding plan if such modification is determined to be in the City's best interest.

Section 11: The Refunding Trustee; Escrow Agreement

The City hereby authorizes the Designated Representative to select a financial institution to act as the Refunding Trustee with respect to the Refunded Bonds (the "**Refunding Trustee**"). In order to carry out the purposes of this Ordinance, if deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee an Escrow Agreement substantially in the form marked Exhibit "B" attached hereto and by this reference incorporated herein. If utilized, the Escrow Agreement, shall set forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the defeasance and/or refunding of the Refunded Bonds as provided herein, and shall set forth the payment of the fees, compensation and expenses of the Refunding Trustee.

Section 12: Creation of the Escrow Account & Government Obligations

A. *Creation of the Escrow Account*. If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee is authorized and directed to establish a special account for the City designated the "Unlimited Tax General Obligation Bonds, Series 2015 Escrow Account," or such other designation conforming to accounting principles and banking practices.

B. *Deposits into the Escrow Account*. If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, may be deposited into the Escrow

Account and may be held as cash or used to acquire Government Obligations, as more specifically provided in the Escrow Agreement. Such funds shall be irrevocably deposited into the Escrow Account. Any funds to be deposited into the Escrow Account shall be held by the Refunding Trustee in trust. All funds credited to the Escrow Account shall be deemed so credited to and held in the Escrow Account notwithstanding the fact that such funds are held by the Refunding Trustee in trust for the owners of the Refunded Bonds.

C. *Use of Money in the Escrow Account*. If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee, on behalf of the City, may be authorized and directed to use the Net Bond Proceeds, together with other legally available money of the City, to purchase Government Obligations in the amounts, of the type, bearing interest and maturing in such amounts as are necessary to make the payments described in this Ordinance and in the Escrow Agreement. The investment income from and maturing principal of the Government Obligations and money to be deposited into the Escrow Account, if any, shall be transmitted to the Washington State Fiscal Agent, as Registrar for the City, for the sole purpose of paying the principal of and interest on the Refunded Bonds. Any money remaining on deposit in the Escrow Account created hereunder after the payment in full of the Refunded Bonds and the costs of issuing the Bonds, shall be transferred by the Refunding Trustee to the City and deposited into the Bond Fund.

D. Government Obligations.

(1) *Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Government Obligations shall be payable in such amounts and at such times that, together with other legally available money of the City, will be sufficient to provide for the payment of: (a) the interest on the Refunded Bonds as such becomes due on and before the Redemption Date or maturity of the Refunded Bonds; and (b) the price of redemption of the Refunded Bonds on the Redemption Date or the maturity value of the Refunded Bonds that are defeased to maturity.

(2) *Sufficiency of the Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, prior to the delivery of the Bonds, the City shall receive an opinion of a nationally recognized firm of independent certified public accountants or from a nationally recognized financial advisor, stating, in substance, that the money and Government Obligations to be deposited with the Refunding Trustee for the payment of the Refunded Bonds will discharge and satisfy the City's obligations under the 2015 Ordinance to make payments on the Refunded Bonds. Such opinion will not be required in the event the City deposits sufficient funds at closing to provide for all debt service payments, without taking into account interest earnings thereon.

Section 13: Irrevocable Call

A. Refunded Bonds.

(1) *Irrevocable Call for Redemption.* In accordance with Section 4 of the 2015 Bond Ordinance, the City hereby calls the Refunded Bonds for redemption on the Redemption Date. Such call for redemption shall be irrevocable upon the delivery of the Bonds to the Underwriter.

(2) *Irrevocable Pledge of Proceeds of the Bonds*. The City hereby irrevocably pledges the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, Government Obligations (if any) and any amounts on deposit in the Escrow Account (if utilized), to pay the interest on the Refunded Bonds, up to and including the Redemption Date, and to redeem and retire the Refunded Bonds on such date at the price of 100 percent of the principal amount thereof plus accrued interest to the Redemption Date. Such amounts are hereby irrevocably pledged to be set aside to effect such payment, redemption and retirement.

B. *Findings Regarding the Defeasance and/or Refunding of the Refunded Bonds*. The Council hereby finds that, as of the date the Bonds are issued and the Net Bond Proceeds are utilized as set forth herein: (1) no further payments need to be made into the Bond Fund for the payment of the principal of and interest on the Refunded Bonds; (2) the Refunded Bonds and the interest accrued thereon shall cease to be entitled to any lien, benefit or security of the 2015 Bond Ordinance, except the right to receive the funds so set aside and pledged; and (3) the Refunded Bonds and the interest accruing thereon shall no longer be deemed to be Outstanding under the 2015 Bond Ordinance. The Council hereby further finds and determines that the issuance and sale of the Bonds will benefit the City by affecting a savings to the City's taxpayers. In making such finding and determination, the Council has given consideration to the interest that will be payable on the Bonds through the maturity of the Bonds, the costs of issuance of the Bonds and the net present value savings due to the defeasance and/or refunding of the Refunded Bonds.

Section 14: Execution and Authentication of the Bonds

A. *Execution of the Bonds.* The City shall cause definitive Bonds to be prepared, executed, and delivered. The Bonds shall be executed on behalf of the City by the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the City Clerk, and shall have the seal of the City impressed, imprinted or otherwise reproduced thereon.

B. *Authentication of the Bonds.* The executed Bonds shall be delivered to the Registrar for authentication. The Bonds shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification. Only those Bonds that bear a Certificate of Authentication substantially in the form set forth in Exhibit "A" attached hereto and manually executed by an authorized representative of the 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.

C. *Validity of Signatures.* In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the City before the Bonds so signed or attested shall have been authenticated or delivered by the Registrar, or issued by the City, such Bond may nevertheless be authenticated, delivered and issued, and, upon such authentication, delivery and issue, shall be as binding upon the City as though those who signed and attested the same had continued to be such officers of the City. Any Bond may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bond shall be the proper officers of the City although at the original date of such Bond any such person shall not have been such officer of the City.

Section 15: The Registrar

A. *Registrar Appointed.* The Treasurer has designated the Washington State Fiscal Agent as the City's legally designated fiscal agent with respect to the Bonds. The Council hereby confirms such designation with respect to the Bonds and appoints the Washington State Fiscal Agent as Registrar, authenticating agent, paying agent and transfer agent with respect to the Bonds, subject to the terms and conditions of this Section.

B. *Delegated Duties.* The Registrar is hereby authorized and directed, on behalf of the City, to authenticate and deliver Bonds initially issued or transferred or exchanged in accordance with the provisions of the Bonds and this Ordinance and to carry out all of the Registrar's powers and duties under this Ordinance and the Agreement for Fiscal Agency Services between the Washington State Finance Committee and the Registrar (as the same may be amended or readopted from time to time).

C. *Bond Register.* The Bonds shall be issued only in registered form as to both principal and interest. The Registrar shall keep, or cause to be kept, at its designated corporate trust office the Bond Register which shall at all times be open to inspection by the City. The City hereby specifies and adopts the system of registration for the Bonds approved by the Washington State Finance Committee.

D. *Fees and Costs.* The City shall pay to the Registrar from time to time reasonable compensation for all services rendered under this Ordinance, together with reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of its attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Ordinance. The administrative fees provided for in this subsection may be paid from the Debt Service Account.

E. *Representations.* The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Bonds.

F. *Ownership Rights.* The Registrar may become the Registered Owner of the Bonds with the same rights it would have if it were not the 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 rights of Registered Owners of the Bonds.

G. *Cancellation of Surrendered Bonds.* Bonds surrendered to the Registrar for payment, redemption, transfer or exchange, as well as Bonds surrendered by the City for cancellation, shall be canceled immediately by the Registrar and returned to the City. Such Bonds thereafter shall be destroyed.

Section 16: Book-Entry System Authorized

A. The Bonds shall be initially issued in the form of a separate, single-certificated, fully registered Bond for each maturity set forth in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), the Bond Purchase Contract, as provided for in Section 4 of this Ordinance, in the aggregate principal amount of such maturity. Upon initial issuance, the ownership of each Bond may be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the securities depository for the Bonds. Except as provided in subsection D of this Section, all of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

B. With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, neither the City nor the Registrar shall have any responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Registrar shall have no responsibility or obligation with respect to: (1) the accuracy of the records of DTC, Cede & Co., or any Participant with respect to any ownership interest in the Bonds; (2) the delivery to any Participant or any other person, other than a Registered Owner, of any notice with respect to the Bonds; or (3) the payment to any Participant or any other person, other than a Registered Owner, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City and the Registrar may treat and consider the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and the interest on the Bonds as provided for in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), Bond Purchase Contract, and as further provided in Sections 4 and 5 of this Ordinance and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sums so paid. No person other than a Registered Owner shall receive a certificated Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to the transfer and payment of the Bonds, the phrase "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

C. The City heretofore has delivered the Letter of Representations to the Registrar and DTC. The delivery of the Letter of Representations shall not in any way limit the provisions of subsection B of this Section or in any other way impose upon the City any obligation whatsoever with respect to persons having interests in the Bonds other than the Registered Owner. The Registrar shall take all action necessary to comply with, at all times, any and all representations of the City in the Letter of Representations with respect to the Registrar.

D. (1) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and to the Registrar, and discharging its responsibilities with respect thereto under applicable law.

(2) The City, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the City determines that: (a) DTC is unable to discharge its responsibilities with respect to the Bonds; or (b) a continuation of the requirement that all of the Bonds be registered in the Bond Register in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

(3) Upon termination of the services of DTC with respect to the Bonds pursuant to subsection D(2)(b) of this Section, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection D(1) or subsection D(2)(a) of this Section, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found that, in the opinion of the City, is willing and able to undertake such functions upon reasonable and customary terms, the City shall deliver certificated Bonds at the expense of the City, as described in this Ordinance, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the names that the Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance. In the event the Bonds are transferred by the City to fully registered form, the Bonds shall be payable by the Registrar. Thereafter, the principal of the Bonds shall be payable upon due presentment and surrender thereof at the designated corporate trust office of the Registrar; interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least $1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner, and the Bonds shall be transferable as provided in this Ordinance.

E. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

F. If the Bonds are privately placed with a bank, the City may determine not to comply with this Section if the Designated Representative deems it to be in the best interest of the City.

Section 17: Transfer and Exchange of the Bonds

A. *Transfer of Bonds.* Each Bond shall be transferable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, upon due completion of the assignment form appearing thereon and upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor.

B. *Exchange of Bonds.* Each Bond shall be exchangeable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, for one or more new Bonds, upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation.

C. *Authentication and Delivery of New Bonds.* Whenever a Bond shall be surrendered for transfer or exchange, the Registrar shall authenticate and deliver to the transferee or exchangee, in exchange therefor, a new fully registered Bond or Bonds of any authorized denomination or denominations, of the same maturity and interest rate as, and for the aggregate principal amount of, the Bond being surrendered. Notwithstanding the foregoing sentence, the Registrar is not required to transfer or exchange any Bond during the 15 days preceding any principal or interest payment date.

D. *Payment of Fees and Costs.* The Registrar shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

Section 18: Mutilated, Lost, Stolen or Destroyed Bonds

A. *Issuance of Substitute Bonds.* If any Bond shall become mutilated, lost, stolen or destroyed, the affected Registered Owner shall be entitled to the issuance of a substitute Bond only as follows:

(1) in the case of a lost, stolen or destroyed Bond, the Registered Owner shall: (a) provide notice of the loss, theft or destruction to the City and the Registrar within a reasonable time after the Registered Owner receives notice of the loss, theft or destruction; (b) request the issuance of a substitute Bond; (c) provide evidence, satisfactory to the City and the Registrar, of the ownership and the loss, theft or destruction of the affected Bond; and (d) file in the offices of the City and the Registrar a written affidavit specifically alleging on oath that such Registered Owner is the proper owner, payee or legal representative of such owner or payee of the Bond that has been lost, stolen or destroyed, giving the date the Bond was issued and the number, principal amount and series of such Bond, and stating that the Bond has been lost, stolen or destroyed, and has not been paid and has not been received by such Registered Owner;

(2) in the case of a mutilated Bond, the Registered Owner shall surrender the Bond to the Registrar for cancellation; and

(3) in all cases, the Registered Owner shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section satisfactory to the City and the Registrar.

Upon compliance with the foregoing, a new Bond of like tenor and denomination, bearing the same number as the mutilated, lost, stolen or destroyed Bond, and with the word “DUPLICATE” stamped or printed plainly on its face, shall be executed by the City, authenticated by the Registrar and delivered to the Registered Owner, all at the expense of the Registered Owner to whom the substitute Bond is delivered. Notwithstanding the foregoing, the Registrar shall not be required to authenticate and deliver any substitute Bond for a Bond that has matured or is about to mature or that has been called for redemption and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid by the Registrar in accordance with the terms of the mutilated, destroyed, lost or stolen Bonds without substitution therefor.

B. *Notation on the Bond Register.* Upon the issuance and authentication of any substitute Bond under the provisions of this Section, the Registrar shall enter upon the Bond Register a notation that the original Bond was canceled and a substitute Bond was issued.

C. *Rights of Registered Owners of Substitute Bonds.* Every substitute Bond issued pursuant to this Section shall constitute an additional contractual obligation of the City and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued hereunder unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the City may recover the substitute Bond from the Registered Owner to whom it was issued or from anyone taking under the Registered Owner except a bona fide purchaser for value without notice.

D. *Exclusive Rights.* All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or of investment or other securities without their surrender.

Section 19: Defeasance of the Bonds

In the event that money and/or "government obligations" (as defined from time to time in RCW 39.53.010), maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in such amounts as are sufficient, together with any resulting cash balances, to redeem and retire part or all of the Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Debt Service Account or any account therein for the payment of the principal of and interest on the certain Bonds so provided for, and such Bonds and interest accrued thereon shall no longer be deemed to be Outstanding hereunder.

If the principal or redemption price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor has been made in accordance with this Section, all interest on such Bonds shall cease to accrue on the due date and all liability of the City with respect to such Bonds shall cease as of the date the principal, redemption price, if any, and interest is so provided for, except as hereinafter provided. Thereafter, the Registered Owners of such Bonds shall be restricted exclusively to the money so deposited for any claim of whatsoever nature with respect to such Bonds, and the Registrar shall hold such money in trust for such Registered Owners uninvested and without interest.

Section 20: Tax Covenants

A. *Compliance With the Code.* The City covenants to comply with each requirement of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the City covenants to comply with the provisions of the Tax Compliance Certificate executed by the City on the date of initial issuance and delivery of the Bonds, as such Tax Compliance Certificate may be amended from time to time.

B. *Necessary Payments.* The City covenants to make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code.

C. *Survival of Tax Covenants.* Notwithstanding any other provision of this Ordinance to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 19 of this Ordinance.

D. *Remedies.* Notwithstanding any other provision of this Ordinance to the contrary: (1) upon the City's failure to observe or refusal to comply with the above covenants, the Registered Owners, or any trustee acting on their behalf, shall be entitled to the rights and remedies provided to the Registered Owners under this Ordinance; and (2) neither the holders or Registered Owners of bonds of any series other than Bonds, nor a trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to Registered Owners under this Ordinance based upon the City's failure to observe, or refusal to comply with, the above covenants.

Section 21: Amendments to the Ordinance

A. *Amendments Not Requiring Registered Owner Consent.* The Council from time to time, and at any time, may adopt an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall become a part of this Ordinance, for any one or more of all the following purposes: (1) to add to or delete from the covenants and agreements of the City in this Ordinance, or to surrender any right or power reserved to the City herein, provided such additions or deletions shall not adversely affect, in any material respect, the interests of the Registered Owners of any Bond; and (2) to cure, correct or supplement any ambiguous or defective provision contained in this Ordinance, provided such supplemental ordinance shall not adversely affect, in any material respect, the interests of the Registered Owners of the Bonds. Any such supplemental ordinance may be adopted without the consent of the Registered Owners of any Bonds at any time Outstanding, notwithstanding any of the provisions of subsection B of this Section.

B. *Amendments Requiring Registered Owner Consent.* With the consent of the Registered Owners of not less than 50 percent in aggregate principal amount of the Bonds at the time Outstanding, the Council may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to, or changing in any manner, or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall: (1) extend the fixed maturity of any Bond, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or alter the redemption provisions pertaining thereto, without the consent of the Registered Owner of each Bond so affected; or (2) reduce the aforesaid percentage of Registered Owners required to approve any such supplemental ordinance, without the consent of the Registered Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of Registered Owners consent under this subsection B to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

C. *Effect of Supplemental Ordinances.* Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City under this Ordinance and all Registered Owners of Bonds Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

D. *Notations; Replacement Bonds.* Bonds executed and delivered after the execution of any supplemental ordinance adopted pursuant to the provisions of this Section may have a notation as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new Bonds so modified as to conform in the opinion of the Council to any modification of this Ordinance contained in any such supplemental ordinance, may be prepared and delivered without cost to the Registered Owners of any affected Bonds then Outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 22: Sale and Delivery of the Bonds and Taking of Other Actions Authorized

The Council hereby authorizes and directs each of the Mayor, the Chief Financial Officer, the Director of Management and Budget, the City Clerk, the Treasurer, the Municipal Advisor and Kutak Rock LLP, bond counsel, to execute and deliver the Bonds to the Underwriter, or in the case of a private placement with a bank, to the bank, and for the proper application and use of the proceeds of the sale thereof, including:

A. preparing the final official statement regarding the Bonds, if the Bonds are publicly offered; and

B. executing such certificates and receipts as may be necessary to properly document the issuance of the Bonds.

In addition, the Mayor, the Chief Financial Officer, the Director of Management and Budget, the City Clerk, the Treasurer, the Municipal Advisor and Kutak Rock LLP, bond counsel, are hereby authorized by the Council to execute and deliver such other certificates, agreements and documents, and to take such other actions on behalf of the City as may be reasonable and necessary:

A. to facilitate the issuance and sale of the Bonds;

B. to meet all provisions of the Code in order to maintain tax-exempt status of the Bonds; and

C. in connection with any matters related thereto, until the final maturity date of the Bonds or redemption, whichever occur first.

Section 23: The Preliminary Official Statement

If the Bonds are publicly offered, the Council hereby delegates authority to the Designated Representative to determine all acts to be undertaken by the City's officers, employees and agents with respect to the preparation and distribution of the preliminary official statement regarding the Bonds, if the Bonds are publicly offered, including any action taken to deem such preliminary official statement final as of its date except for the omission of information dependent upon the pricing of the issue and the completion of the underwriting agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Bonds dependent on the foregoing matters. The City agrees to cooperate with the Underwriter to deliver or cause to be delivered, within seven business days from the date of the sale date of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, copies of a final official statement in sufficient quantity to comply with the rules of the Municipal Securities Rulemaking Board and paragraph (b)(4) of Securities and Exchange Commission Rule 15c2-12.

Section 24: Continuing Disclosure Undertaking

The City covenants to execute and deliver at the time of issuance of the Bonds a Continuing Disclosure Undertaking in substantially the form set forth in Exhibit "C" attached hereto and by this reference incorporated herein. The Designated Representative is authorized and directed to execute and deliver a Continuing Disclosure Undertaking upon the sale, issuance and delivery of the Bonds with such terms and provisions as such officer shall deem appropriate and in the best interest of the City, upon consultation with the City's bond counsel. The City hereby reserves the right to comply with this Section by meeting its annual disclosure requirements through any system approved by the SEC. All required filings shall be made in an electronic format as prescribed by the MSRB.

Section 25: Contract and Severability of Provisions

The covenants contained in this Ordinance and in the Bonds shall constitute a contract between the City and the Registered Owner of each and every Bond. Any action by the Registered Owner of any Bond shall bind all future Registered Owners of the same Bond in respect of anything done or suffered by the City or the Registrar in pursuance thereof. All the covenants, promises and agreements in this Ordinance contained by or on behalf of the City, or by or on behalf of the Registrar, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

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 on final appeal (if any appeal be taken) to be contrary to law, then such covenant or agreement shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds.

Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon or give to any person other than the City, the Registrar and the Registered Owners and the holders from time to time of the Bonds any rights, remedies or claims under or by reason of this Ordinance or any covenant, condition or stipulation thereof; and all of the covenants, stipulations, promises and agreements in this Ordinance contained by or on behalf of the City shall be for the sole and exclusive benefit of the City, the Registrar and the Registered Owners and the holders from time to time of the Bonds.

Section 26: No Personal Recourse

No recourse shall be had for any claim based on this Ordinance or the Bonds against any Council member, officer or employee, past, present or future, of the City or of any successor body as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 27: Ratification

All actions not inconsistent with the provisions of this Ordinance heretofore taken by the Council and the City's employees with respect to the adoption of this Ordinance, the defeasance and/or refunding of the Refunded Bonds and the issuance, sale and delivery of the Bonds, are hereby in all respects ratified, approved and confirmed.

Section 28: Repealer

All ordinances or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

Section 29: Rescission

The Council previously held a regular meeting on April 21, 2025, at which time the Board adopted Ordinance No. C36663 ("**Ordinance No. C36663**") authorizing the issuance by the City of certain indebtedness to defease and/or refund the Refunded Bonds within one year from the date thereof. Due to variable interest rates and market conditions, issuing indebtedness within one year from the date of Ordinance No. C36663 was not deemed to be in the best interest of the City and was not undertaken. For the avoidance of doubt, the Council hereby rescinds Ordinance No. C36663.

Section 30: Effective Date

This Ordinance shall become effective 30 days following its enactment.

Note: All attachments are available to view with the Office of the City Clerk.

Passed by City Council July 22, 2026
Delivered to Mayor July 24, 2026

CITY OF SPOKANE, WASHINGTON
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2026

ORDINANCE NO. C36899

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF NOT TO EXCEED $53,000,000 OF THE CITY'S LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026, TO PROVIDE MONEY TO DEFEASE AND/OR REFUND ALL OR A PORTION OF THE CITY'S OUTSTANDING LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015; PROVIDING FOR THE CALL, DEFEASANCE, PAYMENT AND REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE OPTION OF SELLING THE BONDS BY COMPETITIVE OR NEGOTIATED SALE; DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO DETERMINE THE MANNER OF SALE AND TERMS OF THE BONDS UNDER THE CONDITIONS SET FORTH HEREIN; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DESIGNATING A FISCAL AGENT; PLEDGING THE CITY'S FULL FAITH, CREDIT AND RESOURCES TO THE PAYMENT OF THE BONDS; CREATING AND ADOPTING CERTAIN FUNDS AND ACCOUNTS AND PROVIDING FOR DEPOSITS THEREIN; COVENANTING TO COMPLY WITH CERTAIN FEDERAL TAX AND SECURITIES LAWS; DELEGATING CERTAIN ACTIONS IN CONNECTION WITH THE PRELIMINARY

OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

Passed: July 22, 2026

Prepared by:
KUTAK ROCK LLP
Spokane, Washington

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ORDINANCE NO. C36899

AN ORDINANCE OF THE CITY OF SPOKANE, WASHINGTON AUTHORIZING THE SALE, ISSUANCE AND DELIVERY OF NOT TO EXCEED $53,000,000 OF THE CITY’S LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026, TO PROVIDE MONEY TO DEFEASE AND/OR REFUND ALL OR A PORTION OF THE CITY’S OUTSTANDING LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015; PROVIDING

FOR THE CALL, DEFEASANCE, PAYMENT AND REDEMPTION OF THE REFUNDED BONDS; PROVIDING FOR THE OPTION OF SELLING THE BONDS BY COMPETITIVE OR NEGOTIATED SALE; DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO DETERMINE THE MANNER OF SALE AND TERMS OF THE BONDS UNDER THE CONDITIONS SET FORTH HEREIN; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DESIGNATING A FISCAL AGENT; PLEDGING THE CITY'S FULL FAITH, CREDIT AND RESOURCES TO THE PAYMENT OF THE BONDS; CREATING AND ADOPTING CERTAIN FUNDS AND ACCOUNTS AND PROVIDING FOR DEPOSITS THEREIN; COVENANTING TO COMPLY WITH CERTAIN FEDERAL TAX AND SECURITIES LAWS; DELEGATING CERTAIN ACTIONS IN CONNECTION WITH THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT; AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the City of Spokane, Washington (the "**City**") is a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington (the "**State**") and the Charter of the City; and

WHEREAS, the City is authorized and empowered by chapters 35.22, 39.36, 39.46 and 39.53 RCW to sell, issue and deliver its limited tax general obligation refunding bonds to refund all or a portion of its outstanding limited tax general obligation bonds; and

WHEREAS, the City now has outstanding its Limited Tax General Obligation Refunding Bonds, Series 2015, issued on February 11, 2015, pursuant to Ordinance No. C35219, passed by the City Council of the City (the "**Council**") on January 12, 2015 (the "**2015 Bond Ordinance**"), in the original aggregate principal amount of $48,305,000 (the "**2015 Bonds**"), which remain outstanding as follows:

Outstanding 2015 Bonds

Years (December 1)	Amounts	Interest Rates	CUSIP Nos.
2027	$4,050,000	3.000%	849067 T52
2028	4,530,000	3.500	849067 T60
2029	5,055,000	4.000	849067 T78
2030	5,640,000	4.000	849067 T86
2031	6,265,000	4.000	849067 T94
2032	6,935,000	3.000	849067 U27
2033	7,570,000	3.125	849067 U35
2034	8,260,000	3.100	849067 U43

; and

WHEREAS, the 2015 Bonds maturing on and after December 1, 2027 are callable for redemption at any time on and after December 1, 2024, at a price of par plus accrued interest to the date of redemption; and

WHEREAS, after due consideration, the Council has determined it will be financially advantageous to the City and result in a savings to the City's taxpayers to pay, defease, redeem and/or retire the all or portion of the outstanding 2015 Bonds maturing on and after December 1, 2027 (as more specifically defined herein, the "**Refunded Bonds**") through the issuance of Limited Tax General Obligation Refunding Bonds, Series 2026 (the "**Bonds**"); and

WHEREAS, the Bonds will not mature later than the Refunded Bonds would have matured; and

WHEREAS, the annual debt service requirements of the Bonds will not exceed the annual debt service requirements of the Refunded Bonds; and

WHEREAS, the Council wishes to delegate authority to the Designated Representative (as hereinafter defined) to approve the final principal amount of the Bonds, the date of the Bonds, denominations, the interest rates, the number of series, the series designation, the tax status of each series, payment dates, redemption provisions, minimum savings and maturity dates of the Bonds under such terms and conditions as are approved by this ordinance; and

WHEREAS, the Council is desirous of taking all reasonable actions to enable it to refund the Refunded Bonds in order to obtain maximum savings for the taxpayers of the City; and

WHEREAS, the Council has determined it to be in the best interest of the City to sell the Bonds at competitive sale or negotiated sale;

NOW, THEREFORE, THE CITY OF SPOKANE DOES HEREBY FURTHER FIND, DETERMINE AND ORDAIN as follows:

Section 1: Definitions

As used in this Ordinance, the following terms have the meanings provided in this Section 1.

Approved Bid means the winning bid submitted for a series of the Bonds if such series is sold by competitive sale, as selected by the Designated Representative.

Bond Fund means the City's "General Obligation Debt Service Fund" maintained pursuant to Section 9 of this Ordinance.

Bond Purchase Contract means the contract between the City and the Underwriter pertaining to the sale and delivery of the Bonds, if the Bonds are sold by negotiated sale (including a private placement), as more fully described in Section 4 of this Ordinance.

Bond Register means the registration records maintained by the Registrar on which shall appear the names and addresses of the Registered Owners.

Bonds means the bonds herein authorized, designated as "City of Spokane Limited Tax General Obligation Refunding Bonds, Series 2026," or such other designation as the Designated Representative shall determine.

Chief Financial Officer means the duly qualified, appointed and acting Chief Financial Officer of the City or any other officer who succeeds to the duties now delegated to that office.

City means the City of Spokane, a municipal corporation and first-class charter city duly organized and existing under the laws of the State of Washington and the Charter of the City.

City Clerk means the Clerk of the City or other officer of the City who is the custodian of the records of the proceedings of the Council or her successor in functions, if any.

Code means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder.

Council means the City Council as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

Debt Service Account means the City's "LTGO 2026 Debt Service Account" referred to in Section 9 of this Ordinance.

Designated Representative means the Chief Financial Officer or the Director of Management and Budget.

Director of Management and Budget means the duly qualified, appointed and acting Director of Management and Budget of the City or any other officer who succeeds to the duties now delegated to that office.

DTC means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, which will act as securities depository for the Bonds.

Escrow Account means the City's "Limited Tax General Obligation Refunding Bonds, Series 2015 Escrow Account" which may be created by the Refunding Trustee to accomplish the defeasance and/or refunding of the Refunded Bonds.

Escrow Agreement means the agreement of that name by and between the City and the Refunding Trustee, which may be executed by the Designated Representative, if deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds.

Good Faith Deposit has the meaning ascribed thereto in Section 6 hereof.

Government Obligations means those obligations now or hereafter defined as such in Chapter 39.53 RCW.

Letter of Representations means the Blanket Issuer Letter of Representations from the City to DTC.

Mayor means the Mayor of the City or her successor in functions, if any.

Municipal Advisor means Northwest Municipal Advisors, Bellevue, Washington, the City's municipal advisor with respect to the issuance of the Bonds.

Official Notice of Sale means, if the Bonds are sold by competitive sale, the notice of bond sale to be submitted to potential bidders for the Bonds and authorized to be given in Section 4 of this Ordinance.

Ordinance means this Ordinance adopted by the Council on July 22, 2026, authorizing the sale, issuance and delivery of the Bonds.

Outstanding means, when used with reference to the Bonds, as of any particular date, all Bonds that have been issued, executed, authenticated and delivered except: (A) Bonds canceled because of payment or redemption prior to their stated dates of maturity; and (B) any Bond (or portion thereof) deemed to have been paid pursuant to Section 19 of this Ordinance.

Participants means those broker-dealers, banks and other financial institutions from time to time for which DTC holds the Bonds as securities depository.

Redemption Date means the date on which the Refunded Bonds will be redeemed, as selected by the Designated Representative.

Refunded Bonds means all or a portion of the 2015 Bonds maturing on and after December 1, 2027, as selected by the Designated Representative.

Refunding Trustee has the meaning ascribed thereto in Section 11 hereof.

Registered Owner means the person named as the registered owner of a Bond on the Bond Register.

Registrar means the Washington State Fiscal Agent, acting in the capacity as registrar, authenticating agent, paying agent and transfer agent of the Bonds, or its successors in functions, as now or hereafter designated.

Serial Bonds means any Bonds other than Term Bonds.

Term Bonds means the Bonds specifically designated as such in the Official Statement.

Treasurer means the Treasurer of the City, and any successor treasurer of the City in accordance with applicable law.

True Interest Cost means the yield that, when discounting all future principal and interest payments to the delivery date of the Bonds, produces a present value equal to the principal amount of the Bonds, less any Bond insurance policy premium, less the successful bidder's discount, plus any original issue premium, less any original issue discount, plus accrued interest.

Underwriter means the firm submitting the Approved Bid for the Bonds, or if it is determined that a negotiated sale (including a private placement) is in the best interest of the City, the underwriting firm or bank entering into the Bond Purchase Contract.

2015 Bond Ordinance means Ordinance No. C35219, passed by the Council on January 12, 2015.

2015 Bonds means the Limited Tax General Obligation Refunding Bonds, Series 2015, of the City issued February 11, 2015, and authorized by the 2015 Bond Ordinance.

Section 2: Interpretation

For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

A. *Internal References.* All references in this Ordinance to designated "Sections" and other subdivisions are to the designated sections and other subdivisions of this Ordinance. The words "herein," "hereof," "hereto," "hereby," "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular section or other subdivision.

B. *Persons.* Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public boards, as well as natural persons.

C. *Headings.* Any headings preceding the texts of the several sections of this Ordinance and the table of contents, 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.

D. *Writing Requirement.* Every "notice," "certificate," "consent" or similar action hereunder by the City shall, unless the form thereof is specifically provided, be in writing signed by an authorized representative of the City.

E. *Time.* In the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and each of the words "to" and "until" means "to but excluding."

F. *Redemption.* Words importing the redemption or redeeming of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of such Bond.

G. *Payment Terms.* References to the payment of the Bonds shall be deemed to include references to the payment of interest thereon.

H. *Gender.* Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa, unless the context shall otherwise dictate.

Section 3: Purpose of the Bonds

The Bonds are being issued to provide money to pay, defease, redeem and/or retire the Refunded Bonds and to pay certain expenses incurred in connection with the issuance of the Bonds and the defeasance and/or refunding of the Refunded Bonds, all as set forth more specifically herein.

Section 4: Authorization of the Bonds

A. *General Terms.* Limited tax general obligation refunding bonds of the City, designated "City of Spokane Limited Tax General Obligation Refunding Bonds, Series 2026," are hereby authorized to be sold, issued and delivered pursuant to chapters 35.22, 39.36, 39.46 and 39.53 RCW, in the event that an Approved Bid for the Bonds is accepted, or a Bond Purchase Contract is executed if the Bonds are sold by negotiated sale (including a private placement), as provided in this Section 4. The Bonds shall be issued in the aggregate principal amount of not to exceed $53,000,000; shall be issued in fully registered form; shall be in the denomination of $5,000 each, or any integral multiple thereof within a single maturity; and shall be numbered separately in such manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Bonds shall be in substantially the form set forth in Exhibit "A" attached hereto and by this reference incorporated herein.

B. *Competitive Sale.* The Designated Representative is authorized to cause the Official Notice of Sale for the Bonds to be prepared and published, and provide for such other matters pertaining to the competitive sale as deemed necessary or desirable. The Official Notice of Sale shall establish:

(1) that the True Interest Cost of the Bonds shall not exceed 4.00 percent;

(2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;

(3) the date or dates upon which the Bonds shall mature;

(4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;

(5) the date on which interest shall first be payable for each Bond, which date shall be no later than December 1, 2027;

(6) the yield and price for each maturity of the Bonds, which price shall be not less than 95 percent nor more than 140 percent of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00 percent of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to accept the Approved Bid for the Bonds, which Approved Bid must state the rate or rates of interest the Bonds shall bear and any premium or discount the Bonds shall bear.

C. *Findings.* The Council hereby finds that the determinations made in this Ordinance are the determinations set forth in RCW 39.46.040; and as such, the Council has fully and properly authorized the sale, issuance and delivery of the Bonds.

D. *Negotiated Sale.* In the event the Designated Representative determines that it is in the best interest of the City and its taxpayers to sell the Bonds by negotiated sale (including a private placement), the Designated Representative, upon the approval of the Mayor, is hereby authorized to select a bank for placement, or an underwriter, and to enter into a Bond Purchase Contract as provided in this Section 4. The Bond Purchase Contract shall establish the following:

(1) the True Interest Cost of the Bonds, which shall not exceed 4.00 percent;

(2) the date or dates of the Bonds, which shall be no later than one year from the date of this Ordinance;

(3) the date or dates upon which the Bonds shall mature;

(4) the principal amount of the Bonds maturing on each maturity date concluding no later than December 1, 2034;

(5) the date on which interest shall first be payable for each Bond, which date shall be no later than December 1, 2027;

(6) the yield and price for each maturity of the Bonds, which price shall be not less than 95 percent nor more than 140 percent of the principal amount of the Bonds;

(7) the optional and mandatory redemption provisions pertaining to the Bonds, provided the first date on which the Bonds may be optionally redeemed at par is not later than 10.5 years after the date of the Bonds; and

(8) the net present value savings due to the defeasance and/or refunding of the Refunded Bonds, which shall be not less than 1.00 percent of the par amount of the Refunded Bonds.

The Designated Representative is hereby authorized to approve additions, deletions or alterations to the Bond Purchase Contract or any other document or certificate related thereto so long as such additions, deletions or alterations do not substantially alter the intent and substance of this Ordinance.

E. *Negotiable Instruments.* The Bonds shall be negotiable instruments to the extent provided by chapter 62A.3 RCW.

Section 5: Redemption Prior to Maturity

A. *Redemption.* The Bonds shall be subject to redemption at such time and in such amounts as provided in the Official Notice of Sale and the Approved Bid, or, if the Bonds are sold by negotiated sale (including a private placement), in the Bond Purchase Contract.

B. *Partial Redemption.* In accordance with the preceding paragraph, portions of the principal amount of any Bond, in installments of $5,000 or any integral multiple of $5,000 within a maturity, may also be redeemed. If less than all the principal amount of any Bond is redeemed, upon surrender of such Bond at the designated corporate trust office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the Registered Owner, with like maturity and interest rate, in any denomination authorized by this Ordinance.

C. *Notice of Redemption.* Except as set forth in subsection D below, and unless waived by the Registered Owner of any Bond to be redeemed, notice of any such redemption shall be sent by the Registrar by first-class mail, postage prepaid, not less than 20 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. The requirements of this subsection shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether it is actually received by the Registered Owner of any Bond to be redeemed. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the written notice, and if funds for the redemption are not irrevocably deposited with the Registrar or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the City. The Designated Representative is hereby authorized to agree to redemption provision they deem to be in the best interest of the City.

Any notice given pursuant to this subsection may be rescinded by written notice given by the City to the Registrar on or prior to the date specified for redemption. The Registrar shall give notice of such rescission as soon thereafter as practicable, and to the same Registered Owners, as notice of such redemption was given pursuant to this subsection.

D. *Special Notice of Redemption to DTC*. For so long as DTC is the securities depository for the Bonds, the Registrar shall send redemption and defeasance notices to DTC in the manner required by the Letter of Representations.

E. *Continuing Disclosure Undertaking*. Except in the case of a private placement, for so long as Section 24 of this Ordinance remains in effect, each redemption notice shall also be provided to EMMA by the City in the manner and timeframe specified in the Continuing Disclosure Undertaking; provided, neither any defect in such notice nor any failure to give all or any portion of such notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in subsection C above.

F. *Effect of Redemption.* When so called for redemption, the Bonds shall cease to accrue interest on the specified redemption date, provided money for redemption is on deposit at the place of payment at that time, and shall not be deemed to be Outstanding as of such redemption date.

G. *Voluntary Redemption Notice.* In addition to the notice required by subsection C above, further notice may be given by the Registrar as set out below, but neither any defect in such 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 prescribed in subsection C hereof.

(1) Each further notice of redemption given hereunder may contain the following information: (a) the redemption date; (b) the redemption price; (c) if less than all Bonds Outstanding are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (d) notification that, on the redemption date, the redemption price will 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 such date; (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated corporate trust office of the Registrar; (f) the CUSIP numbers, if any, of all Bonds being redeemed; (g) the date of issue of the Bonds as originally issued; (h) the rate of interest borne by each Bond being redeemed; (i) the maturity date of each Bond being redeemed; and (j) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption may be sent at least 20 days before the redemption date by registered or certified mail or overnight delivery service to: (a) all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, such depositories now being DTC; and (b) one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Each such further notice may be published one time in *The Bond Buyer* in New York, New York, or, if such publication is impractical or unlikely to reach a substantial number of the Registered Owners, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 20 days prior to the date fixed for redemption.

H. *Open Market Purchase and Cancellation*. The City hereby reserves the right and option to purchase any or all of the Bonds on the open market at any time and at any price. To the extent the City partially redeems Term Bonds, pursuant to this Ordinance, the City may, at its discretion, reduce the amount of any mandatory sinking fund deposit or deposits by an aggregate principal amount equal to the principal amount of the Term Bonds so redeemed. All Bonds purchased or redeemed under this Section 5 shall be canceled.

Section 6: Sale of the Bonds

A. *Competitive Sale Authorized*. The Bonds may be sold by competitive sale. In any such competitive sale, the Bonds will be awarded to the bidder whose bid will result in the lowest True Interest Cost to the City. In the event that two or more bidders offer bids at the same lowest True Interest Cost, the City will award the Bonds to the bidder submitting the bid resulting in the highest net present value savings to the City. The Underwriter must pay accrued interest, if any, computed on a 360-day year and 30-day month basis, from the date of the Bonds to the date of delivery.

(1) *Notice of Sale*. The City hereby authorizes the Designated Representative, with the assistance of the Municipal Advisor, if the Bonds are sold by competitive sale, to cause the Official Notice of Sale to be disseminated to prospective purchasers of the Bonds in such manner as it deems to be in the best interest of the City.

(2) *Good Faith Deposit*. Each bid must be unconditional and the successful bidder shall, within three hours of the award of the Bonds, make a good faith deposit (the "**Good Faith Deposit**") by federal wire or by a certified or bank cashier's check in immediately available funds payable to the City in an amount set forth in the Official Notice of Sale, which amount shall not be less than 0.5 percent of the principal amount of the Bonds.

The Good Faith Deposit of the successful bidder will become the property of the City and will be credited to the purchase price of the Bonds at the time of delivery of the Bonds. No interest will be paid by the City on a bidder's Good Faith Deposit. If the purchase price is not paid in full upon tender of the Bonds, the successful bidder shall have no right to the Bonds or to the recovery of the Good Faith Deposit, or to any allowance or credit by reason of the Good Faith Deposit, unless it appears the Bonds would not be validly issued if delivered to the Underwriter in the form and manner proposed. However, in the event of such nonpayment, the City reserves any and all rights granted by law to recover the agreed purchase price of the Bonds, and, in addition, any damages suffered by the City.

(3) *Opening and Award of Bids*. If the Bonds are sold pursuant to the provisions of this Section 6.A, bids will be opened by the City no later than 9:00 a.m. Pacific Time, in the offices of the Designated Representative, on the date set forth in the Official Notice of Sale. The Designated Representative is hereby authorized and directed to conduct the competitive sale of the Bonds in

accordance with the Official Notice of Sale. The City reserves the right to reject any and all bids and to waive any irregularity or informality in any bid.

B. *Negotiated Sale Authorized.* The Bonds may be sold by negotiated sale (including a private placement) if it is determined by the Designated Representative, upon approval from the Mayor, that such method of sale is in the best interests of the City. If the Bonds are sold at negotiated sale or private placement, the terms of such sale must comply with Section 4 of this Ordinance.

C. *Other Related Matters.* The Designated Representative is authorized and directed to take such other actions to publicize or facilitate the sale of the Bonds as may be deemed desirable or necessary including, but not limited to, securing a rating on the Bonds from one or more of the established nationally recognized rating services.

Section 7: Place, Manner and Medium of Payment

A. *Payment Medium.* The principal of and interest on the Bonds are payable in lawful money of the United States of America to the Registered Owners thereof.

B. *Payment of Interest.* Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding the interest payment date. Each installment of interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least $1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner.

C. *Payment of Principal.* Principal of each Bond shall be payable to the Registered Owner, upon presentation and surrender of the Bonds on or after the date of maturity or prior redemption, at the designated corporate trust office of the Registrar. Upon the payment of the Bonds at maturity, or upon payment of the redemption price of any Bond being redeemed, each check or other transfer of money issued for such purpose shall bear the CUSIP number, if any, and identify by issue and maturity the Bonds being paid or redeemed with the proceeds of such check or other transfer.

D. *Interest on Delinquent Amounts of the Bonds.* If any Bond is not redeemed when properly presented at its maturity or redemption date, the City shall pay interest on that Bond at the same rate provided in the Bond from and after its maturity or redemption date until the principal of and interest on that Bond is paid in full or until sufficient money for its payment in full is on deposit in the Debt Service Account and the Bond has been called for payment by giving notice to the Registered Owner of that unpaid Bond.

E. *Ownership of Bonds.* The City and the Registrar may deem and treat the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of receiving payments of principal and interest due on such Bond and for all other purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary.

F. *Unclaimed Money.* The Treasurer shall submit a written request to the Registrar that the Registrar return to the Treasurer all money previously remitted to the Registrar for the payment of the Bonds that has not been distributed by the Registrar as of one year after the final maturity or prior redemption of all of the Bonds. The Treasurer shall deposit such money into a separate account to be held solely for the benefit of the Registered Owners of Bonds which have not been presented for payment, and which shall be used solely for paying the principal of such Bonds and the interest which had accrued thereon to the date of maturity or prior redemption. Interest earnings on the money in such account may be deposited into the Debt Service Account to pay the principal of and interest on any Bonds that are Outstanding.

Section 8: Pledge of Full Faith, Credit and Resources of the City

The Bonds are limited tax general obligations of the City and, as such, the full faith, credit and resources of the City are hereby pledged for their payment, within the appropriate constitutional and statutory limitations pertaining to non-voted general obligations. The Bonds are issued within the applicable debt limitations of the City.

The officers now or hereafter charged by law with the duty of levying taxes for the payment of the Bonds and the interest thereon shall, in the manner provided by law, make annual tax levies upon all of the taxable property within the City sufficient, together with other legally available money, to meet the annual payments of principal and interest on the Bonds as they become due, complying at all times with the constitutional and statutory tax limitations pertaining to non-voted general obligations.

Section 9: The Bond Fund

A. *Bond Fund & Debt Service Account.* The Treasurer currently maintains a fund to be used for the payment of debt service on all general obligation bonds, designated as the "General Obligation Debt Service Fund" (the "**Bond Fund**"). Within the Bond Fund, there has heretofore been created and shall continue to be maintained, a subsidiary account separate and distinct from all other accounts of the City, designated the "LTGO 2026 Debt Service Account" (the "**Debt Service Account**") or such other designation conforming to accounting practices, for the purpose of paying the principal of, premium, if any, and interest on the Bonds when due.

B. *Deposits to the Debt Service Account.* Accrued interest received from the sale of the Bonds, if any, shall be deposited into the Debt Service Account. All or a portion of original issue premium, if any, received from the sale of the Bonds may be deposited into the Debt Service Account. Tax receipts levied for the purpose of paying principal of and interest on the Bonds and, as from time to time directed by the Council, other City money legally available for payment of the Bonds will be deposited to the Debt Service Account to the extent necessary, and no later than the date such funds are required, to pay the principal of, premium, if any, and interest on the Bonds. The Treasurer is hereby authorized and directed to pay to the Registrar, in its capacity as the City's paying agent, all payments of principal and interest due on the Bonds in sufficient time for such payments to be made.

C. Investment of Money in the Debt Service Account. Money in the Debt Service Account may be invested as permitted by law, which investments shall mature prior to the date on which such money shall be needed for required interest or principal payments. All interest earned and income derived by virtue of such investments shall remain in the Debt Service Account and be used to meet the required deposits therein.

Section 10: The Refunding Plan

A. *Designation of the Refunded Bonds*. The City is desirous of defeasing, paying, redeeming and/or retiring the Refunded Bonds. The Designated Representative is authorized to designate all or a portion of the following outstanding 2015 Bonds as the "Refunded Bonds":

Outstanding 2015 Bonds

Years (December 1)	Amounts	Interest Rates	CUSIP Nos.
2027	$4,050,000	3.000%	849067 T52
2028	4,530,000	3.500	849067 T60
2029	5,055,000	4.000	849067 T78
2030	5,640,000	4.000	849067 T86
2031	6,265,000	4.000	849067 T94
2032	6,935,000	3.000	849067 U27

2033	7,570,000	3.125	849067 U35
2034	8,260,000	3.100	849067 U43

B. *Application of Bond Proceeds.* The net proceeds of the Bonds (exclusive of any amounts that may be designated by the Designated Representative in a closing certificate to be allocated to pay costs of issuance of the Bonds and exclusive of amounts paid to an Underwriter as a fee or an Underwriter's discount)(the "**Net Bond Proceeds**"), together with other available funds of the City in the amount (if any) specified by the Designated Representative, shall be held by the City and used at the direction of the Designated Representative to pay the costs of, or to reimburse the City for the costs of, redeeming the Refunded Bonds and/or may be placed into the Escrow Account pursuant to the terms of an Escrow Agreement to effect a defeasance of the Refunded Bonds.

C. *Notice of Redemption*. The Refunding Trustee is hereby directed to give notice of the call and redemption of the Refunded Bonds in substantially the form set forth as Attachment II to the Form of Escrow Agreement attached hereto as Exhibit "B" and in the manner required by the 2015 Bond Ordinance.

D. *Modification of Refunding Plan.* The Designated Representative is hereby authorized, upon advice from the City's Municipal Advisor, to modify the refunding plan if such modification is determined to be in the City's best interest.

Section 11: The Refunding Trustee; Escrow Agreement

The City hereby authorizes the Designated Representative to select a financial institution to act as the Refunding Trustee with respect to the Refunded Bonds (the "**Refunding Trustee**"). In order to carry out the purposes of this Ordinance, if deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee an Escrow Agreement substantially in the form marked Exhibit "B" attached hereto and by this reference incorporated herein. If utilized, the Escrow Agreement, shall set forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the defeasance and/or refunding of the Refunded Bonds as provided herein, and shall set forth the payment of the fees, compensation and expenses of the Refunding Trustee.

Section 12: Creation of the Escrow Account & Government Obligations

A. *Creation of the Escrow Account*. If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee is authorized and directed to establish a special account for the City designated the "Limited Tax General Obligation Refunding Bonds, Series 2015 Escrow Account," or such other designation conforming to accounting principles and banking practices.

B. *Deposits into the Escrow Account*. If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, may be deposited into the Escrow Account and may be held as cash or used to acquire Government Obligations, as more specifically provided in the Escrow Agreement. Such funds shall be irrevocably deposited into the Escrow Account. Any funds to be deposited into the Escrow Account shall be held by the Refunding Trustee in trust. All funds credited to the Escrow Account shall be deemed so credited to and held in the Escrow Account notwithstanding the fact that such funds are held by the Refunding Trustee in trust for the owners of the Refunded Bonds.

C. *Use of Money in the Escrow Account*. If deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Refunding Trustee, on behalf of the City, may be authorized and directed to use the Net Bond Proceeds, together with other legally available money of the City, to purchase Government Obligations in the amounts, of the type, bearing interest and maturing in such amounts as are necessary to make the payments described in this Ordinance and in the Escrow Agreement. The investment income from and maturing principal of the Government Obligations and money to be deposited into the Escrow Account, if any, shall be transmitted to the Washington State Fiscal Agent, as Registrar for the City, for the sole purpose of paying the principal of and interest on the Refunded Bonds. Any money remaining on deposit in the Escrow Account created hereunder after the payment in full of the Refunded Bonds and the costs of issuing the Bonds, shall be transferred by the Refunding Trustee to the City and deposited into the Bond Fund.

D. Government Obligations.

(1) *Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, the Government Obligations shall be payable in such amounts and at such times that, together with other legally available money of the City, will be sufficient to provide for the payment of: (a) the interest on the Refunded Bonds as such becomes due on and before the Redemption Date or maturity of the Refunded Bonds; and (b) the price of redemption of the Refunded Bonds on the Redemption Date or the maturity value of the Refunded Bonds that are defeased to maturity.

(2) *Sufficiency of the Government Obligations.* If the purchase of Government Obligations is deemed necessary by the Designated Representative to affect the defeasance and/or refunding of the Refunded Bonds, prior to the delivery of the Bonds, the City shall receive an opinion of a nationally recognized firm of independent certified public accountants or from a nationally recognized financial advisor, stating, in substance, that the money and Government Obligations to be deposited with the Refunding Trustee for the payment of the Refunded Bonds will discharge and satisfy the City's obligations under the 2015 Ordinance to make payments on the Refunded Bonds. Such opinion will not be required in the event the City deposits sufficient funds at closing to provide for all debt service payments, without taking into account interest earnings thereon.

Section 13: Irrevocable Call

A. Refunded Bonds.

(1) *Irrevocable Call for Redemption.* In accordance with Section 5 of the 2015 Bond Ordinance, the City hereby calls the Refunded Bonds for redemption on the Redemption Date. Such call for redemption shall be irrevocable upon the delivery of the Bonds to the Underwriter.

(2) *Irrevocable Pledge of Proceeds of the Bonds*. The City hereby irrevocably pledges the Net Bond Proceeds, together with other available funds of the City in the amount (if any) specified by the Designated Representative, Government Obligations (if any) and any amounts on deposit in the Escrow Account (if utilized), to pay the interest on the Refunded Bonds, up to and including the Redemption Date, and to redeem and retire the Refunded Bonds on such date at the price of 100 percent of the principal amount thereof plus accrued interest to the Redemption Date. Such amounts are hereby irrevocably pledged to be set aside to effect such payment, redemption and retirement.

B. *Findings Regarding the Defeasance and/or Refunding of the Refunded Bonds*. The Council hereby finds that, as of the date the Bonds are issued and the Net Bond Proceeds are utilized as set forth herein: (1) no further payments need to be made into the Bond Fund for the payment of the principal of and interest on the Refunded Bonds; (2) the Refunded Bonds and the interest accrued thereon shall cease to be entitled to any lien, benefit or security of the 2015 Bond Ordinance, except the right to receive the funds so set aside and pledged; and (3) the Refunded Bonds and the interest accruing thereon shall no longer be deemed to be Outstanding under the 2015 Bond Ordinance. The Council hereby further finds and determines that the issuance and sale of the Bonds will benefit the City by affecting a savings to the City's taxpayers. In making such finding and determination, the Council has given consideration to the interest that will be payable on the Bonds through the maturity of the Bonds, the costs of issuance of the Bonds and the net present value savings due to the defeasance and/or refunding of the Refunded Bonds.

Section 14: Execution and Authentication of the Bonds

A. *Execution of the Bonds.* The City shall cause definitive Bonds to be prepared, executed, and delivered. The Bonds shall be executed on behalf of the City by the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the City Clerk, and shall have the seal of the City impressed, imprinted or otherwise reproduced thereon.

B. *Authentication of the Bonds.* The executed Bonds shall be delivered to the Registrar for authentication. The Bonds shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification. Only those Bonds that bear a Certificate of Authentication substantially in the form set forth in Exhibit “A” attached hereto and manually executed by an authorized representative of the 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.

C. *Validity of Signatures.* In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the City before the Bonds so signed or attested shall have been authenticated or delivered by the Registrar, or issued by the City, such Bond may nevertheless be authenticated, delivered and issued, and, upon such authentication, delivery and issue, shall be as binding upon the City as though those who signed and attested the same had continued to be such officers of the City. Any Bond may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bond shall be the proper officers of the City although at the original date of such Bond any such person shall not have been such officer of the City.

Section 15: The Registrar

A. *Registrar Appointed.* The Treasurer has designated the Washington State Fiscal Agent as the City’s legally designated fiscal agent with respect to the Bonds. The Council hereby confirms such designation with respect to the Bonds and appoints the Washington State Fiscal Agent as Registrar, authenticating agent, paying agent and transfer agent with respect to the Bonds, subject to the terms and conditions of this Section.

B. *Delegated Duties.* The Registrar is hereby authorized and directed, on behalf of the City, to authenticate and deliver Bonds initially issued or transferred or exchanged in accordance with the provisions of the Bonds and this Ordinance and to carry out all of the Registrar’s powers and duties under this Ordinance and the Agreement for Fiscal Agency Services between the Washington State Finance Committee and the Registrar (as the same may be amended or readopted from time to time).

C. *Bond Register.* The Bonds shall be issued only in registered form as to both principal and interest. The Registrar shall keep, or cause to be kept, at its designated corporate trust office the Bond Register which shall at all times be open to inspection by the City. The City hereby specifies and adopts the system of registration for the Bonds approved by the Washington State Finance Committee.

D. *Fees and Costs.* The City shall pay to the Registrar from time to time reasonable compensation for all services rendered under this Ordinance, together with reasonable expenses, charges, fees of counsel, accountants and consultants and other disbursements, including those of its attorneys, agents and employees, incurred in good faith in and about the performance of their powers and duties under this Ordinance. The administrative fees provided for in this subsection may be paid from the Debt Service Account.

E. *Representations.* The Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Bonds.

F. *Ownership Rights.* The Registrar may become the Registered Owner of the Bonds with the same rights it would have if it were not the 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 rights of Registered Owners of the Bonds.

G. *Cancellation of Surrendered Bonds.* Bonds surrendered to the Registrar for payment, redemption, transfer or exchange, as well as Bonds surrendered by the City for cancellation, shall be canceled immediately by the Registrar and returned to the City. Such Bonds thereafter shall be destroyed.

Section 16: Book-Entry System Authorized

A. The Bonds shall be initially issued in the form of a separate, single-certificated, fully registered Bond for each maturity set forth in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), the Bond Purchase Contract, as provided for in Section 4 of this Ordinance, in the aggregate principal amount of such maturity. Upon initial issuance, the ownership of each Bond may be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the securities depository for the Bonds. Except as provided in subsection D of this Section, all of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

B. With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, neither the City nor the Registrar shall have any responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Registrar shall have no responsibility or obligation with respect to: (1) the accuracy of the records of DTC, Cede & Co., or any Participant with respect to any ownership interest in the Bonds; (2) the delivery to any Participant or any other person, other than a Registered Owner, of any notice with respect to the Bonds; or (3) the payment to any Participant or any other person, other than a Registered Owner, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The City and the Registrar may treat and consider the Registered Owner of each Bond as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and the interest on the Bonds as provided for in the Official Notice of Sale, or, if the Bonds are sold by negotiated sale (including a private placement), Bond Purchase Contract, and as further provided in Sections 4 and 5 of this Ordinance and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sums so paid. No person other than a Registered Owner shall receive a certificated Bond evidencing the obligation of the City to make payments of principal, premium, if any, and interest pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to the transfer and payment of the Bonds, the phrase "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

C. The City heretofore has delivered the Letter of Representations to the Registrar and DTC. The delivery of the Letter of Representations shall not in any way limit the provisions of subsection B of this Section or in any other way impose upon the City any obligation whatsoever with respect to persons having interests in the Bonds other than the Registered Owner. The Registrar shall take all action necessary to comply with, at all times, any and all representations of the City in the Letter of Representations with respect to the Registrar.

D. (1) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and to the Registrar, and discharging its responsibilities with respect thereto under applicable law.

(2) The City, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the City determines that: (a) DTC is unable to discharge its responsibilities with respect to the Bonds; or (b) a continuation of the requirement that all of the Bonds be registered in the Bond Register in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

(3) Upon termination of the services of DTC with respect to the Bonds pursuant to subsection D(2)(b) of this Section, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection D(1) or subsection D(2)(a) of this Section, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found that, in the opinion of the City, is willing and able to undertake such functions upon reasonable and customary terms, the City shall deliver certificated Bonds at the expense of the City, as described in this Ordinance, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the names that the Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance. In the event the Bonds are transferred by the City to fully registered form, the Bonds shall be payable by the Registrar. Thereafter, the principal of the Bonds shall be payable upon due presentment and surrender thereof at the designated corporate trust office of the Registrar; interest shall be paid by check or draft of the Registrar mailed to such Registered Owner on the due date at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar. Interest installments may be paid by wire transfer to a Registered Owner within the United States of at least $1,000,000 in principal amount of the Bonds, upon written request of such Registered Owner submitted to the Registrar at least 15 days prior to the interest payment date; provided, the costs of such wire transfer shall be paid by the Registered Owner, and the Bonds shall be transferable as provided in this Ordinance.

E. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

F. If the Bonds are privately placed with a bank, the City may determine not to comply with this Section if the Designated Representative deems it to be in the best interest of the City.

Section 17: Transfer and Exchange of the Bonds

A. *Transfer of Bonds.* Each Bond shall be transferable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, upon due completion of the assignment form appearing thereon and upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation and issuance of a new Bond registered in the name of the transferee, in exchange therefor.

B. *Exchange of Bonds.* Each Bond shall be exchangeable by the Registered Owner thereof in person, or by its attorney duly authorized in writing, for one or more new Bonds, upon surrender of such Bond at the designated corporate trust office of the Registrar for cancellation.

C. *Authentication and Delivery of New Bonds.* Whenever a Bond shall be surrendered for transfer or exchange, the Registrar shall authenticate and deliver to the transferee or exchangee, in exchange therefor, a new fully registered Bond or Bonds of any authorized denomination or denominations, of the same maturity and interest rate as, and for the aggregate principal amount of, the Bond being surrendered.

Notwithstanding the foregoing sentence, the Registrar is not required to transfer or exchange any Bond during the 15 days preceding any principal or interest payment date.

D. *Payment of Fees and Costs.* The Registrar shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

Section 18: Mutilated, Lost, Stolen or Destroyed Bonds

A. *Issuance of Substitute Bonds.* If any Bond shall become mutilated, lost, stolen or destroyed, the affected Registered Owner shall be entitled to the issuance of a substitute Bond only as follows:

(1) in the case of a lost, stolen or destroyed Bond, the Registered Owner shall: (a) provide notice of the loss, theft or destruction to the City and the Registrar within a reasonable time after the Registered Owner receives notice of the loss, theft or destruction; (b) request the issuance of a substitute Bond; (c) provide evidence, satisfactory to the City and the Registrar, of the ownership and the loss, theft or destruction of the affected Bond; and (d) file in the offices of the City and the Registrar a written affidavit specifically alleging on oath that such Registered Owner is the proper owner, payee or legal representative of such owner or payee of the Bond that has been lost, stolen or destroyed, giving the date the Bond was issued and the number, principal amount and series of such Bond, and stating that the Bond has been lost, stolen or destroyed, and has not been paid and has not been received by such Registered Owner;

(2) in the case of a mutilated Bond, the Registered Owner shall surrender the Bond to the Registrar for cancellation; and

(3) in all cases, the Registered Owner shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section satisfactory to the City and the Registrar.

Upon compliance with the foregoing, a new Bond of like tenor and denomination, bearing the same number as the mutilated, lost, stolen or destroyed Bond, and with the word “DUPLICATE” stamped or printed plainly on its face, shall be executed by the City, authenticated by the Registrar and delivered to the Registered Owner, all at the expense of the Registered Owner to whom the substitute Bond is delivered. Notwithstanding the foregoing, the Registrar shall not be required to authenticate and deliver any substitute Bond for a Bond that has matured or is about to mature or that has been called for redemption and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid by the Registrar in accordance with the terms of the mutilated, destroyed, lost or stolen Bonds without substitution therefor.

B. *Notation on the Bond Register.* Upon the issuance and authentication of any substitute Bond under the provisions of this Section, the Registrar shall enter upon the Bond Register a notation that the original Bond was canceled and a substitute Bond was issued.

C. *Rights of Registered Owners of Substitute Bonds.* Every substitute Bond issued pursuant to this Section shall constitute an additional contractual obligation of the City and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued hereunder unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the City may recover the substitute Bond from the Registered Owner to whom it was issued or from anyone taking under the Registered Owner except a bona fide purchaser for value without notice.

D. *Exclusive Rights.* All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or of investment or other securities without their surrender.

Section 19: Defeasance of the Bonds

In the event that money and/or "government obligations" (as defined from time to time in RCW 39.53.010), maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in such amounts as are sufficient, together with any resulting cash balances, to redeem and retire part or all of the Bonds in accordance with their terms, are hereafter irrevocably set aside in a special account and pledged to effect such redemption and retirement, then no further payments need be made into the Debt Service Account or any account therein for the payment of the principal of and interest on the certain Bonds so provided for, and such Bonds and interest accrued thereon shall no longer be deemed to be Outstanding hereunder.

If the principal or redemption price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor has been made in accordance with this Section, all interest on such Bonds shall cease to accrue on the due date and all liability of the City with respect to such Bonds shall cease as of the date the principal, redemption price, if any, and interest is so provided for, except as hereinafter provided. Thereafter, the Registered Owners of such Bonds shall be restricted exclusively to the money so deposited for any claim of whatsoever nature with respect to such Bonds, and the Registrar shall hold such money in trust for such Registered Owners uninvested and without interest.

Section 20: Tax Covenants

A. *Compliance With the Code.* The City covenants to comply with each requirement of the Code necessary to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. In furtherance of the covenant contained in the preceding sentence, the City covenants to comply with the provisions of the Tax Compliance Certificate executed by the City on the date of initial issuance and delivery of the Bonds, as such Tax Compliance Certificate may be amended from time to time.

B. *Necessary Payments.* The City covenants to make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code.

C. *Survival of Tax Covenants.* Notwithstanding any other provision of this Ordinance to the contrary, so long as necessary in order to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 19 of this Ordinance.

D. *Remedies.* Notwithstanding any other provision of this Ordinance to the contrary: (1) upon the City's failure to observe or refusal to comply with the above covenants, the Registered Owners, or any trustee acting on their behalf, shall be entitled to the rights and remedies provided to the Registered Owners under this Ordinance; and (2) neither the holders or Registered Owners of bonds of any series other than Bonds, nor a trustee acting on their behalf, shall be entitled to exercise any right or remedy provided to Registered Owners under this Ordinance based upon the City's failure to observe, or refusal to comply with, the above covenants.

Section 21: Amendments to the Ordinance

A. *Amendments Not Requiring Registered Owner Consent.* The Council from time to time, and at any time, may adopt an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall become a part of this Ordinance, for any one or more of all the following purposes: (1) to add to or delete from the covenants and agreements of the City in this Ordinance, or to surrender any right or power reserved to the City herein, provided such additions or deletions shall not adversely affect, in any material respect, the interests of the Registered Owners of any Bond; and (2) to cure, correct or supplement any ambiguous or defective provision contained in this Ordinance, provided such supplemental ordinance shall not adversely affect, in any material respect, the interests of the Registered Owners of the Bonds. Any such supplemental ordinance may be adopted without the consent of the Registered Owners of any Bonds at any time Outstanding, notwithstanding any of the provisions of subsection B of this Section.

B. *Amendments Requiring Registered Owner Consent.* With the consent of the Registered Owners of not less than 50 percent in aggregate principal amount of the Bonds at the time Outstanding, the Council may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to, or changing in any manner, or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall: (1) extend the fixed maturity of any Bond, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or alter the redemption provisions pertaining thereto, without the consent of the Registered Owner of each Bond so affected; or (2) reduce the aforesaid percentage of Registered Owners required to approve any such supplemental ordinance, without the consent of the Registered Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of Registered Owners consent under this subsection B to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

C. *Effect of Supplemental Ordinances.* Upon the adoption of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the City under this Ordinance and all Registered Owners of Bonds Outstanding hereunder shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendments, and all terms and conditions of any such supplemental ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

D. *Notations; Replacement Bonds.* Bonds executed and delivered after the execution of any supplemental ordinance adopted pursuant to the provisions of this Section may have a notation as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new Bonds so modified as to conform in the opinion of the Council to any modification of this Ordinance contained in any such supplemental ordinance, may be prepared and delivered without cost to the Registered Owners of any affected Bonds then Outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 22: Sale and Delivery of the Bonds and Taking of Other Actions Authorized

The Council hereby authorizes and directs each of the Mayor, the Chief Financial Officer, the Director of Management and Budget, the City Clerk, the Treasurer, the Municipal Advisor and Kutak Rock LLP, bond counsel, to execute and deliver the Bonds to the Underwriter, or in the case of a private placement with a bank, to the bank, and for the proper application and use of the proceeds of the sale thereof, including:

A. preparing the final official statement regarding the Bonds, if the Bonds are publicly offered; and

B. executing such certificates and receipts as may be necessary to properly document the issuance of the Bonds.

In addition, the Mayor, the Chief Financial Officer, the Director of Management and Budget, the City Clerk, the Treasurer, the Municipal Advisor and Kutak Rock LLP, bond counsel, are hereby authorized by the Council to execute and deliver such other certificates, agreements and documents, and to take such other actions on behalf of the City as may be reasonable and necessary:

A. to facilitate the issuance and sale of the Bonds;

B. to meet all provisions of the Code in order to maintain tax-exempt status of the Bonds; and

C. in connection with any matters related thereto, until the final maturity date of the Bonds or redemption, whichever occur first.

Section 23: The Preliminary Official Statement

If the Bonds are publicly offered, the Council hereby delegates authority to the Designated Representative to determine all acts to be undertaken by the City's officers, employees and agents with respect to the preparation and distribution of the preliminary official statement regarding the Bonds, if the Bonds are publicly offered, including any action taken to deem such preliminary official statement final as of its date except for the omission of information dependent upon the pricing of the issue and the completion of the underwriting agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates and other terms of the Bonds dependent on the foregoing matters. The City agrees to cooperate with the Underwriter to deliver or cause to be delivered, within seven business days from the date of the sale date of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, copies of a final official statement in sufficient quantity to comply with the rules of the Municipal Securities Rulemaking Board and paragraph (b)(4) of Securities and Exchange Commission Rule 15c2-12.

Section 24: Continuing Disclosure Undertaking

The City covenants to execute and deliver at the time of issuance of the Bonds a Continuing Disclosure Undertaking in substantially the form set forth in Exhibit "C" attached hereto and by this reference incorporated herein. The Designated Representative is authorized and directed to execute and deliver a Continuing Disclosure Undertaking upon the sale, issuance and delivery of the Bonds with such terms and provisions as such officer shall deem appropriate and in the best interest of the City, upon consultation with the City's bond counsel. The City hereby reserves the right to comply with this Section by meeting its annual disclosure requirements through any system approved by the SEC. All required filings shall be made in an electronic format as prescribed by the MSRB.

Section 25: Contract and Severability of Provisions

The covenants contained in this Ordinance and in the Bonds shall constitute a contract between the City and the Registered Owner of each and every Bond. Any action by the Registered Owner of any Bond shall bind all future Registered Owners of the same Bond in respect of anything done or suffered by the City or the Registrar in pursuance thereof. All the covenants, promises and agreements in this Ordinance contained by or on behalf of the City, or by or on behalf of the Registrar, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

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 on final appeal (if any appeal be taken) to be contrary to law, then such covenant or agreement shall be null and void and shall be deemed separable from the remaining covenants and agreements in this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds.

Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon or give to any person other than the City, the Registrar and the Registered Owners and the holders from time to time of the Bonds any rights, remedies or claims under or by reason of this Ordinance or any covenant, condition or stipulation thereof; and all of the covenants, stipulations, promises and agreements in this Ordinance contained by or on behalf of the City shall be for the sole and exclusive benefit of the City, the Registrar and the Registered Owners and the holders from time to time of the Bonds.

Section 26: No Personal Recourse

No recourse shall be had for any claim based on this Ordinance or the Bonds against any Council member, officer or employee, past, present or future, of the City or of any successor body as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 27: Ratification

All actions not inconsistent with the provisions of this Ordinance heretofore taken by the Council and the City's employees with respect to the adoption of this Ordinance, the defeasance and/or refunding of the Refunded Bonds and the issuance, sale and delivery of the Bonds, are hereby in all respects ratified, approved and confirmed.

Section 28: Repealer

All ordinances or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and shall have no further force or effect.

Section 29: Rescission

The Council previously held a regular meeting on April 21, 2025, at which time the Board adopted Ordinance No. C36664 ("**Ordinance No. C36664**") authorizing the issuance by the City of certain indebtedness to defease and/or refund the Refunded Bonds within one year from the date thereof. Due to variable interest rates and market conditions, issuing indebtedness within one year from the date of Ordinance No. C36664 was not deemed to be in the best interest of the City and was not undertaken. For the avoidance of doubt, the Council hereby rescinds Ordinance No. C36664.

Section 30: Effective Date

This Ordinance shall become effective 30 days following its enactment.

Note: All attachments are available to view with the Office of the City Clerk.

Passed by City Council July 22, 2026
Delivered to Mayor July 24, 2026

ORDINANCE NO. C36900

An ordinance authorizing the Residential Rental Property Mitigation Fund to support the City's eviction prevention program; amending Section 07.08.157 of the Spokane Municipal Code.

WHEREAS, on February 2, 2026, the City Council adopted Ordinance C36808, establishing eviction prevention resources for tenants and landlords; and

WHEREAS, Ordinance C36808, now codified as Section 10.57.210 of the Spokane Municipal Code, directed the City's Division of Housing and Human Services to commence "operation of a pre-filing residential eviction prevention program to facilitate dispute resolution between landlords and tenants through application of rental assistance funds to implement the requirements of this ordinance;" and to further establish a "list of city managed eviction prevention programs and state-funded organizations providing pre-eviction direct legal services" for the benefit of landlords and tenants; and.

WHEREAS, the City's Division of Housing and Human Services has fulfilled its obligations under SMC 10.57.210, effective June 1, 2026, and has since identified funding sources suitable to support the eviction prevention program, including funds generated for the Residential Rental Mitigation Fund set forth in SMC 07.08.157; and

WHEREAS, the City Council desires to amend the provisions in the Residential Rental Mitigation Fund to clearly allow for direction of those funds to support the eviction prevention program established in Ordinance C36808;

NOW, THEREFORE, the City of Spokane does ordain:

Section 1. That Section 07.08.157 of the Spokane Municipal Code is amended to read as follows:

Section 07.08.157 Residential Rental Property Eviction Prevention and Mitigation Fund

A. There is established a special revenue fund entitled the "residential rental property eviction prevention and mitigation fund" into which shall be paid 10% of fees from business ((~~registration~~)) registrations that have at least one listed residential rental property.

B. As provided in the ((~~annual~~)) adopted budget, the "residential rental property eviction prevention and mitigation fund" is appropriated to support the eviction prevention program authorized under SMC 10.57.210. The "residential rental property eviction prevention and mitigation fund may also provide for payment of repairs of residential rental properties that are damaged during a tenancy where a government or nonprofit operated program, that provides housing support to low income individuals, referred the tenant to the landlord or provided a portion of their rent or damage deposit, and where damage occurs through no fault of the landlord. as established by SMC 10.57.080. The city council may also provide for additional revenues to be paid into such fund from time to time from any available funds of the City, including an initial investment of startup money.

Section 2. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality thereof shall not affect the validity or constitutionality of any other section, subsection, sentence, clause, phrase or word of this ordinance.

Section 3. Clerical Errors. Upon approval by the city attorney, the city clerk is authorized to make necessary corrections to this ordinance, including scrivener's errors or clerical mistakes; references to other local, state, or federal laws, rules, or regulations; or numbering or referencing of ordinances or their sections and subsections.

Passed by City Council July 22, 2026
Delivered to Mayor July 24, 2026

ORDINANCE NO. C36901

An ordinance relating to designated shared streets; adopting new Sections 12.08.070 through 12.08.075 of the Spokane Municipal Code.

WHEREAS, RCW 46.61.197 gives cities the authority to designate a shared street on a nonarterial highway;

WHEREAS, the City's Comprehensive Plan calls for the City to "build great streetscapes and activate public spaces in the right-of-way to promote economic vitality and a sense of place"; and

WHEREAS, the Spokane Downtown Plan calls for the City to "improve and activate the streetscape and public realm"; and

WHEREAS, the City seeks to identify and designate certain segments of streets where vehicular traffic shall yield the right-of-way to any pedestrian, bicyclist, or operator of a micromobility device on the shared street; and a bicyclist or operator of a micromobility device shall yield the right-of-way to any pedestrian on a shared street; and

WHEREAS, RCW 46.61.415 gives local authorities the ability to establish a maximum speed limit of 10 miles per hour on a shared street as defined in RCW 46.61.197 which does not need to be determined on the basis of an engineering and traffic investigation if other procedures are adopted for establishment;

NOW, THEREFORE, the City of Spokane does ordain:

Section 1. That there is adopted a new Section 12.08.070 of the Spokane Municipal Code to read as follows:

Section 12.08.070 Procedures for Designating Shared Streets Including Speed Limit

A. Shared Streets shall meet the criteria listed in 12.08.071 prior to designation, or within 60 days of designation if some elements in 12.08.071.C are yet to be installed.

B. After an engineering review from the Director of Transportation and Sustainability and recommendation from the Transportation Commission, the City Council may designate a shared street.

C. The 10 MPH speed limit sign, and signage requiring vehicles yield to pedestrians, shall not be posted until the required elements listed in 12.08.071.C are installed, and a defined entrance or entrances are determined.

Section 2. That there is adopted a new Section 12.08.071 of the Spokane Municipal Code to read as follows:

Section 12.08.071 Qualifications for Shared Streets

A. Street segments identified on the Official Arterial Street Map in SMC 12.08.040 may not be designated as Shared Streets.

B. Street segments are eligible when traffic volume is low, when bicycle and pedestrian volumes after shared street installation will exceed vehicle volume or is expected to reveal significant latent demand for active transportation use, the street makes an important bicycle and pedestrian connection, the need for delivery access and parking is minimal, the segment is less than two blocks in length and the unobstructed travel width is less than twenty-four feet. Bumpout style parking lanes are not included in the travel lane width.

C. At least four of the following features shall be installed prior to designation as a shared street – textured pavement, flush or no curbs, pinch points allowing one-way traffic, a defined entrance with signage, pedestrian level illumination, planters/trees/street furniture placed to create protected zones for pedestrians, or a dead-end street with a non-motorized connection at the end.

D. On-street lane striping is not allowed on a designated Shared Street.

E. Shared Streets on transit routes are only eligible with Spokane Transit Authority approval.

Section 3. That there is adopted a new Section 12.08.072 of the Spokane Municipal Code to read as follows:

Section 12.08.072 Shared Streets Speed Limit

It shall be unlawful for the operator of any vehicle to operate the same at a speed in excess of ten miles per hour on a shared street when such street is fully posted with speed limit signs.

Section 4. That there is adopted a new Section 12.08.073 of the Spokane Municipal Code to read as follows:

Section 12.08.073 Shared Streets Yield of right-of-way

Vehicular traffic shall yield the right-of-way to any pedestrian, bicyclist, or operator of a micromobility device on a shared street; and a bicyclist or operator of a micromobility device shall yield the right-of-way to any pedestrian on a shared street. Signs requiring vehicles to yield to pedestrians shall include symbols in addition to words.

Section 5. That there is adopted a new Section 12.08.074 of the Spokane Municipal Code to read as follows:

Section 12.08.074 Shared Streets Designated

A. The following streets are designated as Shared Streets.

Street	**Segment**
Wall Street	From Main Avenue to Spokane Falls Boulevard

Section 6. That there is adopted a new Section 12.08.075 of the Spokane Municipal Code to read as follows:

Section 12.08.075 Annual Report

An annual report, as required by RCW 46.61.197 will be prepared by the Director of Transportation and Sustainability and posted online as a part of the Transportation Commission's annual report.

Section 7. Severability Clause and Clerical Errors. If a section, subsection, paragraph, sentence, clause, or phrase of this ordinance is declared unconstitutional or invalid for any reason, the decision shall not affect the validity of the remaining portions of this ordinance. The City Clerk has the authority to correct clerical or typographical errors and to make technical or editorial changes, such as recodifying or renumbering (including re-lettering) provisions of the Code as necessary.

Passed by City Council July 22, 2026
Delivered to Mayor July 24, 2026

ORDINANCE NO. C36905

AMENDING ORDINANCE NO. C36794, ENTITLED IN PART, “AN ORDINANCE ADOPTING A MID-BIENNIAL MODIFICATION BUDGET FOR THE CITY OF SPOKANE”, AND AMENDING IT TO UTILIZE IT CAPITAL REPLACEMENT RESERVES FOR PSAP EMERGENCY COMMUNICATIONS RADIOS, AND DECLARING AN EMERGENCY.

WHEREAS, subsequent to the adoption of the mid-biennium modification Ordinance No. C36794, as above entitled in part, and which passed the City Council November 24, 2025, it is necessary to make changes in the appropriations of the IT Capital Replacement Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk’s Office for five days;

NOW, THEREFORE, the City Council of Spokane does ordain:

Section 1. That in the budget of the IT Capital Replacement Fund, and the budget annexed thereto with reference to the Fund, the following changes be made:

1) Increase appropriation by $1,620,677.
A) Of the increased appropriation, $1,620,677 is provided solely for capital communications equipment.

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to purchase radios for the Public Safety Answering Point (PSAP) utilizing IT Capital Replacement reserve funds, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed by City Council July 22, 2026
Delivered to Mayor July 24, 2026

Executive Orders

CITY OF SPOKANE **EO 2026-0003**
EXECUTIVE ORDER **LGL 2026-0008**

TITLE: PUBLIC RECORDS INDEX

EFFECTIVE DATE: July 20, 2026
REVISION DATE IF APPLICABLE: This order supersedes Executive Order 2008-0005

WHEREAS, RCW 42.56.070 requires all local agencies to maintain and make available a current index of all public records; and

WHEREAS, RCW 42.56.070(4) provides that a local agency need not maintain such an index, if to do so would be unduly burdensome, but it shall in that event:

(a) Issue and publish a formal order specifying the reasons why and the extent to which compliance would unduly burden or interfere with agency operations; and

(b) Make available for public inspection and copying all indexes maintained for agency use; and

WHEREAS, on November 4, 2008, Mayor Mary Verner issued Executive Order 2008-0005 determining that maintaining records indexes as required in RCW 42.56.070(3) is unduly burdensome and interferes with the operations of the City of Spokane; and

WHEREAS, the City continues to find that the development and maintenance of a City public records index would be extremely costly due to multiple City divisions, departments, boards, and commissions, which maintain separate databases, record-keeping processes, and systems in different locations; and

WHEREAS, the volume of records maintained by the City and the resources necessary to maintain a public records index preclude the ability to create, maintain, and keep current a public records index; and

WHEREAS, the City of Spokane seeks to update and replace the existing Executive Order 2008-0005 with this order.

NOW THEREFORE, LISA BROWN, MAYOR OF THE CITY OF SPOKANE, HEREBY ORDERS AND DIRECTS:

1. Pursuant to RCW 42.56.070(4), the City of Spokane finds that creating and maintaining a public records index is unduly burdensome.

2. Pursuant to RCW 42.56.070 (4), the City of Spokane is not required to maintain a current index of public records due to the above findings that the requirement is unduly burdensome and such a list is nearly impossible to create and/or maintain.

3. Pursuant to RCW 42.56.070, the City of Spokane shall make available for public inspection and copying all public records, unless the record falls within the specific exemptions.

Job Opportunities

We are an equal opportunity employer and value diversity within our organization. We do not discriminate on the basis of race, religion, color, national origin, gender identity, sexual orientation, age, marital status, family status, genetic information, veteran/military status, or disability status.

Certified Boiler Inspector SPN 305
Open Entry

Date Open: July 27th, 2026 **Date Closed:** August 31st, 2026
Salary: $66,356.64 annual salary, payable bi-weekly, to a maximum of $109,265.04

Class Summary:
Performs skilled technical inspection of boilers/pressure vessels, attachments, accessories, and related equipment to insure compliance with building and zoning codes.

Examples of Job Functions:

- Investigates boiler accidents to determine the causes; orders repairs and/or makes recommendations to prevent future accidents.
- Inspects existing boilers, pressure vessels, and related equipment; determines necessary repairs; reviews design and materials required for repairs; approves or disapproves repairs
- Reviews blueprints and construction plans for new installations for compliance with codes and regulations; inspects completed work.
- Advises builders, contractors, owners and trade workers regarding technical information, regulations, and methods of constructing, installing, maintaining and repairing boilers.
- Conducts cold stop investigations of businesses to verify any new pressure vessels have been properly added to an appropriate recurring inspection schedule.
- Prepares, updates and distributes inspection schedules to authorized inspection agencies.
- Enters inspection results from own inspections and authorized inspections agencies into City database.
- Maintains records, prepares reports and correspondence as required.
- Investigates pressure vessel and boiler operator licensing complaints.
- Issues "Stop Work" orders when necessary, may testify at hearings or in court on violations.
- Monitors and verifies hydrostatic testing of vessels.
- Reviews and verifies welder qualifications and welding procedures for work on pressure vessels.
- Acts as the Secretary for the Boiler Board of Examiners and schedules meetings as required.
- Proctors, grades and maintains results of the Boiler Operator Examinations.
- Operates an automobile and various testing devices as required.
- Performs related work as required.

Minimum Qualifications:
Open Entry Requirements:
(Open-entry applicants must meet all requirements when they apply.)

- *Education*: Certified by the National Board of Boiler and Pressure Vessel Inspectors. Applicants must be commissioned by Washington State as an inspector of boilers and unfired pressure vessels within six months of appointment.
- *License*: Possession of a valid driver's license.

Examination Details:
Applicants must first meet the minimum qualifications to be evaluated. Those who pass the examination will then go on the hiring list.

The examination will consist of a Training and Experience Evaluation (T&E).

Supplemental Questionnaire Training & Experience Evaluation:

The T&E examination consists of a Supplemental Questionnaire. The questions may be viewed online under the tab marked "QUESTIONS" on the job announcement page. The T&E must be submitted online, at the time of application.

- Responses to your T&E questions should be consistent with the information given in your application details. Answers are subject to verification.
- Failure to complete all of the questions or incomplete responses will result in a lower score; therefore, it is advantageous for you to provide a full and complete response to each supplemental question.
- Resumes or questionnaires uploaded as attachments will not be accepted in lieu of completing each question online.
- "See Resume" or "See above," etc., and copy/paste from a previous answer are not qualifying responses and will not be considered.

For information on what to expect with the hiring process, a test information guide, and frequently asked questions, please visit our website.

To Apply:
An application is required for applicants. Applications must be completed online at: http://my.spokanecity.org/jobs by 4:00 p.m. on the filing cut-off date. Copies of required additional documents may be attached to your application or submitted via any of the following:

- Email: civilservice@spokanecity.org with Job Title – Applicant Name in the subject line of the email
- In person or mail to: Civil Service Commission, 4th Floor-City Hall, 808 W. Spokane Falls Blvd., Spokane, WA 99201

Please contact our office at 509-625-6160 immediately if you have any difficulties submitting your application.

By order of the SPOKANE CIVIL SERVICE COMMISSION, dated at Spokane, Washington, this 23rd day of July 2026.

SCOTT STEPHENS KELSEY MYERS
Chair Chief Examiner

Irrigation Specialist SPN 610
Open Entry

Date Open: July 27th, 2026 **Date Closed:** August 10th, 2026
Salary: $49,047.12 annual salary, payable bi-weekly, to a maximum of $77,005.44

Class Summary:
Performs semi-skilled work installing, maintaining, and operating sprinkler systems.

Examples of Job Functions:
- Normal, bullet point
- Operates and maintains manual, hydraulic, and electronic sprinkler systems in gardens, parks, parkways, and islands.
- Assists in the installation of new sprinkler systems.
- Performs work in conjunction with the remodeling of systems currently in operation.
- Repairs and replaces sprinkler heads, controllers, timing devices, and related irrigation and sprinkler equipment.
- Assists plumbers with more difficult work essential to the installation and maintenance of sprinkler systems.
- Assists other tradesmen in the off-season.
- Works with galvanized and plastic pipe.
- Attaches vertical pipes and revolving sprinkler heads at designated points along pipeline.
- Observes revolving and stationary sprinklers to ensure uniform distribution of water to all areas.
- Inspects area irrigated to ensure adequate soaking and to prevent a waste of water.
- Programs and maintains large fountains.
- Maintains chlorinators, and performs routine maintenance work on re-circulatory systems at City swimming pools.
- Performs lead-worker functions when helpers are assigned.
- Operates automotive equipment and a two-way radio.
- Performs related work as required.

Minimum Qualifications:
Open Entry Requirements:
(Open-entry applicants must meet all requirements when they apply.)
- *Experience:* Two years of experience installing, repairing, maintaining, and operating sprinkler systems such as found in parks, golf courses, school grounds and commercial applications.
- *License:* Possession of a valid driver's license.

License and Certifications:
(Employees in this job class must meet these requirements.)
- Irrigation Specialists assigned to the backflow prevention testing program must obtain a Backflow Assembly Tester certificate through the Washington State Department of Health within the probationary period. Employees must maintain this certificate while they hold this job class.

Lift Requirement:
- Job offer is contingent on passing a lift test.
- Enough strength to lift and carry 50 lbs.

Examination Details:
Applicants must first meet the minimum qualifications to be invited to take the examination. Those who pass the examination will then go on the hiring list.

The examination will consist of multiple-choice questions.
Possible subjects covered in the examination:

- Irrigation Terminology and Definitions
- Sprinkler System Design and Installation
- Troubleshooting and Trade Related Knowledge
- Grounds Maintenance
- Safety

This is an online examination that will require a computer. If you do not have access to a computer, please notify Civil Service so that one may be provided. Computer reservations can also be made through your local public library.

Examination instructions and links will be emailed to qualified applicants on August 12th, 2026. The testing window is August 13th - August 17th.

Please note: The email will come from City of Spokane (info@governmentjobs.com).

For information on what to expect with the hiring process, a test information guide, and frequently asked questions, please visit our website.

Upon request, at time of application, City of Spokane will provide alternative accessible tests to individuals with disabilities that impair manual, sensory, or speaking skills needed to take the test, unless the test is intended to measure those skills.

To Apply:
An application is required for applicants. Applications must be completed online at: http://my.spokanecity.org/jobs by 4:00 p.m. on the filing cut-off date. Copies of required additional documents may be attached to your application or submitted via any of the following:

- Email: civilservice@spokanecity.org with Job Title – Applicant Name in the subject line of the email
- In person or mail to: Civil Service Commission, 4th Floor-City Hall, 808 W. Spokane Falls Blvd., Spokane, WA 99201

Please contact our office at 509-625-6160 immediately if you have any difficulties submitting your application.

By order of the SPOKANE CIVIL SERVICE COMMISSION, dated at Spokane, Washington, this 23rd day of July 2026.

SCOTT STEPHENS
Chair

KELSEY MYERS
Chief Examiner

Notice for Bids

Supplies, Equipment, Maintenance, etc.

INVITATION TO BID #6597-26
McGard Fire Hydrant Locks and Operating Wrenches – Annual Value Blanket

City of Spokane Water & Hydroelectric Services Department

The City of Spokane is soliciting electronic Bids for the above titled Invitation to Bid.

Bid Submittal: Bids must be submitted electronically through the City of Spokane's online procurement system portal until **11:00 a.m. on TUESDAY August 18th 2026**. Hard copies, emails, and late submittals will not be accepted.

To view this solicitation and submit a Bid, the Bidder must be a registered supplier on the City's online procurement system, ProcureWare. Solicitation documents will not be mailed, e-mailed, or provided in person. Once registered, Bidders will also be added to the solicitation's notification list for Addenda posting or other communication via email. Registration is free.

Questions will be accepted through the procurement system in the "Clarifications" tab of the applicable solicitation number.

It is the Bidder's responsibility to check the City of Spokane's procurement system identified above for Addenda or other information that may be posted regarding this Invitation to Bid.

The right is reserved to reject any and all Bids and to waive any informalities.

Public Bid Opening: Sealed Bids will be unsealed and read at the City virtual public bid opening meeting at 11:15 a.m. on **TUESDAY August 18th 2026** For the link to attend virtually, visit the City's Purchasing website. Alternatively, it may be simpler to listen by phone which can be done as follows: call (323) 618-1887 then enter the access code 533 854 149 followed by #.

AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION: The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6373, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or ddecorde@spokanecity.org. Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

Tanya Lester
Procurement Specialist
City of Spokane Purchasing & Contracts

Publish: July 29 and August 5, 2026

INVITATION TO BID #6598-26
Valve & Curb Boxes, Lids– Annual Value Blanket

City of Spokane Water & Hydroelectric Services Department

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PERIODICAL