

CITY OF TUMWATER, WASHINGTON

ORDINANCE NO. O2026-006

AN ORDINANCE OF THE CITY OF TUMWATER, WASHINGTON, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED SIXTY-FIVE MILLION DOLLARS (\$65,000,000.00) TO FINANCE COSTS RELATED TO PURCHASING AND REMODELING A NEW CITY HALL BUILDING, REMODELING A FIRE STATION, PURCHASING LAND FOR THE HABITAT CONSERVATION PLAN, AND TO PAY THE COSTS OF ISSUANCE OF THE BONDS; DELEGATING AUTHORITY TO APPROVE THE METHOD OF SALE AND FINAL TERMS OF THE BONDS; AND APPROVING OTHER MATTERS RELATED THERETO.

WHEREAS, the City Council (the "Council") of the City of Tumwater, Washington (the "City") has deemed it is in the best interest of the City to undertake certain capital improvements, including the acquisition and renovation of a new City Hall building, the purchase of land for habitat conservation purposes, and the remodeling of Fire Station T-2 (the "Projects"); and

WHEREAS, the Council deems it in the best interest of the City to issue one or more series of limited tax general obligation bonds (as further described herein, the "Bonds") for the purposes of paying and/or reimbursing the City for costs of the Projects and paying costs of issuing the Bonds; and

WHEREAS, the Council wishes to delegate authority to the City Administrator and the Finance Director (each, a "Designated Representative"), for a limited time, to approve any method of sale, the interest rates, maturity dates, tax status, redemption terms and principal maturities for each series of Bonds within the parameters set by this ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUMWATER, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Definitions and Interpretation of Terms. As used in this ordinance, the following words and terms shall have the following meanings, unless the context or use indicates another or different meaning or intent. Unless the context indicates otherwise, words importing the singular number shall include the plural number and vice versa.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Underwritten

Bonds (including persons holding Underwritten Bonds through nominees, depositories or other intermediaries).

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

Bond Purchase Contract means one or more contracts, if any, for the purchase of any series of Underwritten Bonds sold by negotiated sale to an Underwriter, executed by a Designated Representative pursuant to Section 10 of this ordinance.

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

Bond Registrar means (a) for any Underwritten Bonds, initially, the State fiscal agent, and (b) for any Direct Purchase Bonds, the State fiscal agent or the City's Finance Director.

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

Certificate of Award means one or more, if any, certificates awarding a series of Underwritten Bonds sold by competitive sale to the successful bidder, executed by a Designated Representative pursuant to Section 10 of this ordinance.

City means the City of Tumwater, Washington, a municipal corporation duly organized and existing under the laws of the State.

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

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

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

Closing means the date of issue and delivery of a series of Bonds to the applicable Underwriter or Direct Purchaser.

Code means the Internal Revenue Code of 1986, as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with

applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

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

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

Designated Representative means each of the Mayor, City Administrator and the Finance Director, or the designee of such officers. The signature of one Designated Representative shall be sufficient to bind the City.

Direct Purchase Bonds means any Bonds or Bond sold to a Direct Purchaser pursuant to Section 10 of this ordinance.

Direct Purchaser means any bank or other financial institution, or entity selected to purchase one or more Direct Purchase Bonds, or to accept delivery of one or more Direct Purchase Bonds to evidence the City's obligations under a Loan Agreement, pursuant to Section 10 of this ordinance.

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

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

Federal Tax Certificate means one or more certificates executed by a Designated Representative setting forth the requirements of the Code for maintaining the tax status of the applicable Tax-Exempt Bonds, and attachments thereto.

Finance Director means the Finance Director of the City, or the successor to the duties of such office.

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

Loan Agreement means one or more loan purchase agreements, if any, between the City and a Direct Purchaser under which the Direct Purchaser will make a loan to the City, evidenced by a Direct Purchase Bond, or under which the Direct Purchaser will purchase the Direct Purchase Bond.

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

Official Statement means one or more disclosure document(s) prepared and delivered in connection with the sale of one or more series of Bonds.

Projects means purchasing, constructing, improving and equipping City facilities including the purchase and remodel of a new City Hall building, the purchase of land for habitat conservation purposes, and the remodel of Fire Station T-2.

Project Fund means the account created pursuant to Section 7 of this ordinance.

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

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

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

Sale Document means the Bond Purchase Contract, Certificate of Award, or Loan Agreement, if any, executed by a Designated Representative in connection with the sale of a series of Bonds, which shall provide for the name, principal and interest payment dates and amounts, redemption/prepayment rights, and other terms to describe such Bonds as determined by a Designated Representative.

State means the State of Washington.

Taxable Bonds means any Bonds of a series determined to be issued on a taxable basis pursuant to this ordinance.

Tax-Exempt Bonds means any Bonds of a series determined to be issued on a tax-exempt basis under the Code pursuant to this ordinance.

Underwriter means any underwriter, in the case of a negotiated sale, or initial purchaser, in the case of a competitive sale, for a series of Underwritten Bonds, as selected by a Designated Representative pursuant to this ordinance.

Underwritten Bonds means one or more series of Bonds sold pursuant to a negotiated or a competitive sale by the City to an Underwriter pursuant to Section 10 of this ordinance.

Section 2. Authorization and Description of Bonds. For the purpose of paying and/or reimbursing the City for costs of the Projects and paying costs of issuance, the City hereby authorizes the issuance and sale of one or more series of limited tax general obligation bonds pursuant to the terms of this ordinance (the “Bonds”). The Bonds shall be issued from time to time in one or more series, and shall be designated as the “City of Tumwater, Washington, Limited Tax General Obligation Bonds, 2026” with any other such designation as set forth in the applicable Sale Document.

The aggregate principal amount of all Bonds authorized to be issued under the terms of this ordinance shall not exceed Sixty-Five Million Dollars (\$65,000,000.00). The terms of each series of Bonds shall be subject to the terms of this ordinance, including the parameters set forth in Section 10 hereof.

The Bonds of each series shall be general obligations of the City, shall be dated as of the date of Closing for such series of Bonds; shall be fully registered as to both principal and interest and shall be sold as either Direct Purchase Bonds or Underwritten Bonds.

Section 3. Registration, Exchange and Payments.

(a) *Underwritten Bonds.*

(1) **Bond Details.** Any Bonds of a series may be sold as Underwritten Bonds. Underwritten Bonds shall be issued in denominations of \$5,000, or any integral multiple thereof, within a series and maturity; shall be numbered separately in such manner and with any additional designations as the Bond Registrar deems necessary for purposes of identification; shall bear interest payable on the dates set forth in the applicable Sale Document; and shall be subject to optional and/or mandatory redemption and mature on the dates and in the principal amounts as set forth in the applicable Sale Document.

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

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

(3) Registered Ownership. The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Underwritten Bond of a series as the absolute owner thereof for all purposes (except as provided in this ordinance or in the Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Underwritten Bond shall be made only as described in Section 3(g) hereof, but such Underwritten Bond may be transferred as herein provided. All such payments made as described in Section 3(a)(8) shall be valid and shall satisfy and discharge the liability of the City upon such Underwritten Bond to the extent of the amount or amounts so paid.

(4) DTC Acceptance/Letters of Representations. The Underwritten Bonds of a series initially shall be held in fully immobilized form by DTC acting as depository. The City has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Underwritten Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on the Underwritten Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Underwritten Bonds are held by DTC or its successor depository or its nominee, DTC, its successor depository or its nominee shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the Beneficial Owners of such Underwritten Bonds.

(5) Use of Depository.

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

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

(C) In the case of any transfer pursuant to clause (i) or (ii) of subsection (A) above, the Bond Registrar shall, upon receipt of all outstanding Underwritten Bonds together with a written request on behalf of the Finance Director, issue a single new Underwritten Bond for such series for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Finance Director.

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

(6) Registration of Transfer of Ownership or Exchange; Change in Denominations. The transfer of any Underwritten Bond may be registered and Underwritten Bonds may be exchanged, but no transfer of any such Underwritten Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Underwritten Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Underwritten Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Underwritten Bond (or Underwritten Bonds at the option of the new Registered Owner) of the same series, date, maturity, and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Underwritten Bond, in exchange for such surrendered and canceled Underwritten Bond. Any Underwritten Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Underwritten Bonds of the same series, date, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer of or to exchange any Underwritten Bond during the period from the Record Date to the redemption or payment date.

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

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

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

(b) *Direct Purchase Bonds.*

(1) Bond Details. Any Bonds may be sold as Direct Purchase Bonds. Direct Purchase Bonds shall be dated as of the date of delivery to the Direct Purchaser, shall be fully registered as to both principal and interest, shall be in one denomination, and shall mature on the date set forth in the applicable Sale Document. Direct Purchase Bonds shall bear interest from the dated date or the most recent date to which interest has been paid at the interest rate set forth in the applicable Sale Document. Interest on the principal amount of Direct Purchase Bonds shall be calculated per annum on a 30/360 basis, or as otherwise provided in the Bond and in the applicable Sale Document. Principal of and interest on Direct Purchase Bonds shall be payable at the times and in the amounts set forth in the payment schedule attached to the Direct Purchase Bond.

(2) Registrar/ Bond Registrar. The Finance Director or the State fiscal agent shall act as Bond Registrar for any Direct Purchase Bonds. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Direct Purchase Bonds if transferred or exchanged in accordance with the provisions of the Direct Purchase Bonds and this ordinance, and to carry out all of the Bond Registrar's powers and duties under this ordinance with respect to Direct Purchase Bonds.

(3) Registered Ownership. The City and the Bond Registrar may deem and treat the Registered Owner of any Direct Purchase Bond as the absolute owner for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

(4) Transfer or Exchange of Registered Ownership. Direct Purchase Bonds shall not be transferrable without the consent of the City unless (i) the Direct Purchaser's corporate name is changed and the transfer is necessary to reflect such change, or (ii) the transferee is a successor in interest of the Direct Purchaser by means of a corporate merger, an exchange of stock, or a sale of assets. Notwithstanding the foregoing, Direct Purchase Bonds may be transferred upon satisfaction of the requirements, if any, set forth in the applicable Sale Document and the Direct Purchase Bonds.

(5) Place and Medium of Payment. Both principal of and interest on Direct Purchase Bonds shall be payable in lawful money of the United States of America. Principal and interest on Direct Purchase Bonds shall be payable by check, warrant, ACH transfer or by other means mutually acceptable to the Direct Purchaser and the City as set forth in the Sale Document.

Section 4. Redemption Prior to Maturity and Purchase of Bonds.

(a) *Redemption of Bonds.* The Bonds of each series shall be subject to mandatory redemption to the extent, if any, as set forth in the applicable Sale Document and as approved by a Designated Representative pursuant to Section 10 of this ordinance. The Bonds of each series shall be subject to optional redemption and/or prepayment on the dates, at the prices and under the terms set forth in the applicable Sale Document approved by a Designated Representative pursuant to Section 10 of this ordinance.

(b) *Purchase of Bonds.* The City reserves the right to purchase any of the Bonds offered to it at any time at a price deemed reasonable by the Finance Director.

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

any term bond, any remaining mandatory sinking fund payment or mandatory prior redemption requirements for such term bond shall be reduced on a pro rata basis.

(d) *Notice of Redemption or Prepayment.*

(1) Official Notice. Notice of any prepayment of Direct Purchase Bonds shall be provided by the City to the Direct Purchaser as provided in the applicable Sale Document.

For so long as the Underwritten Bonds are held in book-entry form, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Underwritten Bonds are no longer held in book-entry form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Underwritten Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Underwritten Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

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

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Underwritten Bonds or portions of Underwritten Bonds which are to be redeemed on that date.

The City retains the right to rescind any redemption notice and the related optional redemption of Underwritten Bonds by giving notice of rescission to the affected Registered Owners at any time on or prior to the scheduled redemption date.

Any notice of optional redemption that is so rescinded shall be of no effect, and the Underwritten Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

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

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

(4) Amendment of Notice Provisions. The foregoing notice provisions of this Section 4, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 5. Form of Bonds. The Bonds of each series shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this

reference, with such changes thereto as may be approved by a Designated Representative.

Section 6. Execution of Bonds. The Bonds of each series shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon.

Only such Bonds that bear a Certificate of Authentication in the form set forth in Exhibit A, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this ordinance.

In case either or both of the officers who shall have executed the Bonds shall cease to be an officer of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bond shall be valid nevertheless and may be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond may be signed and attested on behalf of the City by such persons who at the date of the actual execution of such Bond, are the proper officers of the City, although at the nominal date of such Bond any such person shall not have been such officer of the City.

Section 7. Application of Bond Proceeds.

(a) *Project Fund.* The Finance Director is hereby authorized to create a fund or account (the "Project Fund"), and subaccounts therein as necessary, for the purposes set forth in this section. Proceeds of the Bonds, net of any Underwriter's discount and fees, shall be deposited in the Project Fund in the amounts specified in the closing memorandum prepared in connection with the issuance of the Bonds. Such proceeds shall be used to pay and/or reimburse the City for the costs of the Projects and, unless otherwise provided by the City, to pay costs of issuance of the Bonds.

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

To the extent the City makes capital expenditures for the Projects prior to the date the Bonds are issued, the City intends to reimburse all or a portion of those capital expenditures out of the proceeds of the Bonds as permitted by U.S. Treasury Regulation § 1.150-2(d).

Section 8. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on any Tax-Exempt Bonds from the gross income of the owners of such Tax-Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Tax-Exempt Bonds, including but not limited to the following, except as otherwise set forth in the Federal Tax Certificate:

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

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

(c) *Federal Guarantee Prohibition.* The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

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

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

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

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

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to any series of Tax-Exempt Bonds, which are incorporated herein as if fully set forth herein. In the event of any conflict between this section and the Federal Tax Certificate, the provisions of the Federal Tax Certificate will prevail.

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

Section 9. Debt Service Fund; Pledge of Funds; General Obligation.

The City hereby authorizes the creation of one or more funds, and accounts held therein, to be used for the payment of debt service on each series of Bonds, designated as the “Limited Tax General Obligation Bond Debt Service Fund” or other such designation selected by the City (the “Debt Service Fund”). No later than the date each payment of principal of or interest on the Bonds becomes due, the City shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources, to the Bond Registrar for the payment of such principal or interest. Money in the Debt Service Fund not needed to pay the interest or principal next coming due may be invested in legal investments for City funds, but only to the extent that the same are acquired and disposed of at Fair Market Value. Any interest or profit from the investment of such money shall be deposited in the Debt Service Fund.

The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it will include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with other lawfully available funds, to pay the principal of and interest on the Bonds when due.

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

Section 10. Sale of Bonds.

(a) *Bond Sale.* The Council has determined that it is in the best interest of the City to delegate to the Designated Representatives for a limited time the authority to authorize the Bonds to be issued in one or more series, to designate each series of Bonds as Tax-Exempt Bonds or Taxable Bonds, to determine the method of sale for each series of Bonds, and to approve the interest rates, maturity dates, redemption terms and principal maturities for each series of Bonds. The Designated Representatives are each hereby authorized to approve the issuance, from time to time, on a single date or on multiple dates to be determined to be in the best interest of the City, of one or more series of Bonds and to approve whether each series of Bonds shall be sold in a private placement to a Direct Purchaser or to an Underwriter through a competitive bond sale or a negotiated bond sale for each series of Bonds, as set forth below.

(b) *Direct Purchase.* If a Designated Representative determines that each series of Bonds are to be sold by private placement, the Designated Representative shall solicit proposals to purchase the Direct Purchase Bonds and shall select the Direct Purchaser that submits the proposal that is in the best interest of the City. Direct Purchase Bonds shall be sold to the Direct Purchaser pursuant to the terms of a Loan Agreement.

(c) *Negotiated Bond Sale.* If a Designated Representative determines that one or more series of Bonds are to be sold by negotiated public sale, a Designated Representative shall solicit bond underwriting proposals and shall select one or more Underwriters that a Designated Representative determines to be in the best interest of the City. Such Bonds shall be sold to the Underwriter(s) pursuant to the terms of a Bond Purchase Contract.

(d) *Competitive Sale.* If a Designated Representative determines that one or more series of Bonds are to be sold at a competitive public sale, a Designated Representative shall: (1) establish the date of the public sale; (2) establish the criteria by which the successful bidder will be determined; (3) request that a good faith deposit in an amount not less than one percent of the principal amount of the offering accompany each bid; (4) cause notice of the public sale to be given; and (5) provide for such other matters pertaining to the public sale as a Designated Representative deems necessary or desirable. Such Bonds shall be sold to the Underwriter pursuant to the terms of a Certificate of Award.

(e) *Sale Parameters.* Subject to the terms and conditions set forth in this Section 10, each Designated Representative is hereby authorized to approve the method of sale for each series of Bonds, designate such series as Tax-Exempt Bonds or Taxable Bonds, and determine the final interest rates, aggregate principal amount, principal maturities, and redemption terms for any series of Bonds in the manner provided hereafter so long as:

(1) the aggregate principal (face) amount of all Bonds issued pursuant to this ordinance does not exceed Sixty-Five Million Dollars \$(65,000,000.00),

(2) the final maturity date for the Bonds issued under this ordinance is no later than December 31, 2057,

(3) the true interest cost for any Bonds of a series (in the aggregate) does not exceed Seven Percent (7.0%), and

(4) the aggregate purchase price for the Bonds of a series shall not be less than Ninety Five Percent(95%) or more than One Hundred Thirty-Five Percent (135%).

Subject to the terms and conditions set forth in this Section 10, each Designated Representative is hereby authorized to execute one or more Sale Documents on behalf of the City.

Following the execution of a Sale Document, a Designated Representative shall provide a report to the Council describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representatives by this Section 10 to execute any Sale Document shall expire one year (365 days) after the effective date of this ordinance. If a Sale Document for the Bonds has not been executed by such date, the authorization for the issuance of such Bonds shall be rescinded, and such Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a Sale Document or establishing terms and conditions for the authority delegated under this Section 10.

(f) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance, the proper officials of the City, including but not limited to the Designated Representatives, the City Attorney, the Mayor, and the City Clerk, are authorized and directed to undertake all actions necessary for the prompt execution and delivery of each series of Bonds to the Direct Purchaser or Underwriter, as applicable, and further to execute all closing certificates and documents required to effect the closing and delivery of each series of Bonds in accordance with the terms of the applicable Sale Document. Such documents may include, but are not limited to, documents related to a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on all or a portion of the Bonds as provided therein, if such insurance is determined by a Designated Representative to be in the best interest of the City.

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

Section 11. Undertaking to Provide Ongoing Disclosure. The City covenants to execute and deliver at the time of Closing of a series of any Underwritten Bonds a Continuing Disclosure Certificate. Each Designated Representative is hereby authorized to execute and deliver a Continuing Disclosure Certificate upon the issuance, delivery and sale of any series of Underwritten Bonds with such terms and provisions as such officer shall deem appropriate and in the best interest of the City.

The City may agree to provide the Direct Purchaser certain financial or other information and agree to such additional covenants as determined to be necessary by the Designated Representative and as set forth in any Loan Agreement approved by the Designated Representative pursuant to Section 10.

Section 12. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds are lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond or Bonds of like series, date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon such Registered Owner's filing with the City (a) evidence satisfactory to the City that such Bond was actually lost, stolen or destroyed, (b) evidence of such Registered Owner's ownership of such Bond or Bonds, and (c) upon furnishing the City and the Bond Registrar with indemnity satisfactory to the City and the Bond Registrar.

Section 13. Severability; Ratification. If any provision of this ordinance is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 14. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 15. Effective Date of Ordinance. This ordinance shall become effective thirty (30) days after passage, approval and publication as provided by law.

ADOPTED this 15th day of September, 2026.

CITY OF TUMWATER

Leatta Dahlhoff, Mayor

ATTEST:

Melody Valiant, City Clerk

APPROVED AS TO FORM:

Pacifica Law Group LLP, Bond
Counsel

Published: _____

Effective Date: _____

EXHIBIT A
FORM OF BOND

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. _____

\$_____

STATE OF WASHINGTON
CITY OF TUMWATER
LIMITED TAX GENERAL OBLIGATION BOND, 2026[___] [(TAX-
EXEMPT/TAXABLE)]

INTEREST RATE: _____ % MATURITY DATE:
CUSIP NO.:
REGISTERED OWNER: CEDE & Co.
PRINCIPAL AMOUNT: _____ NO/100 DOLLARS

The City of Tumwater, Washington (the “City”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from _____, 2026, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on _____ 1, 2026, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. [The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the “Bond Registrar”). For so long as the bonds of this issue are held in fully immobilized form, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company (“DTC”) referred to in the Blanket Issuer Letter of Representations (the “Letter of Representations”) from the City to DTC.]

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. O2026-006 duly passed by the City Council on _____, 2026 (the “Bond Ordinance”). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of

Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like series, date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$_____ and is issued pursuant to the Bond Ordinance to provide the funds necessary to purchase and remodel a new City Hall building, remodel Fire Station T-2, purchase land to support the Habitat Conservation Plan, and to pay costs of issuance of the Bonds.

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other legally available funds, to pay the principal of and interest on this bond as the same shall become due on and after such date. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

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

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

IN WITNESS WHEREOF, the City of Tumwater, Washington, has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City imprinted, impressed or otherwise reproduced hereon as of this ____ day of _____, 2026.

CITY OF TUMWATER, WASHINGTON

By _____ /s/

Leatta Dahlhoff, Mayor

ATTEST:

_____/s/

Melody Valiant, City Clerk

[FOR UNDERWRITTEN BONDS]

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

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is of the Limited Tax General Obligation Bonds, 2026 [(Taxable/Tax-Exempt)], of the City of Tumwater, Washington, dated _____, 2026.

WASHINGTON STATE FISCAL AGENT, as
Bond Registrar

By _____

[FOR DIRECT PURCHASE BONDS]

REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the City, in the office of the _____ (the "Bond Registrar"), as to both principal and interest, as noted in the registration blank below. All payments of principal of and interest on this bond shall be made by the City as provided in the Bond Ordinance.

Date of Registration	Name and Address of Registered Owner	Signature of Bond Registrar
_____, 2026		

PAYMENT SCHEDULE

Principal and interest on this bond shall be payable as set forth in the following schedule:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
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CERTIFICATE

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

1. That the attached is a true and correct copy of Ordinance No. O2026-006 (the “Ordinance”) of the City, duly passed at a regular meeting of the City Council (the “Council”) of the City held on September 15, 2026.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of
September, 2026.

City Clerk