

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 3448

AN ORDINANCE of the City of Bellevue, Washington, relating to contracting indebtedness; providing for the issuance, specifying the maturities, terms and covenants of \$10,160,000 par value of "Unlimited Tax General Obligation Bonds, 1985," authorized by the qualified voters of the City at a special election held therein pursuant to Ordinances Nos. 3406 and 3408; establishing a construction fund; and providing for the sale of such bonds.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN as follows:

Section 1. The City of Bellevue, Washington (the "City"), shall sell as a combined issue of \$10,160,000 par value of unlimited tax general obligation bonds the \$5,065,000 par value of such bonds authorized by the qualified voters of the City at a special election held on November 6, 1984, pursuant to Ordinance No. 3406 for the purpose of paying the cost of acquiring, constructing, developing and improving parks and recreation facilities within the City, and the \$5,095,000 par value of such bonds authorized by the qualified voters of the City at a special election held on November 6, 1984, pursuant to Ordinance No. 3408 for the purpose of paying the cost of acquiring, constructing, reconstructing or improving roadways and walkways within the City.

The bonds shall be called the City's "Unlimited Tax General Obligation Bonds, 1985" (the "Bonds"); shall be dated February 1, 1985; shall be in the denomination of \$5,000 each or any integral multiple thereof within a single maturity; shall be numbered separately and in the manner and with any additional designation as the Bond Registrar (the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York) deems necessary for purpose of identification; and shall bear interest payable on January 1, 1986, and semiannually thereafter on each succeeding July 1 and January 1, and, if any Bond is not redeemed by its maturity or call date, with full obligation on the part of the City to pay interest at the same rate from and after the maturity or call date until such Bond with interest is paid in full or sufficient money for such payment is on deposit in the bond redemption fund and such Bond

has been called for redemption in the manner hereinafter provided. The Bonds shall mature on January 1 in the years and amounts as follows:

| <u>Maturity<br/>Years</u> | <u>Amounts</u> |
|---------------------------|----------------|
| 1986                      | \$ 210,000     |
| 1987                      | 225,000        |
| 1988                      | 245,000        |
| 1989                      | 260,000        |
| 1990                      | 280,000        |
| 1991                      | 305,000        |
| 1992                      | 330,000        |
| 1993                      | 355,000        |
| 1994                      | 385,000        |
| 1995                      | 420,000        |
| 1996                      | 460,000        |
| 1997                      | 500,000        |
| 1998                      | 545,000        |
| 1999                      | 600,000        |
| 2000                      | 655,000        |
| 2001                      | 720,000        |
| 2002                      | 790,000        |
| 2003                      | 870,000        |
| 2004                      | 955,000        |
| 2005                      | 1,050,000      |

The Bonds shall be issued only in registered form as to both principal and interest on books or records (the "Bond Register") maintained by the Bond Registrar. Such Bond Register shall contain the name and mailing address of the owner of each Bond and the principal amount and the certificate number of the Bonds held by each owner or nominee.

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by check or draft mailed, or, when requested in writing by the City, by wire transfer, to the registered owners of the Bonds at the addresses for such owners appearing in the Bond Register on the 15th day of the month preceding the interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owners at either of the principal offices of the Bond Registrar.

Upon surrender thereof to the Bond Registrar, Bonds are interchangeable for Bonds in any authorized denomination of an equal aggregate principal amount and of the same interest rate

and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Such exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the fifteen days preceding any principal payment or redemption date.

The City reserves the right to redeem Bonds maturing on or after January 1, 1996, prior to their stated maturity dates as a whole, or in part in inverse order of maturity (and by lot within a maturity in such manner as the Bond Registrar shall determine), on January 1, 1995, or on any semiannual interest payment date thereafter, at par plus accrued interest to date of redemption. Portions of the principal amount of any Bond, in installments of \$5,000 or any integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at either of the principal offices of the Bond Registrar, there shall be issued to the registered owner, without charge therefor, a new Bond or Bonds, at the option of the registered owner, of like maturity and interest rate in any of the denominations authorized by this ordinance.

Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the address appearing on the Bond Register. The requirements of this section shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the owner of any Bond. The interest on the Bonds so called for redemption shall cease on the date fixed for redemption unless such Bonds so called are not redeemed upon presentation made pursuant to such call. In addition, such redemption notice shall be mailed within the same period, postage prepaid, to Moody's Investor's Service, Inc., and Standard & Poor's Corporation at their offices in New York, New York, or their successors, but such mailing shall not be a condition precedent to the redemption of such Bonds.

The City also reserves the right and option to purchase any of the Bonds on the open market at a price not in excess of par plus accrued interest to date of purchase.

Section 2. The Bonds shall be printed or lithographed on good bond paper in a form consistent with the provisions of this ordinance, shall be signed by the Mayor and the City Clerk, whose signatures shall be in facsimile, and shall have a facsimile reproduction of the seal of the City printed thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the following form, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance:

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered City of Bellevue, Washington, Unlimited Tax General Obligation Bonds, 1985, described in the within mentioned ordinance.

Washington State Fiscal Agency  
Bond Registrar

By \_\_\_\_\_  
Authorized Officer

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.

In case either or both of the officers whose facsimile signatures appear on the Bonds shall cease to be such officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds nevertheless may be authenticated, delivered and issued and upon such authentication, delivery and issue, shall be as binding upon the City as though those whose facsimile signatures appear on the Bonds had continued to be such officers of the City. Any Bond also may be signed on behalf of the City by such persons as at the actual date of execution of such Bond shall be proper officers of the City authorized to execute bonds although on the original date of such Bond such persons were not such officers of the City.

Section 3. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times be open to inspection by the City. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance, to serve as the City's paying agent for the Bonds 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 Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become the owner of Bonds 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 rights of Bond owners.

Section 4. The City irrevocably pledges to levy taxes annually, without limitation as to rate or amount, on all the taxable property within the City in an amount sufficient, together with other money legally available and to be used therefor, to pay the principal of and interest on the Bonds as the same shall accrue, and the full faith, credit and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 5. In the event that money and/or "Government Obligations," as such obligations are defined in Chapter 39.53 RCW, as now or hereafter amended, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire the Bonds in accordance with their terms, are set aside in a special fund to effect such redemption and retirement and are pledged irrevocably for such purpose, then no further payments need be made into the "Unlimited Tax General Obligation Bond Fund, 1985," of the City hereinafter created for the payment of the principal of and interest on the Bonds, and the Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the money so set aside and pledged, and the Bonds shall be deemed not to be outstanding hereunder. Anything herein to the contrary notwithstanding, the pledge of the full faith, credit and taxing power of the City to the payment of the Bonds shall remain in full force and effect after the establishing and full funding of such special fund.

Section 6. The City covenants that it will spend the proceeds of the Bonds with due diligence to completion of the purpose specified herein and will make no use of the proceeds of the Bonds or of its other money at any time during the term of the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations promulgated thereunder.

Section 7. The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 8. The Bonds shall be sold for cash at public sale for not more than a 2% discount plus accrued interest to the date of delivery of and payment for the bonds. The City Clerk is authorized to give notice for bids to purchase the bonds by publishing an abbreviated notice of sale once in the official newspaper of the City, the Daily Journal American of Bellevue, Washington, and in the Daily Bond Buyer of New York, New York. Such notice shall specify that sealed bids for the purchase of the Bonds shall be received by the City Clerk in her office in the City Hall on January 21, 1985, at 11:00 a.m., local time, at which time all bids will be opened publicly and read and an award made by the City Council at its regular meeting to be held in the City Council Chambers commencing at 7:00 p.m., local time, on the same date. Such notice also shall provide that further information regarding the details of the Bonds may be received upon request made to Seattle-Northwest Securities Corporation, 3700 Seafirst Fifth Avenue Plaza, Seattle, Washington, the City's financial consultant.

The City reserves the right to reject any and all bids and to waive any irregularity or informality in any bid or in the bidding process.

The notice shall specify the maximum effective rate of interest the Bonds shall bear, namely, 12% per annum, and shall require bidders to submit a bid specifying:

(a) The lowest rate or rates of interest and discount below par at which the bidder will purchase the Bonds; or

(b) The lowest rate or rates of interest at which the bidder will purchase the Bonds at par.

No bid offering to purchase the Bonds at a discount of more than 2% plus accrued interest or offering to purchase less than the entire issue will be considered. The purchaser must pay accrued interest to date of delivery of the Bonds.

Interest rates shall be in multiples of  $1/8$  or  $1/20$  of 1%, or both. No more than one rate of interest may be fixed for any one maturity. The maximum differential between the highest and lowest interest rates bid may not exceed 5%.

For the purpose of comparing the bids only, each bid shall state the total interest cost over the life of the Bonds and the net effective interest rate of the bid, taking into account the discount, if any, bid. Each bid also shall state the true

interest cost (t.i.c.) of the bid, and bids will be evaluated on the basis of the lowest true interest cost.

The Bonds shall be sold to the bidder making the best bid, subject to the right of the City Council to reject any and all bids and to readvertise the Bonds for sale in the manner provided by law, and no bid for less than all of the Bonds shall be considered.

All bids shall be sealed and shall be accompanied by a deposit of \$508,000. The deposit shall be either by certified or cashier's check made payable to the City of Bellevue and shall be returned promptly if the bid is not accepted. The City reserves the right to invest the good faith deposit of the purchaser pending the payment for the Bonds. The purchaser shall not be credited for such earnings. If the Bonds are ready for delivery and the successful bidder shall fail or neglect to complete the purchase of the Bonds within forty-five days following the acceptance of its bid, the amount of its deposit shall be forfeited to the City and in that event the City may accept the bid of the one making the next best bid. If there be two or more equal bids and such bids are the best bids received, the City Council shall determine by lot which bid shall be accepted. The Bonds will be delivered to the successful bidder upon payment of the purchase price plus accrued interest to the date of delivery, less the amount of the good faith deposit, at the office of the City Clerk or in Seattle, Washington, at the City's expense, or at such other place upon which the City Clerk and the successful bidder may mutually agree at the purchaser's expense. Settlement shall be made in federal funds immediately available at the time of delivery of the Bonds. A no-litigation certificate in the usual form will be included in the closing papers.

CUSIP numbers will be printed on the Bonds, if requested in the bid of the successful bidder, but neither failure to print such numbers on any bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the City, but the fee of the CUSIP Service Bureau for the assignment of those numbers shall be the responsibility of and shall be paid by the purchaser.

Any bid presented after the time specified for the receipt of bids will not be received, and any bid not accompanied by the required bid deposit at the time of opening will not be read or considered.

If, prior to the delivery of the Bonds, the interest receivable by the owners thereof shall become taxable, directly or indirectly, by the terms of any federal income tax law, the successful bidder may at its option be relieved of its obligation to purchase the Bonds, and in such case the deposit accompanying its bid will be returned, without interest.

The notice of bond sale shall provide that the City will cause the Bonds to be printed or lithographed, and will furnish the approving legal opinion of Messrs. Roberts & Shefelman, bond counsel of Seattle, Washington, covering the Bonds without cost to the purchaser, the opinion also being printed on each bond. Bond counsel shall not be required to review or express any opinion concerning the completeness or accuracy of any official statement, offering circular or other sales material issued or used in connection with the Bonds, and bond counsel's opinion shall so state.

Section 9. The "Interest and Debt Redemption Special Levy Fund No. 213" (the "Bond Fund"), has heretofore been created in the Office of the Director of Finance of the City. The "1985 Park and Street Construction Fund" (the "Construction Fund") is created and established in the Office of the Director of Finance of the City. The accrued interest received from the purchaser of the Bonds and an amount from the principal proceeds of the Bonds which, together with such accrued interest, will equal the total amount of principal and interest that will become due on the Bonds on January 1, 1986, may be deposited in the Bond Fund as a temporary loan from the Construction Fund to the Bond Fund until sufficient taxes are levied and collected to pay such principal and interest, or, in the alternative, the City may issue its short-term tax anticipation notes pursuant to Chapter 39.50 RCW to pay such principal and interest. The remaining principal proceeds received from the Bond purchaser shall be deposited in the Construction Fund and expended solely for the purposes for which the Bonds are issued and for payment of costs of issuance and sale of the Bonds. The amount of principal proceeds of the Bonds deposited in the Bond Fund and constituting a temporary loan from the Construction Fund to the Bond Fund shall be repaid with interest at the rate of 10% per annum from taxes to be levied for collection for that purpose in 1986, which temporary loan the City Council finds will not render the Construction Fund insolvent during the interim. Pending the expenditure of money from the Construction Fund, interest earned on investment money therein may be retained in that fund and expended for the purposes of the Bonds. All taxes hereafter levied for the payment of the principal of and interest on the Bonds, when collected, should be deposited in the Bond Fund.

Section 10. This ordinance shall take effect and be in force five days after its passage and legal publication.

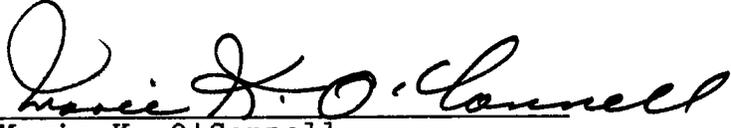
PASSED by the City Council this 17th day of December, 1984, and signed in authentication of its passage this 17th day of December, 1984.

  
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Cary E. Bozeman, Mayor

Approved as to form:

  
\_\_\_\_\_  
Richard L. Andrews  
City Attorney

Attest:

  
\_\_\_\_\_  
Marie K. O'Connell  
City Clerk

Published: December 22, 1984

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