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CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 3808

AN ORDINANCE relating to Local Improvement District No. 279; authorizing the issuance and sale of local improvement district bond anticipation notes in Local Improvement District No. 279 pending the receipt of the proceeds of the local improvement district bonds authorized to be issued by Ordinance No. 3700; and providing for the sale and delivery of such notes to Peoples National Bank of Washington, Seattle, Washington.

WHEREAS, by Ordinance No. 3700 passed by the City Council September 2, 1986, the City of Bellevue, Washington (the "City"), ordered the construction and installation of certain improvements on Northeast 33rd Place between Northup Way and Northeast 32nd Street, within the City pursuant to Resolution No. 4744, and, after a public hearing thereon, established Local Improvement District No. 279 (the "District") and provided for the issuance and sale of local improvement district bond anticipation notes or warrants; and

WHEREAS, the City Council deems it to be in the best interest of the City that the City borrow money and issue its short term obligation or obligations pursuant to Chapter 39.50 RCW in the form of one or more local improvement district bond anticipation notes for the purpose of providing the funds with which to pay the cost of carrying out the improvements ordered in Local Improvement District No. 279; NOW, THEREFORE,

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

Section 1. The total estimated cost and expense of the improvements ordered to be carried out in the District by Ordinance No. 3700 is $450,000, all of which cost is anticipated to be assessed against the specially benefitted properties in the District. Local improvement district bond anticipation notes of the District (the "Notes") shall be issued in the aggregate principal amount of $450,000 to pay the cost of constructing the improvements in the District and pay the administrative costs of issuing and selling the Notes. The Notes shall be numbered from 1 to 18, inclusive; shall be in the denomination of $25,000 each; shall be dated as of the date of their issuance; shall mature on July 1, 1988; and shall bear interest at the rate of 5.45% per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable at maturity,

and, if not paid upon proper presentment on their maturity date, with full obligation on the part of the City to pay interest at the same rate from and after the maturity date until the Notes with interest are paid in full or until sufficient money for such payment in full is on deposit in the Local Improvement Fund, District No. 279 (the "Note Fund"), created by Ordinance No. 3700, and the Note has been duly called for payment. The City reserves the right to prepay the Notes at any time on or after January 1, 1988, upon giving thirty days' written notice to the initial purchaser of the Notes. Both principal of and interest on the Notes shall be payable solely out of the Note Fund from the proceeds of local improvement district bonds authorized to be issued by Ordinance No. 3700, or other short-term obligations to be deposited in such fund and/or prepaid special benefit assessments deposited in such fund, and from the Local Improvement Guaranty Fund of the City. Principal of and interest on the Notes are payable at the principal office of either of the fiscal agencies of the State of Washington in Seattle, Washington, or New York, New York.

The City Council declares and finds that the fixing of the above interest rate is in the best interests of the City.

Section 2. The Notes shall be printed, lithographed, typed or multicopied on good bond paper in a form consistent with the provisions of this ordinance, shall be manually signed by the Mayor and City Clerk, and shall have the seal of the City impressed thereon

Section 3. The City covenants that it will take all actions necessary to prevent the interest on the Notes from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Notes or other funds of the City at any time during the term of the Notes which will cause the interest on the Notes to be included in gross income for federal income tax purposes. Further, the City covenants that, to the extent required by law, if all proceeds of the Notes have not been spent within six months from the date of issuance of the Notes, it will calculate, or cause to be calculated, and rebate to the United States all earnings from the investment of Note proceeds that are in excess of the amount that would have been earned had the yield on such investments been equal to the yield on the Notes, plus all income derived from such excess earnings, to the extent and in the manner required by Section 148 of the United States Internal Revenue Code of 1986 and applicable regulations. In the event the City shall fail to meet the rebate requirements applicable to the Notes under Section 148 of such Code, the City covenants that, to the extent permitted by that Section, it shall pay the penalty provided in Subsection

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148(f)(7)(C) if required to prevent a loss of the exclusion from gross income for federal tax purposes of interest on the Notes.

The City further covenants that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

Section 4. The Notes shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 5. Peoples National Bank of Washington of Seattle, Washington, has submitted an offer to purchase the Notes under the terms and conditions set forth in its purchase offer on file with the City Clerk and incorporated herein by this reference, the City to furnish the Notes and the approving legal opinion of Roberts & Shefelman, municipal bond counsel of Seattle, Washington, at the City's expense. 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 Notes, and bond counsel's opinion shall so state. The City Council finds that it is in the best interest of the City that such offer be accepted, and accepts the same. The Notes, therefore, immediately upon their execution, shall be delivered to the purchaser in Seattle, Washington, upon payment therefor in accordance with such offer.

Section 6. This ordinance shall take effect and be in force five days after its passage and legal publication.

PASSED by the City Council this 6th day of July, 1987, and signed in authentication of its passage this 6th day of July, 1987.

Cary E. Bozeman, Mayor

Approved as to Form:

Richard L. Andrews,
City Attorney

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ATTEST:

Marie K. O'Connell

Marie K. O'Connell, City Clerk

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