

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 3864

AN ORDINANCE of the City of Bellevue, Washington, relating to Local Improvement District No. 269; authorizing the issuance and sale of local improvement district bond anticipation notes in Local Improvement District No. 269 pending the receipt of the proceeds of the local improvement district bonds authorized to be issued by Ordinance No. 3539; and providing for the sale and delivery of such notes to Rainier National Bank, Seattle, Washington.

WHEREAS, by Ordinance No. 3539 passed by the City Council on September 23, 1985, the City ordered the construction and installation of certain street improvements on 116th Avenue N.E. between N.E. 8th Street and N.E. 12th Street pursuant to Resolution No. 4594 and, after a public hearing thereon, established Local Improvement District No. 269 and provided for the issuance and sale of local improvement district warrants or other short-term obligations; and

WHEREAS, by Ordinance No. 3670 passed by the City Council on June 16, 1986, the City authorized the issuance and sale of its \$1,215,000 par value Local Improvement District No. 269 Bond Anticipation Notes, dated July 10, 1986, and maturing January 1, 1988 (the "Outstanding Notes"), to pay a part of the cost of carrying out the improvements in Local Improvement District No. 269 pending the receipt of the proceeds of the issuance and sale of the bonds authorized by Ordinance No. 3539; 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 pursuant to Chapter 39.50 RCW in the form of local improvement district bond anticipation notes for the purpose of providing the funds with which to pay part of the cost of paying and redeeming the Outstanding Notes; NOW, THEREFORE,

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

Section 1. Local improvement district bond anticipation notes of the District (the "Notes") shall be issued in the aggregate principal amount of \$1,215,000 to provide part of the funds required to pay and redeem the Outstanding Notes issued to pay part of the cost and expense of constructing the improvements in Local Improvement District No. 269. The Notes

shall be numbered from 1 to 49, inclusive; shall be dated December 1, 1987; shall mature on December 1, 1988; and shall bear interest at the rate of 5.90% 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 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 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. 269 (the "Note Fund"), created by Ordinance No. 3539, and the Notes have been duly called for payment. Note No. 1 shall be in the denomination of \$15,000, and Notes Nos. 2 to 49, inclusive, shall be in the denomination of \$25,000 each. The City reserves the right to prepay the Notes at any time on or after June 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. 3539, or other short-term obligations to be deposited in that fund and/or prepaid special benefit assessments deposited in that 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 signed by the Mayor and City Clerk, either or both of whose signatures may be manual and one of whose signatures may be in facsimile, and shall have the seal of the City or a facsimile reproduction thereof impressed or imprinted 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 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.

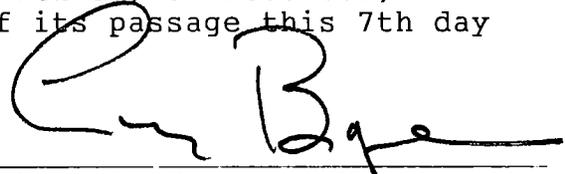
The City further covenants that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

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

Section 5. Rainier National Bank 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 7th day of December,
1987, and signed in authentication of its passage this 7th day
of December, 1987.



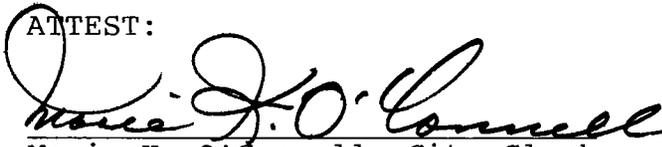
Cary E. Bozeman, Mayor

Approved as to Form:



Richard L. Andrews,
City Attorney

ATTEST:



Marie K. O'Connell, City Clerk

Published: *December 11, 1987*

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