

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 3917

AN ORDINANCE relating to Local Improvement District No. 279; fixing the amount, form, date, interest rates, maturity and denominations of the Local Improvement District No. 279 Bonds; providing for the sale and delivery thereof to Shearson Lehman Hutton Inc. of Seattle, Washington; and fixing the interest rate on Local Improvement District No. 279 assessment installments.

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

Section 1. The total amount of the assessment roll in Local Improvement District No. 279 in the City of Bellevue, Washington (the "City"), created under Ordinance No. 3700, passed September 2, 1986, was \$484,713.33. The 30-day period for making cash payments of assessments without interest in the District expired on May 29, 1988, and there were no assessments paid in cash. Local Improvement District No. 279 Bonds (the "Bonds"), therefore, shall be issued in the total principal amount of \$484,713.33. The Bonds shall be dated July 1, 1988, shall mature on July 1, 2000, and shall be numbered from 1 to 97, inclusive, in the manner and with any additional designation as the Bond Registrar (collectively, the fiscal agencies of the State of Washington located in Seattle, Washington, and New York, New York) deems necessary for the purpose of identification. Bond No. 1 shall be in the denomination of \$4,713.33 and Bonds Nos. 2 to 97, inclusive, shall be in the denomination of \$5,000.00 each. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall bear interest at the rates set forth below, payable annually beginning July 1, 1989:

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Interest Rates</u>
1 to 11	\$54,713.33	6.75%
12 to 21	50,000.00	6.75
22 to 31	50,000.00	6.75
32 to 41	50,000.00	7.00
42 to 51	50,000.00	7.00
52 to 61	50,000.00	7.00
62 to 70	45,000.00	7.40
71 to 79	45,000.00	7.40

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Interest Rates</u>
80 to 88	\$45,000.00	7.60
89 to 97	45,000.00	7.60

Section 2. The Bonds shall be issued only in registered form as to both principal and interest and recorded on books or records maintained by the Bond Registrar (the "Bond Register"). The Bond Register shall contain the name and mailing address of the owner of each Bond and the principal amount and number of each of the Bonds held by each owner.

Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. The transfer of a Bond shall be by the Bond Registrar's receiving the Bond to be transferred, cancelling it and issuing a new certificate in the form of the Bonds to the transferee after registering the name and address of the transferee on the Bond Register. The new certificate shall bear the same Bond number as the transferred Bond but may have a different inventory reference number or control number. Any transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be obligated to transfer any Bond during the fifteen days preceding any principal payment or redemption date.

Section 3. Both principal of and interest on the Bonds shall be payable solely out of the Local Improvement Fund, District No. 279 (the "Bond Fund"), and from the Local Improvement Guaranty Fund of the City, and shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by checks or drafts mailed on the interest payment date to the registered owners at the addresses appearing on the Bond Register on the 15th day of the month preceding the interest payment date. Principal of the Bonds shall be payable on presentation and surrender of the Bonds by the registered owners at either of the principal offices of the Bond Registrar at the option of the owners.

Section 4. The City reserves the right and option to redeem the Bonds prior to their stated maturity date on any interest payment date, in numerical order, lowest numbers first, at par plus accrued interest to the date fixed for redemption, whenever there is sufficient money in the Bond Fund to pay the Bonds so called and all earlier numbered Bonds over and above the amount required for the payment of the interest on all unpaid Bonds.

All Bonds redeemed under this section shall be cancelled.

Section 5. The City shall cause notice of any intended redemption of the Bonds to be given not less than 15 nor more than 30 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 at the time the Bond Registrar prepares the notice, and the requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the owner of any Bond. Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption unless the Bond or Bonds so called are not redeemed when presented pursuant to the call.

Section 6. If any Bond is not redeemed when properly presented at its maturity or call date, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or call date until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund and the Bond has been called for payment by giving notice of that call to the registered owner of that Bond.

Section 7. The Bonds shall be printed, lithographed or typed on good bond paper in a form consistent with the provisions of this ordinance and State law, shall be signed by the Mayor and the City Clerk, either or both of whose signatures shall be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon.

Only Bonds bearing 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, Local Improvement District No. 279 Bonds described in the Bond Ordinance.

Washington State Fiscal Agency
Bond Registrar

By _____
Authorized Officer

The authorized signing of a 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.

If any officer whose facsimile signature appears on the Bonds ceases to be an officer of the City authorized to sign bonds before the Bonds bearing his or her facsimile signature are authenticated or delivered by the Bond Registrar or issued by the City, those Bonds nevertheless may be authenticated, delivered and issued and, when authenticated, delivered and issued, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

Section 8. 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 in accordance with the provisions of the 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 and Ordinance No. 3324 establishing a system of registration for the City's bonds and obligations.

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 members of, or in any other capacity with respect to, any committee formed to protect the rights of Bond owners.

Section 9. The City covenants that it will take all actions necessary to prevent interest on the Bonds 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 Bonds or other funds of the City treated as proceeds of the Bonds at any time during the term of the Bonds which will cause interest on the Bonds to be included in gross income for federal income tax purposes. The City also covenants that, if all gross proceeds of the Bonds have not been spent within six months after the date of issuance of the Bonds, it will calculate, or cause to be calculated, and rebate to the United States all earnings from the investment of gross proceeds of the Bonds that are in excess of the amount that would have been earned had the yield on those investments been equal to the yield on the Bonds, plus all income derived from those excess earnings, to the extent and in the manner required by Section

148 of the United States Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations. If the City fails to meet rebate requirements applicable to the Bonds under Section 148 of the Code, the City covenants that, to the extent permitted by that Section, it will pay the penalty provided in Subsection 148(f)(7)(C) if required to prevent interest on the Bonds from being included in gross income for federal income tax purposes. The City certifies 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 10. The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 11. Shearson Lehman Hutton Inc. of Seattle, Washington, has presented a purchase contract dated June 16, 1988 (the "Purchase Contract"), to the City offering to purchase the Bonds under the terms and conditions provided in the Purchase Contract, which written Purchase Contract is on file with the City Clerk and is incorporated herein by this reference. The City Council finds that entering into the Purchase Contract is in the City's best interest and therefore accepts the offer contained therein and authorizes its execution by City officials.

The Bonds will be printed at City expense and will be delivered to the purchaser in accordance with the Purchase Contract, with the approving legal opinion of Foster Pepper & Shefelman, municipal bond counsel of Seattle, Washington, regarding the Bonds printed on each Bond. Bond counsel shall not be required to review and shall express no 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.

The proper City officials are authorized and directed to do everything necessary for the prompt delivery of the Bonds to the purchaser, including without limitation the execution of the Official Statement on behalf of the City, and for the proper application and use of the proceeds of the sale thereof.

Section 12. The interest rate on the installments and delinquent payments of the special assessments in Local Improvement District No. 279 is revised and fixed at the rate of 7.52% per annum.

Section 13. 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 June, 1988, and signed in authentication of its passage this 6th day of June, 1988.

Nan P. Campbell
Nan P. Campbell, Mayor

Approved as to Form:

Richard L. Andrews
Richard L. Andrews
City Attorney

Attest:

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

¹⁷⁸ Published on:
June 10, 1988