

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 3973

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF UNLIMITED TAX LEVY GENERAL OBLIGATION BONDS OF THE CITY IN THE AMOUNT OF \$16,500,000, FOR THE PURPOSE OF PROVIDING FUNDS TO ACQUIRE, IMPROVE AND DEVELOP PARK AND RECREATION FACILITIES WITHIN THE CITY; PROVIDING THE DATE, FORM, TERMS AND MATURITIES OF SAID BONDS; PROVIDING FOR THE CREATION OF CERTAIN FUNDS AND ACCOUNTS WITH RESPECT TO SAID BONDS; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE OF SUCH BONDS; PROVIDING FOR THE ANNUAL LEVY OF TAXES TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AND PROVIDING FOR THE SALE THEREOF.

WHEREAS, at an election held on September 20, 1988, the number and proportion of the qualified electors of the City of Bellevue (the "City") required by law for the adoption thereof voted in favor of a proposition authorizing the issuance of unlimited tax levy general obligation bonds of the City in the principal amount not to exceed \$16,500,000 for the purpose of acquiring, improving, and developing park and recreation facilities within the City, as authorized by Ordinance No. 3940 of the City; and

WHEREAS, it is deemed necessary and advisable that the City now provide for the issuance and sale of such bonds so authorized for the purposes authorized by Ordinance No. 3940;

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

SECTION 1. Definitions. As used in this ordinance, the following words shall have the following meanings, unless a different meaning clearly appears from the context:

(a) "Bond Fund" means the "1989 Park Bond Fund" created by Section 14 hereof.

(b) "Bond Redemption Account" means the "1989 Park Facilities Unlimited Tax Levy General Obligation Bond Redemption Account" created within the Interest and Debt Redemption-Special Levy Fund by Section 7 hereof.

(c) "Bond Register" means the books or records maintained by the Bond Registrar containing the name and mailing address of the owner of each Bond or nominee of such owner and the principal amount and number of Bonds held by each owner or nominee.

(d) "Bond Registrar" means the fiscal agencies of the State of Washington, currently Seattle-First National Bank, Seattle, Washington, and Bank of New York, New York, New York, or any fiscal agent of the State of Washington that may hereafter be designated as successor to such banks.

(e) "Bond Year" means the one-year period beginning on the date of issue of the Bonds and ending on the date prior to the first anniversary thereof, and each subsequent one-year period.

(f) "Bonds" means the City of Bellevue, Washington, Unlimited Tax Levy General Obligation Bonds, 1989, issued pursuant to this ordinance.

(g) "City" means the City of Bellevue, Washington, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of Washington.

(h) "City Clerk" means the duly appointed and acting Clerk of the City.

(i) "Computation Period" means the period from the date of issue of the Bonds through the date as of which the Rebate Amount is determined pursuant to Section 9 hereof.

(j) "Council" means the general legislative authority of the City as the same shall be duly and regularly constituted from time to time.

(k) "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 initial depository for the Bonds pursuant to Section 4 hereof.

(l) "Excess Earnings Account" means the "1989 Park Facilities Unlimited Tax Levy General Obligation Bonds Excess Earnings Account" created within the Excess Bond Earnings Fund by Section 9 hereof.

(m) "Excess Bond Earnings Fund" means the Excess Bond Earnings Fund created by Section 9 hereof.

(n) "Finance Director" means the City Finance Director or any successor to the functions and responsibilities of the City Finance Director.

(o) "Interest and Debt Redemption-Special Levy Fund" means the fund of that name heretofore established by the City.

(p) "Letter of Representations" means the letter from the City to DTC attached to this Ordinance as Exhibit B.

(g) "Projects" means the capital improvements authorized by Section 1 of Ordinance No. 3940.

(r) "Rebate Amount" means the amount determined pursuant to Section 9 hereof with respect to the Bonds which is to be rebated to the United States under the circumstances set forth therein.

(s) "Treasurer" means the Treasurer of the City, or any successor to the functions and responsibilities of the Treasurer of the City.

SECTION 2. Findings and Authorization of Projects. It is hereby found and declared that the public interest, welfare and benefit of the inhabitants of the City require that the City undertake the plans to acquire, improve and develop the park and recreation facilities, all as further described in Ordinance No. 3940 of the City. Said projects are herein collectively called the "Projects."

The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses and other costs incurred in connection with the making of the foregoing capital improvements shall be deemed a part of the capital costs of such improvements. Such improvements shall be complete with all necessary furniture, equipment and appurtenances. The estimated cost of the Projects and all costs incidental thereto and to the issuance of the Bonds is hereby declared to be as nearly as practicable the sum of \$16,500,000, which shall be provided from the proceeds of sale of the Bonds.

By ordinance of the City, the Council may alter, make substitutions to and amend the Projects description as it determines is in the best interests of the City and consistent with the general descriptions provided in Ordinance No. 3940.

By ordinance of the City, the Council shall determine the application of moneys available for the Projects so as to accomplish, as nearly as may be, all improvements described as part of such Projects. The City shall determine the exact extent and specifications for, and order of acquisition and construction of, property, structures or other improvements. If the City Council by ordinance shall determine that it has become impractical to accomplish any of such improvements or portions thereof by reason of changed conditions, incompatible development, costs substantially in excess of the amount of Bond proceeds estimated to be applied thereto, or acquisition by a superior governmental authority, the City shall not be required to accomplish such improvement.

In the event funds are insufficient to make all of the capital improvements herein authorized, the City shall use the available funds for paying costs of those improvements for which bonds were

approved which are deemed most necessary and in the best interests of the City by the Council.

If any or all of the improvements have either been completed, or their completion duly provided for, or their completion found to be impractical, the City may apply the Bond proceeds or any portion thereof to other park and recreation capital purposes of the City as may be permitted by law or to redemption of the Bonds as the Council, by ordinance and in its discretion shall determine.

None of the proceeds of the Bonds shall be expended for the replacement of equipment or for other than a capital purpose.

SECTION 3. Authorization of Bonds. The City hereby authorizes the issuance and sale of the Bonds in the aggregate principal amount of \$16,500,000 to provide funds to pay the cost of the Projects and costs incidental thereto and to the issuance of the Bonds. The Bonds shall be general obligations of the City; shall be designated "City of Bellevue, Washington, Unlimited Tax Levy General Obligation Bonds, 1989," shall be dated February 1, 1989, shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof, provided that no Bond shall represent more than one maturity; shall be numbered separately and in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification and control; shall bear interest from their date, until the Bonds have been paid or their payment duly provided for, payable on February 1, 1990, and semiannually thereafter on the first day of each August and February; and shall mature on August 1 of each year as follows:

| <u>Maturity</u> <u>Year</u> | <u>Principal</u> <u>Amount</u> | <u>Maturity</u> <u>Year</u> | <u>Principal</u> <u>Amount</u> |
|--------------------------------|-----------------------------------|--------------------------------|-----------------------------------|
| 1991 | \$500,000 | 2000 | \$ 885,000 |
| 1992 | 530,000 | 2001 | 945,000 |
| 1993 | 565,000 | 2002 | 1,015,000 |
| 1994 | 600,000 | 2003 | 1,085,000 |
| 1995 | 640,000 | 2004 | 1,165,000 |
| 1996 | 680,000 | 2005 | 1,245,000 |
| 1997 | 725,000 | 2006 | 1,340,000 |
| 1998 | 775,000 | 2007 | 1,435,000 |
| 1999 | 825,000 | 2008 | 1,545,000 |

The Bonds shall bear interest at such rate or rates as are established by subsequent resolution of the Council adopted upon the sale of the Bonds as provided herein.

SECTION 4. Registration of Bonds. The City hereby specifies and adopts the system of registration for the Bonds approved by the State Finance Committee, and the fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York, shall act as authenticating trustee, transfer agent,

paying agent and registrar for the Bonds (collectively, the "Bond Registrar").

The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient records 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 and to carry out all of the Bond Registrar's powers and duties under this registration.

The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds. The Bond Registrar may become the owner of any 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.

The Bonds initially shall be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Letter of Representations attached hereto as Exhibit B. In order to induce DTC to accept the Bonds as eligible for deposit at DTC, the City shall execute and deliver the Letter of Representations. The Finance Director is hereby authorized to execute the Letter of Representations with such changes as may hereafter be approved by the Finance Director with advice of bond counsel, and such approval shall be conclusively presumed by the Finance Directors' execution thereof.

Neither the City, nor the Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the accuracy of any records maintained by DTC or any DTC participant as to the Bonds, the payment by DTC or any DTC participant of any amount in respect of the principal or redemption price of or interest on the Bonds, any notice that is permitted or required to be given to registered owners under this ordinance (except any such notices as shall be required to be given by the City to the Registrar, or to DTC), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Bonds or any consent given or other action taken by DTC as the registered owner of the Bonds. For so long as any Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the registered owner for all purposes hereunder, and all references in this ordinance to registered owners, bondowners or the like shall mean DTC or its nominee and shall not mean the owners of any beneficial interests in the Bonds.

A. The Bonds shall be registered initially in the name of "CEDE & Co.," as nominee of DTC, with one Bond maturing on each

of the maturity dates set forth in Section 3 in a denomination corresponding to the total principal amount herein designated to mature on such date. Purchases of the Bonds may be made through brokers and dealers, who must be or act through participants in DTC, in principal amounts of \$5,000 and integral multiples thereof. 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 City 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 City that it is no longer in the best interests of owners of beneficial interests in the Bonds to continue the system of book-entry transfers through DTC or its successor (or any substitute depository or its successor), the City may appoint a substitute depository or terminate the use of a 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 Registrar shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the City, issue a single new Bond for each maturity of such Bonds 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 City.

D. In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, or (ii) the City determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain bond certificates, the ownership of Bonds may then be transferred to any person or entity as herein provided, and the Bonds shall no longer be held in fully immobilized form. The City shall deliver a written request to the Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt of all then outstanding Bonds by the Registrar together with a written request on behalf of the City to the Registrar, new Bonds shall be issued in such denominations and registered in the names of such persons as are specified in such written request.

E. As long as DTC or its successor (or substitute depository or its successor) is not the registered owner of the Bonds, any Bond may be transferred pursuant to its provisions at the Registrar's principal office for such purpose by surrender of such Bond for cancellation, accompanied by a written instrument of

transfer, in form satisfactory to the Registrar, duly executed by the registered owner in person or by the registered owner's duly authorized agent. The City will issue and the Registrar will authenticate and deliver at the principal office of the Registrar (or send by registered mail to the owner thereof at the owner's expense), in the name of the transferee or transferees, a new Bond or Bonds in authorized denominations of the same interest rate, aggregate principal amount and maturity, dated as of the last interest payment date to which interest has been paid so that there shall result no gain or loss of interest as a result of such transfer. Such transfer shall be without cost to the registered owner or transferee. To the extent of authorized denominations, and upon surrender thereof to the Bond Registrar, one bond may be exchanged for several bonds of the same interest rate and maturity, and for a like aggregate principal amount, and several bonds of the same interest rate and maturity may be exchanged for one or several bonds, respectively, of the same interest rate and maturity for a like aggregate principal amount.

Upon the request of the City, the Registrar shall notify the City of all registrations of Bonds and all changes in registrations of Bonds. The Registrar shall maintain the registration books on behalf of the City and make copies thereof available to the City on request.

In every case of a transfer or exchange of any Bonds the surrendered bonds shall be cancelled by the Registrar and a certificate evidencing such cancellation shall be promptly transmitted by the Registrar to the City.

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. For so long as all outstanding Bonds are registered in the name of CEDE & Co., the nominee of DTC, or its registered assign, payments of principal and interest thereon shall be made as provided in the Letter of Representations. All such payments shall be valid and shall satisfy and discharge the liability of the City upon such Bonds to the extent of the amount or amounts so paid.

In the event that the Bonds are no longer registered in the name of CEDE & Co. or its registered assign, interest on the Bonds shall be paid by check or draft of the Bond Registrar mailed (on the date such interest is due) to the registered owners or nominees at the addresses appearing on the Bond Register on the fifteenth (15th) day of the month preceding each interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds to the Bond Registrar by the registered owners or nominees at the principal offices of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, or New York, New York.

The City may deem the person in whose name each Bond is registered to be the absolute owner thereof for the purpose of

receiving payment of the principal of and interest on such Bonds and for any and all other purposes whatsoever.

SECTION 5. Optional Redemption. The City hereby reserves the right to redeem the outstanding Bonds maturing on and after August 1, 1999, in whole or in part, on any interest payment date on or after August 1, 1998, and at a price of par plus accrued interest to the date of redemption.

If less than all of the Bonds subject to optional redemption are so called for redemption, the City shall choose the maturities to be redeemed. If less than the whole of a maturity is so called for redemption, the Bonds of such maturity to be redeemed shall be chosen by lot by the Registrar, or, if the Bonds are registered in the name of CEDE & Co., the nominee of DTC, or its registered assign, the Bonds to be redeemed shall be chosen by lot by DTC.

Portions of the principal amount of any Bond, in installments of \$5,000 or any integral multiple of \$5,000, may be redeemed in accordance with this section.

SECTION 6. Notice of Redemption; Effect of Redemption. Unless waived by the registered owner of Bonds to be redeemed or the nominee thereof, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the 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. The requirements for official notice shall be deemed to be complied with when notice is mailed as herein provided, regardless or whether or not it is actually received by the owner of any Bond.

All official notices of redemption shall be dated and shall state:

- (a) the redemption date;
- (b) the redemption price;
- (c) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (d) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

For so long as the Bonds are registered in the name of CEDE & Co., or its registered assign, notices shall also be given as provided in the Letter of Representations attached to this ordinance as Exhibit B.

Prior to any redemption date, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so 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 shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender of such Bonds for redemption in accordance with said notice, such 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. If less than all of the principal amount of any Bond is redeemed, and the Bonds are not registered in the name of CEDE & Co., or its registered assign, then upon surrender of such Bond at the principal office of the Registrar, there shall be issued to the registered owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, 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. If less than all of the principal amount of any Bond is redeemed and the Bonds are registered in the name of CEDE & Co., or its registered assign, such partial redemption shall be made in accordance with the Letter of Representations, consistent with this Section. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

In addition to the foregoing notice, further notice of redemption shall be given by the Bond Registrar 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.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus: (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each

Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania).

(3) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 7. Creation of Bond Redemption Account and Provision for Tax Levy Payments. There has heretofore been created by the City a fund known as the "Interest and Debt Redemption-Special Levy Fund." There is hereby created within said Fund, a special account to be known as the "1989 Park Facilities Unlimited Tax Levy General Obligation Bond Redemption Account" (the "Bond Redemption Account"). The Bond Redemption Account shall be drawn upon for the sole purpose of paying the principal of and interest on the Bonds.

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, without limitation as to rate or amount, upon all the property within the City subject to taxation in an amount which will be sufficient, together with all other revenues and money of the City which may legally be used and which the City may apply for such purposes, to pay the principal of and interest on the Bonds as the same shall become due. All of such taxes and any of such other money so collected shall be paid into the Bond Redemption Account. None of the money in the Bond Redemption Account shall be used for any other purpose than the payment of the principal of and interest on the Bonds. Money in the Bond Redemption Account not needed to pay the interest or principal next coming due may temporarily be deposited in such institutions or invested in such obligations as may be lawful for the investment of City money. Any interest or profit from the investment of such money shall be deposited in the Bond Redemption Account.

The City hereby irrevocably pledges 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 as the same shall become due.

SECTION 8. Defeasance. In the event that money and/or "Government Obligations," as such Obligations are now or may hereafter be defined in Ch. 39.53 RCW, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire the Bonds or a portion of the Bonds in accordance with their terms, are set aside in a special account to effect such redemption or retirement and such money and the principal of and interest on such Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Redemption Account for the payment of the principal of and interest on the Bonds so provided for and such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the funds so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

SECTION 9. Excess Earnings Rebate. The City covenants and agrees to calculate or cause to be calculated the Rebate Amount and to pay the Rebate Amount to the Internal Revenue Service in the manner and at the times required in this subsection.

(a) A special fund of the City to be known as the "Excess Bond Earnings Fund" is hereby created for the purpose of holding and accounting for any arbitrage rebate amounts that may be payable to the Internal Revenue Service with respect to any bonds hereafter issued by the City. A special account to be known as the "1989 Park Facilities Unlimited Tax Levy General Obligation Bonds Excess Earnings Account" (the "Excess Earnings Account") is hereby created within the Excess Bond Earnings Fund. The City shall make deposits into and withdrawals from the Excess Earnings Account at such times and in such manner as provided herein or in such other manner as may be required, in the opinion of nationally recognized bond counsel, to maintain the tax-exempt status of the interest on the Bonds.

(b) The City shall calculate the Rebate Amount for each Bond Year and shall maintain the Rebate Amount in the Excess Earnings Account for the next succeeding Bond Year, less the amounts, if any, previously paid to the United States as provided herein. The Rebate Amount shall be calculated as follows:

(1) The aggregate amount earned on the amounts deposited in the Bond Fund and the Bond Redemption Account for the Computation Period, minus

(2) The aggregate amount that would have been earned on the amounts deposited in the funds and accounts described in subparagraph (1) above for the Computation Period

if such amounts had been invested at a yield equal to the actual yield on the Bonds for the Computation Period, plus

(3) Any income (whether or not that income exceeds the yield on the Bonds) attributable to the excess of the amount computed under subparagraph (1) above over the amount computed under subparagraph (2) above.

The gross earnings on the Bond Redemption Account shall not be taken into account in making the computations under subparagraphs (1) and (2) above.

(c) The Rebate Amount shall be calculated within thirty (30) days of the end of the first Bond Year, within thirty (30) days of the end of each subsequent Bond Year, and within sixty (60) days of the retirement of the last obligation of the Bonds. The City shall make deposits into the Excess Earnings Account within the 30-day period to maintain it at the Rebate Amount, less the amounts, if any, previously paid to the United States as provided herein. Such deposits shall be made from the Bond Fund or from other legally available moneys of the City. Any amounts that are withdrawn from the Excess Earnings Account as a result of a decrease in the Rebate Amount may be returned to the Bond Fund or other City Funds, as appropriate. If, during any Computation Period, the Rebate Amount is less than the amounts previously paid to the United States, such a deficit may not be recovered from amounts previously paid to the United States. The City shall make installment payments from the Excess Earnings Account to the United States as required by law.

SECTION 10. Tax Covenants. The City hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the City which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Internal Revenue Code of 1986 and the applicable regulations thereunder which would cause the Bonds to be "arbitrage bonds" within the meaning of said section and said regulations. The City will comply with the requirements of Section 148 of the Internal Revenue Code of 1986 and the applicable regulations thereunder throughout the term of the Bonds.

The City hereby covenants that throughout the term of the Bonds it will not take any action or enter into any agreement that will cause the proceeds of the sale of the Bonds to be used in a manner that would cause any Bond to be classified as a "private activities bond" with the meaning of Section 141 of the Internal Revenue Code and the applicable regulations thereunder. Specifically, unless the City has received an opinion of nationally recognized bond counsel approving a specific action or agreement, the City will not permit entities other than governmental units to use in the aggregate more than 10 percent of the Projects on a basis other than as a member of the general public unless payments made by such users with respect to such uses do not exceed in the

aggregate 10 percent of the principal and interest payments on the Bonds in each Bond Year and over the term of the Bonds.

SECTION 11. Mutilated, Lost or Destroyed Bonds. If any Bond shall become mutilated, the Bond Registrar shall authenticate and deliver a new Bond of like series, amount, date, interest rate and tenor in exchange and substitution for the Bond so mutilated, upon the owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon surrender to the City or the Bond Registrar of the Bond so mutilated. Every mutilated Bond so surrendered shall be cancelled by the Bond Registrar and redelivered to, or upon the order of, the City.

In case the Bonds or any of them shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like amount, date, and tenor to the registered owner thereof upon the owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the Treasurer and the Bond Registrar evidence satisfactory to said Treasurer and Bond Registrar that such Bond or Bonds were actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City and Bond Registrar with indemnity satisfactory to the Treasurer and Bond Registrar.

SECTION 12. Form of the Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

CITY OF BELLEVUE

UNLIMITED TAX LEVY GENERAL OBLIGATION BOND, 1989

INTEREST RATE:

MATURITY DATE:

CUSIP NO:

SEE REVERSE SIDE FOR CERTAIN DEFINITIONS

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Bellevue, Washington, a municipal corporation organized and existing under and by virtue of the laws and Constitution of the State of 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 specified above, unless redeemed prior thereto as provided herein, together with interest on such Principal Amount from the date hereof or the most recent date to which interest has been paid or duly provided for at the Interest Rate set forth above payable February 1, 1990, and semiannually thereafter on each February 1 and August 1 thereafter until payment of the principal sum has been made or duly provided for. Both principal of and interest on this bond are payable in lawful money of the United States of America. Principal shall be paid to the registered owner hereof upon presentation and surrender of this bond at the principal offices of either of the fiscal agencies of the State of Washington in Seattle, Washington or New York, New York (collectively, the "Bond Registrar"). Interest on this bond is payable by check or draft of the Bond Registrar mailed (on the date such interest is due) to the Registered Owner hereof at the address appearing on the records maintained by the Bond Registrar (the "Bond Register") as of the fifteenth (15th) day of the month preceding the interest payment date.

Reference is hereby made to additional provisions of this bond set forth on the reverse side hereof and such additional provisions shall for all purposes have the same effect as if set forth in this space. Reference also is made to the Bond Ordinance (hereinafter defined) as more fully describing the covenants with and the rights of registered owners of the bonds or registered assigns and the meanings of capitalized terms appearing on the bonds which are defined in such 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 the Bond Registrar.

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, without limitation as to rate or amount, upon all the property subject to taxation in amounts sufficient, together with all other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. 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.

It is hereby certified and declared that this bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and the Charter and ordinances of the City, that all acts, conditions and things required to be done precedent to and in the issuance of this bond and the bonds of this issue have happened, been done and performed and that this bond and the bonds of this issue do not exceed any Constitutional or statutory limitations.

IN WITNESS WHEREOF, the City of Bellevue, Washington, has caused this bond to be signed on behalf of the City with the facsimile signature of the Mayor, to be attested by the facsimile signature of the City Clerk and a facsimile of the seal of the City to be reproduced or impressed hereon, as of this 1st day of February, 1989.

CITY OF BELLEVUE, WASHINGTON

By *Norm Campbell*
Mayor

ATTEST:

Louise J. O'Connell
City Clerk

The Certificate of Authentication for the Bonds shall be in substantially the following form and shall appear on the front of each Bond:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within-referenced Bond Ordinance of the City of Bellevue, Washington, and is one of the Unlimited Tax Levy General Obligation Bonds, 1989, dated February 1, 1989, of such City.

WASHINGTON STATE FISCAL AGENCY
As Bond Registrar

By _____
Authorized Officer

(Form of Registered Bond - Reverse)

ADDITIONAL BOND PROVISIONS

This bond is one of an issue of unlimited tax levy general obligation bonds of the City of like date and tenor, except as to number, interest rate and date of maturity, in the aggregate principal amount of \$16,500,000 issued pursuant to Ordinance No. _____ of the City, passed _____, 1988 (the "Bond Ordinance"), to provide part of the funds necessary to acquire, improve and develop park and recreation facilities.

The outstanding bonds maturing on and after August 1, 1999, are subject to redemption prior to their maturity at the option of the City, on any interest payment date on or after August 1, 1998, in whole or in part, upon written notice as provided hereinafter, at a price of par plus accrued interest to the date of redemption.

If less than all of the Bonds subject to the optional redemption are to be called for redemption, the City shall choose the maturities to be redeemed. In the event that less than all of the Bonds of any maturity are called for redemption, the particular Bonds of such maturity to be redeemed shall be selected by lot by the Bond Registrar, or, if the Bonds are registered in the name of CEDE & Co., or its registered assign, the Bonds to be redeemed shall be chosen by lot by The Depository Trust Company.

Portions of the principal amount of any bond, in installments of \$5,000 or any integral multiple of \$5,000, may be redeemed in accordance with the foregoing paragraph. If less than all of the principal amount of any bond is redeemed, upon surrender of such 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 amount thereof, 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 the Bond Ordinance.

Notice of redemption, unless waived, is given by the Bond Registrar by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption, to the registered owner of any bond to be redeemed at the address appearing on the Bond Register. The requirements for such notice shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the owner of any bond. The interest on any bonds so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called are not redeemed upon presentation made pursuant to such call.

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.

The bonds of this issue are issued in fully registered form in the denomination of \$5,000 each or any integral multiple thereof, provided that no bond shall represent more than one maturity. Upon surrender 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. This bond is transferable only on the records maintained by the Bond Registrar for that purpose upon the surrender of this bond by the registered owner hereof or his/her duly authorized

agent and only if endorsed in the manner provided hereon, and thereupon a new fully registered bond of like principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor. Such exchange or transfer shall be without cost to the registered owner or transferee. The City, the Bond Registrar, and any other person may deem the person in whose name this bond is registered to be the absolute owner hereof for the purpose of receiving payment of the principal of and interest on the bond and for any and all other purposes whatsoever.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

/ _____ /

(Please print or typewrite name and address, including zip code of Transferee)

_____ the within bond and all rights thereunder and does hereby irrevocably constitute and appoint _____ of _____, or its successor, as Agent to transfer said bond on the books kept by the Bond Register for registration thereof, with full power of substitution in the premises.

DATED: _____, 19 ____.

SIGNATURE GUARANTEED:

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SECTION 13. Execution of the Bonds. The Bonds shall be signed on behalf of the City by the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile

signature of the City Clerk, and shall have the official corporate seal of the City impressed or imprinted thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, 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 hereunder and are entitled to the benefits of this ordinance.

In case either of the officers of the City who shall have executed 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 may nevertheless 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 also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bond shall be the proper officers of the City although at the original date of such Bond any such person shall not have been such officer.

SECTION 14. Application of Proceeds of Bonds. There is hereby created a special fund of the City to be known as the "1989 Park Bond Fund" (hereinafter, the "Bond Fund"). All expenditures for the Projects financed by proceeds of the Bonds shall be made from the Bond Fund.

At the time of delivery of the Bonds, the proceeds of the Bonds shall be deposited as follows:

(a) The accrued interest to the date of delivery shall be deposited to the Bond Redemption Account and used to pay the interest on the Bonds coming due on February 1, 1990.

(b) The remaining proceeds shall be deposited to the Bond Fund and used to pay costs of the Projects and all costs incidental thereto and to the issuance of the Bonds, and to reimburse any other City funds utilized to pay costs of the Projects.

Moneys remaining in the Bond Fund after all of the costs of the Projects have been paid may be used for any lawful City purpose, including deposit into the Bond Redemption Account for the payment of the Bonds. Moneys in the Bond Fund may be invested as permitted by law. Any moneys of the City to be used to pay costs of the Projects which are not Bond proceeds or investment earnings thereon shall not be deposited in the Bond Fund. Moneys in the Bond Fund may be used to pay the Rebate Amount.

SECTION 15. Sale of the Bonds. The Bonds shall be sold at public sale in accordance with the terms and conditions set forth in the official Notice of Bond Sale attached hereto as Exhibit A and incorporated herein by this reference. The Council shall authorize such sale by resolution adopted on the sale date set forth in said Notice of Bond Sale. The City Clerk is hereby authorized and directed to cause the Notice of Bond Sale substantially in the form attached hereto as Exhibit A, to be published prior to such sale at least once in a newspaper of general circulation within the City.

Following the sale of the Bonds, the City shall cause definitive Bonds to be prepared, executed and delivered, which Bonds shall be lithographed or printed with engraved or lithographed borders. Until the definitive Bonds are prepared, the City may execute a temporary bond which shall be typewritten, and which shall be delivered to the purchaser or purchasers of the Bonds in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions. The temporary Bond shall be dated as of the date of the Bonds, shall be fully registered, shall be in the denomination of \$16,500,000 shall be numbered T-1, shall be substantially of the tenor of such definitive Bonds, but with such omissions, insertions and variations as may be appropriate to temporary bonds, and shall be signed by the Mayor and City Clerk.

Upon surrender to the City of any such temporary Bond, the City without charge to the registered owner shall execute and deliver to the registered owner of the temporary Bond in exchange therefore definitive Bonds of the same series, maturities, interest rates, redemption provisions and aggregate principal amount as the temporary Bond, if any, surrendered. Until so exchanged, the temporary Bond shall be in all respects entitled to the same benefit and security as definitive Bonds executed and issued pursuant to this ordinance.

SECTION 16. Approval of Official Statement. The Finance Director is hereby authorized and directed to review and approve on behalf of the City an official statement with respect to the Bonds to be prepared prior to such sale.

SECTION 17. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

SECTION 18. General Authorization. The Mayor, Finance Director, Treasurer and the City Clerk and each of the other appropriate officers, agents and representatives of the City are each hereby authorized and directed to take such steps, to do such

other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance.

SECTION 19. Prior Acts. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified and confirmed.

SECTION 20. Effective Date. This ordinance shall be effective five days after its passage and legal publication.

PASSED by the Council of the City of Bellevue at a regular meeting thereof, held this 5th day of December, 1988, and signed in authentication of its passage this 5th day of December, 1988.

CITY OF BELLEVUE, WASHINGTON

(Seal)

By Nan Campbell

Nan Campbell, Mayor

Approved as to Form:

Richard Gidley
Richard Gidley,
Deputy City Attorney

Attest:

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

Published: December 9, 1988

Exhibit A: Notice of Bond Sale

Exhibit B: Letter of Representations from City of Bellevue and Seattle
First National Bank to the Depository Trust Company.

The above Exhibit documents are available for review in the City Clerk's Office, City of Bellevue, 11511 Main Street, Bellevue, Washington.

EXHIBIT A

NOTICE OF BOND SALE

CITY OF BELLEVUE, WASHINGTON

UNLIMITED TAX LEVY GENERAL OBLIGATION BONDS, 1989

NOTICE IS HEREBY GIVEN that the City of Bellevue, Washington, will receive sealed bids at the office of the City Clerk of the City at the City Hall, 11511 Main Street, Bellevue, Washington 90012 on

Monday, January 23, 1989

until 11 o'clock a.m., local time, for the purchase of the Unlimited Tax Levy General Obligation Bonds, 1989, of the City in the aggregate principal amount of \$16,500,000 (the "Bonds"). The bids for the Bonds will be publicly opened, read, and evaluated at such time, and shall be acted upon by the City Council at a regular meeting thereof at 8 o'clock p.m. on the same date in the Chambers of the City Council in Bellevue, Washington.

BOND DETAILS. The Bonds will be dated as of February 1, 1989, will be in denominations of \$5,000 or any integral multiple thereof, will be in fully registered form, will be numbered, and will mature on August 1 of such years and in such principal amounts as follows:

| <u>Maturity Year</u> | <u>Principal Amount</u> | <u>Maturity Year</u> | <u>Principal Amount</u> |
|--------------------------|-----------------------------|--------------------------|-----------------------------|
| 1991 | \$500,000 | 2000 | \$ 885,000 |
| 1992 | 530,000 | 2001 | 945,000 |
| 1993 | 565,000 | 2002 | 1,015,000 |
| 1994 | 600,000 | 2003 | 1,085,000 |
| 1995 | 640,000 | 2004 | 1,165,000 |
| 1996 | 680,000 | 2005 | 1,245,000 |
| 1997 | 725,000 | 2006 | 1,340,000 |
| 1998 | 775,000 | 2007 | 1,435,000 |
| 1999 | 825,000 | 2008 | 1,545,000 |

The Bonds will bear interest from the date thereof payable on February 1, 1990, and semiannually thereafter on August 1 and February 1 of each year.

REGISTRATION AND BOOK-ENTRY ONLY SYSTEM. The Bonds are issuable only as fully registered bonds and when issued will be registered in the name of CEDE & Co. as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds

will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. The principal of and interest on the Bonds are payable by the fiscal agencies of the State of Washington in the cities of Seattle, Washington and New York, New York to DTC, which will in turn remit such principal and interest to the DTC participants for subsequent disbursement to beneficial owners of the Bonds. Both principal of and interest on the Bonds will be payable in lawful money of the United States of America. In the event that the Bonds are no longer registered in the name of CEDE & Co., nominee of DTC, or its registered assign, interest on the Bonds shall be paid by check or draft mailed (on the date such interest is due) to the registered owners or nominees of such owners at the addresses appearing on the Bond Register (as hereinafter defined) as of 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 or nominees of such owners at the principal offices of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, or New York, New York, at the option of such owners.

BOND REGISTRATION. The fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York, currently Seattle-First National Bank and Bank of New York, respectively, will act as bond registrar, transfer agent, and authenticating and paying agent with respect to the Bonds (collectively, the "Bond Registrar"). The Bonds may be transferred only upon the records maintained for such purpose (the "Bond Register") and only if endorsed in the manner provided thereon and surrendered to the Bond Registrar.

OPTIONAL REDEMPTION. The outstanding Bonds maturing on and after August 1, 1999, will be subject to redemption prior to their scheduled maturity, in whole or in part, on any interest payment date on or after August 1, 1998, at a redemption price of par plus accrued interest to the date of redemption.

If less than all of the Bonds subject to optional redemption are to be called for redemption, the City shall choose the maturities to be redeemed. In the event that less than all of the Bonds of any maturity are called for redemption, the particular Bonds of such maturity to be redeemed shall be selected by lot by the Bond Registrar, or, if the Bonds are registered in the name of CEDE & Co., or its registered assign, the Bonds to be redeemed shall be chosen by lot by DTC.

SECURITY. The City of Bellevue has covenanted and agreed for as long as any Bonds are outstanding and unpaid, that each year it will include in its budget and levy an ad valorem tax, without limitation as to rate or amount, upon all the property in the City subject to taxation in an amount which will be sufficient, together with all other moneys of the City on hand and legally available for

such purposes, to pay the principal of and interest on the Bonds as the same shall become due. The full faith, credit and resources of the City are pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds as the same shall become due.

TAX EXEMPTION. Interest on the Bonds will be excludable from gross income subject to federal income taxation, provided that the continuing arbitrage requirements of Section 148 of the Federal Internal Revenue Code of 1986 (the "Code") are complied with. The Bonds are not private activity bonds. Interest on the Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations, but will be taken into account in the computation of adjusted net book income and adjusted current earnings for purposes of the corporate alternative minimum tax under Section 55 of the Code and in the computation of the environmental tax on corporations under Section 59A of the Code.

INTEREST RATE AND BIDDING DETAILS. Bid forms will be provided by the City. Each bid shall be signed and enclosed in a sealed envelope. No bid will be accepted for the purchase of fewer than all of the Bonds. No bid will be accepted with a price of less than 98.5% of the principal amount of the Bonds.

All bids shall be without condition. Each bid submitted shall provide for the payment of accrued interest to the date of delivery on the Bonds.

One or more rates of interest may be fixed for the Bonds, which rate or rates must be in a multiple of 1/8 or 1/20 of 1%. No more than one rate of interest may be fixed for any one maturity, and there may be no more than a 3% difference between the highest interest rate fixed and the lowest interest rate fixed.

It is requested that each bid state (i) the total interest cost over the life of the Bonds, less premium or plus discount, if any and (ii) the true interest cost of the Bonds. Such statement shall not be deemed to be a part of the bid.

REOFFERING PRICE. The successful bidder must certify the initial reoffering price to the public (excluding bond houses and brokers) for each maturity of the bonds to the City's bond counsel not less than five business days prior to closing. This certification shall constitute the agreement of the bidder to offer all bonds in each maturity for sale at a price no greater than the certified reoffering price until at least ten percent of the principal amount of each maturity is sold at a price less than or equal to the certified reoffering price. Failure to honor this agreement may result in cancellation of the sale and forfeiture of the bidder's good faith deposit.

BOND INSURANCE. If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of his contractual obligations arising from the acceptance of his proposal for the purchase of the Bonds.

DEPOSIT. All bids for the Bonds shall be accompanied by a deposit in the amount of \$825,000. All deposits shall be by cashier's or certified check made payable unconditionally to the order of the City of Bellevue, Washington. The deposits of unsuccessful bidders will be returned as soon as possible to such bidders. The good faith deposit of the successful bidder shall be held as security for the performance of such bid. Such check shall be cashed by the City Treasurer and will be applied to the purchase price of the Bonds or be forfeited to the City as and for liquidated damages if the successful bidder shall fail or neglect to complete the purchase of said Bonds in accordance with its proposal within forty (40) days after the acceptance thereof. Interest will not be allowed on such good faith deposits.

AWARD. The City reserves the right to reject any and all bids received and to waive any irregularities therein or in the bidding. No bid may be withdrawn after the same is filed with the Finance Director unless permission is first obtained by resolution of the City Council. Unless all proposals are rejected, the City will award the Bonds at the meeting of the Council on the day of the bid opening. The Bonds will be awarded to the responsible bidder offering to purchase all of the Bonds at the lowest true interest cost to the City, such lowest true interest cost to be determined in accordance with the effective interest cost method of calculation by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments from the payment date to the date of the Bonds and to the price bid, not including accrued interest to the date of delivery.

DELIVERY. The City will deliver the Bonds (consisting of one certificate for each maturity in typewritten form) to The Depository Trust Company, New York, New York, prior to the date of closing. Accrued interest to the date of delivery shall be paid by the purchaser at the time of delivery.

The approving legal opinion of Preston, Thorgrimson, Ellis & Holman will be printed on the Bonds and will be furnished, without cost, to the successful bidder at the time of delivery. The obligations hereunder to deliver and accept the Bonds shall be conditioned on the availability and delivery at the time of delivery of such Bonds of said approving opinion, and of a certificate, in form and tenor satisfactory to said law firm and dated

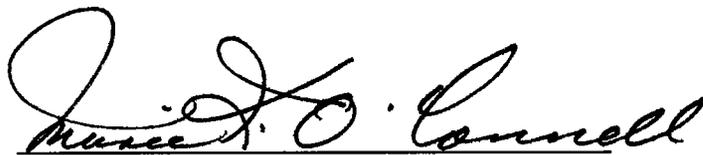
as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of such Bonds.

SETTLEMENT. Payment for the Bonds shall be made in Federal funds available on the date and at the place of delivery of such Bonds.

CUSIP NUMBERS. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said Bonds in accordance with the terms of its bid. All expenses in relation to the printing of CUSIP numbers on said Bonds shall be paid for by the City; provided, however, that the CUSIP Service bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

FURTHER INFORMATION. Further information regarding the Bonds may be obtained upon request made to the undersigned, or to the City Finance Director (206-455-6846), or from the Financial Advisor to the City, Seattle-Northwest Securities Corporation, Seafirst Fifth Avenue Plaza, Suite 3400, Seattle, Washington 98104, Attention: Therese B. Dickison (206-628-2882).

DATED at Bellevue, Washington, this 5th day of December 1989.


City Clerk, Marie K. O'Connell, CMC
City of Bellevue, Washington

Published on: January 6, 1989