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ORDINANCE NO. 4436

AN ORDINANCE of the City Council of Bellevue, Washington, authorizing the issuance and sale of Local Improvement District No. 267 Bond Anticipation Notes in the principal amount of $1,012,000 for the purpose of repaying bond anticipation notes that were issued to pay the costs of the street improvements constructed in Local Improvement District No. 267; providing the form, terms, conditions and covenants of said notes; accepting an offer for the purchase of the notes; and providing for the disposition of the proceeds of the sale of the notes.

WHEREAS, the City Council of Bellevue, Washington (the "City"), by Ordinance No. 3720 passed on October 27, 1986, created Local Improvement District No. 267 (the "District"), created a special fund of the City (the "LID Fund"), and provided for the issuance of local improvement district bonds and interim short-term obligations to pay the cost of improvements in the District and the expenses incidental thereto; and

WHEREAS, Chapter 39.50 of the Revised Code of Washington authorizes the City to issue short-term obligations to provide short-term financing in anticipation of the sale of its local improvement district bonds; and

WHEREAS, pursuant to Ordinance No. 4359 passed on May 18, 1992, the City issued Local Improvement District No. 267 Bond Anticipation Notes, 1992 (the "1992 Notes") in order to repay Local Improvement District No. 267 Bonds that were issued to pay the costs of constructing the street improvements in the District as provided in Ordinance No. 3720; and

WHEREAS, it is deemed necessary and desirable that the City, in order to repay the 1992 Notes on December 1, 1992, issue and sell short-term obligations in the form of local improvement district bond anticipation notes in the principal amount of $1,012,000 pending the issuance and sale of local improvement district bonds of the City;

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

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

"Bonds" means the Local Improvement District No. 267 Bonds to be issued to pay and redeem the Notes or any refunding note or notes.

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

"Computation Date" means the Installment Computation Date or the Final Computation Date.

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

"District" means Local Improvement District No. 267 of the City.

"Final Computation Date" means the date that the last Note is discharged. A Note is discharged on the date that all amounts due under the terms of the Note are actually and unconditionally due if cash is available at the place of payment and no interest accrues with respect to the Note after such date.

"Installment Computation Date" means the last day of the fifth Note Year and of each succeeding fifth Note Year.

"LID Fund" means the Local Improvement Fund, District No. 267, created by Ordinance No. 3720 of the City.

"1992 Notes" means the Local Improvement District No. 267 Bond Anticipation Notes, 1992 issued pursuant to Ordinance No. 4359.

"Nonpurpose Payments" means, in general, any payment with respect to an investment allocated to the Notes. The following types of payments are specifically included:

(a) Direct Payments. The amount of gross proceeds of the Notes directly used to purchase the investment. Direct payments do not include brokerage commissions, administrative expenses or similar expenses.

(b) Constructive Payments. The fair market value (as of the date of allocation to the Notes) of any investment that was not directly purchased with gross proceeds of the Notes, but which is allocated to the Notes.

(c) Payments of Rebatable Arbitrage. Any payment of Rebatable Arbitrage if such payment is made no later than the due date for such payment.

"Nonpurpose Receipts" means, in general, any receipt with respect to an investment allocated to the Notes. The following types of receipts are specifically included:

(a) Actual Receipts. Any amount actually or constructively received with respect to an investment. Actual receipts may not be reduced by selling commissions, administrative expenses or similar expenses.

(b) Disposition Receipts. An amount determined by treating an investment that ceases to be allocated to the Notes (other than by reason of a sale or retirement) as if sold for fair market value on the date that the investment ceases to be allocated to the Notes.

(c) Installment Date Receipts. The fair market value (or, for fixed rate investments, present value) of all investments allocated to the Notes at the close of business on any Computation Date.

(d) Imputed Receipts. Any receipts that are required to be imputed and taken into account pursuant to Section 1.148-5T of the Temporary Income Tax Regulations or any successor Temporary or Final Income Tax Regulations.

"Note Register" means the books or records maintained by the Note Registrar for the purpose of registration of the Notes.

"Note Registrar" means the fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York, for the purpose of registering and authenticating the Notes, maintaining the Note Register, effecting transfer of ownership of the Notes, and paying principal of and interest on the Notes.

"Note Year" means each one year period (or shorter period from the date of issue) that ends at the close of business on Nov. 30.

"Notes" means the Local Improvement District No. 267 Bond Anticipation Notes issued pursuant to and for the purposes provided in this ordinance.

"Rebatable Arbitrage" means the amount determined pursuant to Section 13.

"Rebate Computation Certificate" means the certificate executed by the City setting forth the methodology for computation of Rebatable Arbitrage.

Section 2. Authorization of the Bonds. The issuance and sale of the Bonds in such form and with such terms, conditions, covenants, dates, interest rates, maturities and other details as shall hereafter be determined by ordinance, as heretofore authorized by Ordinance No. 3720, is hereby affirmed. The proceeds of the Bonds shall be paid into the LID Fund and shall be applied to the extent necessary, together with other available funds, to pay and redeem the Notes.

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Section 3. Authorization of the Notes. In anticipation of the issuance of the Bonds the City shall, for the purpose of repaying the 1992 Notes and the costs of issuing the Notes, issue short-term obligations in the principal amount of $1,012,000. Said short-term obligations shall be designated the "Bellevue, Washington, Local Improvement District No. 267 Bond Anticipation Notes, 1992," shall be dated December 1, 1992 and shall be in registered form.

The Notes shall be in the denomination of $5,000 or any integral multiple thereof, except for one Note in the amount of $7,000, shall mature on December 1, 1993, and shall bear interest at a rate per annum equal to 3.35%, calculated on the basis of a 360-day year with twelve 30-day months and payable on December 1, 1993.

The City shall be obligated to pay interest at the same rate on the Notes from and after the date thereof until the Notes shall have been paid in full or funds shall have been duly provided in the LID Fund for such payment in full.

The interest on and principal of the Notes shall be payable in lawful money of the United States of America at the office of the fiscal agencies of the State of Washington in the City of Seattle, Washington and New York, New York, and shall be obligations only of the LID Fund.

Section 4. Redemption of the Notes. Both the principal of and interest on the Notes are payable solely from the proceeds of

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the sale of the Bonds or refunding bond anticipation notes to be issued by the City, from assessments and interest thereon levied in the District to pay the costs and expenses of the Improvements or from the Local Improvement Guaranty Fund of the City. The City hereby covenants with the owners of the Notes that it will issue the Bonds, refunding bond anticipation notes, or a combination of the foregoing in an amount sufficient, with any assessments, to pay when due the principal of and interest on the Notes and will thereupon redeem the Notes. The Notes are not a general obligation of the City and are not payable otherwise than as stated herein.

Section 5. Right of Prior Redemption. The City reserves the right to call and redeem the Notes on June 1, 1993 upon at least ten days notice mailed to the registered owners of the Notes at their last addresses appearing on the Note Register.

Section 6. Form of the Notes. The Notes shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____ $_____

STATE OF WASHINGTON
CITY OF BELLEVUE
LOCAL IMPROVEMENT DISTRICT NO. 267
BOND ANTICIPATION NOTE, 1992

MATURITY DATE: December 1, 1993

PRINCIPAL AMOUNT:

REGISTERED OWNER:

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Bellevue, Washington (the "City"), a municipal corporation organized and existing under and by virtue of the laws of the State of Washington, hereby acknowledges itself indebted and for value received promises to pay to the Registered Owner on the Maturity Date indicated above, the Principal Amount specified above, together with interest thereon from the date hereof at a rate equal to 3.35% per annum, payable on December 1, 1993. Interest shall be calculated on the basis of a 360-day year with twelve 30-day months.

Both principal of and interest on this note are payable solely from the proceeds of Local Improvement District No. 267 bonds or refunding bond anticipation notes to be issued by the City; from assessments and interest thereon levied in Local Improvement District No. 267 to pay the total costs and expenses of the improvements therein and interest; and from the Guaranty Fund of the City. Payment of principal and interest shall be made to the owner hereof at the office of the fiscal agent of the State of Washington in Seattle, Washington, or New York, New York, out of the Local Improvement District No. 267 Fund of the City created by Ordinance No. 3720 of the City. Reference is made to Ordinance No. _____ of the City (the "Note Ordinance") for definitions of other defined terms used herein.

The City reserves the right to call and redeem the Notes on June 1, 1993 upon at least ten days notice mailed to the registered owners of the Notes at their last addresses appearing on the Note Register.

The City hereby covenants with the owner of this note that it will issue bonds of Local Improvement District No. 267 or refunding bond anticipation notes in an amount sufficient, with any available assessments, to pay the principal of and interest on this note when due and will thereupon redeem this note. This note is not a general obligation of the City and is not payable otherwise than as stated herein.

Notes are interchangeable for notes of any authorized denomination of equal aggregate principal amount upon presentation and surrender to the Note Registrar.

This note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Note Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Note Registrar.

It is hereby certified and declared that this note is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and duly adopted ordinances of the City, and that all acts, conditions and things required to

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have happened, been done, and performed precedent to and in the issuance of this note have happened, been done, and performed.

IN WITNESS WHEREOF, Bellevue, Washington, has caused this note to be executed on behalf of the City by the manual or facsimile signature of the Mayor, to be attested by the manual or facsimile signature of the City Clerk, and the official seal of the City to be impressed or imprinted hereon this 1st day of December, 1992.

CITY OF BELLEVUE, WASHINGTON

By _____
Mayor

ATTEST:

_____
City Clerk

(S E A L)

CERTIFICATE OF AUTHENTICATION

This note is one of the notes described in the within-mentioned Note Ordinance and is one of the Local Improvement District No. 267 Bond Anticipation Notes, 1992 of Bellevue, Washington, dated December 1, 1992.

WASHINGTON STATE FISCAL AGENCY
Note Registrar

By _____
Authorized Officer

The following abbreviations, when used in the inscription on the face of the within note, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

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UNIF GIFT (TRANSFERS) MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts (Transfers) to Minors Act _____
(State)

Additional abbreviations may also be used though not in list above.

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 note and does hereby irrevocably constitute and appoint _____, attorney in fact to transfer said note on the books kept for registration thereof with full power of substitution in the premises.

DATED: _____

SIGNATURE GUARANTEED:

_____

Section 7. Execution of the Notes. The Notes 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 Clerk of the City, and shall have the official seal of the City impressed or imprinted thereon.

Section 8. Note Registrar. The City hereby specifies and adopts the system of registration for the Notes approved by the

Washington State Finance Committee. The Note Registrar shall keep, or cause to be kept, at its principal corporate trust office sufficient books for the registration and transfer of the Notes which shall at all times be open to inspection by the City. The Note Registrar is authorized, on behalf of the City, to authenticate and deliver the Notes transferred or exchanged in accordance with the provisions of such Notes and this ordinance and to carry out all of the Note Registrar's powers and duties under this ordinance.

The Note Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Notes. The Note Registrar may become the owner of Notes with the same rights it would have if it were not the Note Registrar, and to the extent permitted by law, may act as depositary 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 Note owners.

Only such Notes as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Note 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 Notes so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

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Section 9. Application of Proceeds of Sale of the Notes. The proceeds of the sale of the Notes shall be paid to the City and deposited into the LID Fund and applied to pay the 1992 Notes on December 1, 1993 and the costs of issuing the Notes.

Section 10. Sale of the Notes. The City hereby accepts the offer of Seattle-First National Bank, Seattle, Washington, dated November 16, 1992, to purchase the Notes in accordance with the terms contained in this ordinance and said offer.

The appropriate City officials are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Notes and for the proper application and use of the proceeds thereof.

Section 11. Lost or Destroyed Notes. In case the Notes authorized by this ordinance shall be lost, stolen or destroyed, the City may execute and the Treasury Manager of the City may deliver a new Note of like amount, date, and tenor to the owner thereof upon the owner paying the expenses and charges of the City in connection therewith, and upon filing with the Treasury Manager of the City evidence satisfactory to said Treasury Manager that the Note was actually lost, stolen or destroyed, and upon furnishing the City with indemnity satisfactory to the Treasury Manager.

Section 12. Notes Not Arbitrage Bonds or Private Activity Bonds. The City covenants and agrees that throughout the term of the Notes no part of the proceeds of the Notes or any other money

or obligations held under this ordinance shall at any time be used for any purpose or invested in such a manner, nor shall the City take any other action, which would cause the Notes to be (i) "arbitrage bonds" under the Internal Revenue Code of 1986, as amended, and applicable regulations (the "Code") or (ii) "private activity bonds" under the Code.

Section 13. Arbitrage Rebate.

(a) General Rule. The City will pay to the United States of America in accordance with the provisions of this section (i) at least 90% of the Rebatable Arbitrage with respect to the Notes as of each Installment Computation Date, (ii) 100% of the Rebatable Arbitrage with respect to the Notes as of the Final Computation Date and (iii) any income attributable to such Rebatable Arbitrage.

(b) Computation of Rebatable Arbitrage. The Rebatable Arbitrage with respect to the Notes computed in accordance with the Rebate Computation Certificate and, as of each Computation Date, will be the excess of:

(i) The future value of all Nonpurpose Receipts with respect to the Notes; over

(ii) The future value of all Nonpurpose Payments with respect to the Notes.

The future value will be computed as of each Computation Date.

(c) Payment Procedure. (i) The payment of Rebatable Arbitrage due as of each Installment Computation Date will be

paid no later than the date that is 60 days after the Installment Computation Date.

(ii) The payment of Rebatable Arbitrage due as of the Final Computation Date will be paid no later than the latest of (a) the date that is 60 days after the Final Computation Date, (b) the date that is 8 months after the date of issuance of the Notes, or (c) the date 60 days after the earlier of the date that the City no longer expects to spend gross proceeds of the Notes within 6 months of the date of issuance of the Notes or 12 months after the date of issuance of the Notes.

(iii) Each payment of Rebatable Arbitrage will be made to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19225 and will be accompanied by IRS Form 8038-T.

(d) Other Methodology. Notwithstanding this Section 13, payments of Rebatable Arbitrage will be made in accordance with instructions provided by Preston Thorgrimson Shidler Gates & Ellis or other nationally recognized bond counsel if necessary to maintain the federal income tax exemption for interest payments made on the Notes.

Section 14. 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

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covenants, agreement or agreements, shall be null and void and shall be separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Notes.

Section 15. Prior Acts. Any act taken pursuant to the authority of this ordinance but prior to its effective date is hereby ratified and confirmed.

Section 16. Effective Date. This ordinance shall become effective five days after its passage and publication as required by law.

PASSED by the City Council of the City of Bellevue this 16th day of November, 1992 and signed in authentication of its passage this 16th day of November, 1992.

CITY OF BELLEVUE, WASHINGTON

By _____
Cary Bozeman, Mayor

ATTEST:

_____
Myrna Basich, City Clerk

APPROVED AS TO FORM:

_____
Richard Kirkbey,
Deputy City Attorney

Published November 20, 1992

NMN636 92/11/16

CERTIFICATE OF CLERK

I DO HEREBY CERTIFY that I am the duly chosen, qualified and acting City Clerk of the City of Bellevue, Washington (the "City"), and keeper of the records of the City; and

I HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. 4436 of the City (the "Ordinance"), as finally adopted at a regular meeting of the City Council held on the 16th day of November, 1992 and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the adoption of the Ordinance; that all other requirements and proceedings incident to the proper adoption of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City this 16th day of November 1992.

Myrna L Basich
City Clerk

(SEAL)