

ORIGINAL

ORDINANCE NO. 4851

AN ORDINANCE of the City Council of the City of Bellevue, Washington, providing for the issuance and sale of limited tax levy general obligation bonds of the City in the initial aggregate principal amount of \$5,139,935.15 for the purpose of providing financing for improvements to and other capital costs and related expenses of Meydenbauer Center; providing the date, form, terms and maturities of said bonds; providing for the disposition of the proceeds of sale of such bonds; providing for the pledge of hotel/motel taxes to pay the principal of and interest on said bonds; providing for the annual levy of taxes to pay the principal of and interest on said bonds; providing for the sale thereof; and approving an amendment to the First Amended Design, Construction, Financing and Operating Agreement between the City and the Bellevue Convention Center Authority.

Passed: December 11, 1995

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WHEREAS, the City Council (the "Council") of the City of Bellevue, Washington (the "City"), has determined that it is in the public interest to make certain improvements to and finance other capital costs and related expenses of Meydenbauer Center; and

WHEREAS, in order to provide the funds required for the permanent financing of such expenditures, the City now desires to authorize the issuance and sale of limited tax levy general obligation bonds of the City in the principal amount of \$5,139,935.15 (the "Bonds"); and

WHEREAS, the City levies hotel/motel taxes pursuant to RCW 67.28.180 and RCW 67.40.100 and desires to secure the bonds by the pledge of such tax revenues in accordance with RCW 67.28.150 and 67.40.100, respectively, to pay the principal of and interest on the Bonds; and

WHEREAS, the City and the Bellevue Convention Center Authority have entered into a First Amended Design, Construction, Financing and Operating

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Agreement, dated as of August 1, 1991, and the City desires to amend such agreement to provide for the distribution of the proceeds of the bonds and related matters.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, 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) "Accreted Value" means, with respect to any particular compounding date, the amount set forth on the Table of Accreted Values included as Exhibit A hereto. In the event the Accreted Value of any Bond is required to be determined as of a date other than as shown on the Table of Accreted Values, the Accreted Value shall be determined by adding to the Accreted Value for the next preceding date shown on the Table the product obtained by multiplying (a) the difference between the Accreted Value for the next following date shown on the Table and the Accreted Value for the next preceding date shown on the Table, by (b) the ratio obtained by dividing by 180 the number of days elapsed since the next preceding date shown on the Table (calculated on the basis of a 360-day year of twelve 30-day months).

(b) "AMBAC Indemnity" shall mean AMBAC Indemnity Corporation, a Wisconsin-domiciled stock insurance company.

(c) "Arbitrage and Tax Certification" means the certificate executed by the Treasurer pertaining to the calculation and payment of any Rebate Amount with respect to the Bonds.

(d) "Authority" means the Bellevue Convention Center Authority, a public development corporation chartered by the City.

(e) "Bond Fund" means the Interest and Debt Redemption Fund--Regular Levy previously established pursuant to Ordinance No. 1932 in the office of Treasurer.

(f) "Bond Proceeds Account" means the "1995 BCCA LGTO Bonds Project" created by Section 12 of this ordinance in the Capital Bond Fund (previously known as the CIP Cashflow Bond Fund).

(g) "Bond Register" means the books or records maintained by the Bond Registrar for the registration and transfer of the Bonds containing the name and mailing address of the owner of the Bonds or nominee of such owner and such other information as the Bond Registrar shall determine.

(h) "Bond 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 Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying principal of and interest on the Bonds, and any subsequent Bond Registrar designated by the City.

(i) "Bonds" means the \$5,139,935.15 aggregate initial principal amount of the City of Bellevue, Washington, Limited Tax General Obligation Bonds, 1995, issued pursuant to and for the purposes provided in this ordinance.

(j) "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.

(k) "Code" means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service, to the extent applicable to the Bonds.

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

(m) "Government Obligations" has the meaning given to such term in RCW Chapter 39.53, as the same may be amended from time to time.

(n) "MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions.

(o) "Municipal Bond Insurance Policy" means the municipal bond insurance policy issued by AMBAC Indemnity insuring the payment when due of the principal of and interest on the Bonds as provided therein.

(p) "NRMSIR" means a nationally-recognized municipal securities information repository.

(q) "Operating Agreement" means the First Amended Design, Construction, Financing and Operating Agreement, by and between the City and the Authority, dated as of August 1, 1991, as amended in accordance with this ordinance.

(r) "Project" means improvements to Meydenbauer Center and other capital costs and related expenses of Meydenbauer Center, as approved by the City in accordance with the Operating Agreement, as amended.

(s) "Rebate Amount" means the amount, if any, determined to be payable with respect to the Bonds by the City to the United States of America in accordance with Section 148(f) of the Code.

(t) "Rule" means the Commission's Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

(u) "SID" means the state information depository for the State of Washington (if one is created).

(v) "Term Bonds" means those Bonds maturing in any one year for the retirement of which regularly recurring annual deposits are required to be made into the Bond Fund prior to the scheduled maturity of such Bonds sufficient to pay the same at or prior to their maturity.

(w) "Treasurer" means the Treasurer of the City or any successor to the functions of such Treasurer.

**Section 2. Findings and Authorization of Project.** It is hereby confirmed that the public interest, welfare and benefit of the inhabitants of the City require that the City proceed with the Project.

The cost of all necessary architectural, engineering, legal and other consulting services, inspection and testing, administrative and related expenses, and other costs incurred in connection with the Project shall be deemed a part of the costs of such Project.

**Section 3. Authorization of Bonds.** In order to provide part of the funds for the Project, the City shall issue and sell its limited tax general obligation bonds in the aggregate initial principal amount of \$5,139,935.15 .

A. **Description of Bonds.** The bonds shall be designated as "City of Bellevue, Washington Limited Tax General Obligation Bonds, 1995" (the "Bonds"). The Bonds shall be dated as of the date of their delivery to the initial purchase thereof, shall be in the denomination of \$5,000 Accreted Value at maturity, or any integral multiple thereof, and shall be registered as to both principal and interest. Interest on the Bonds shall accrue from their date, compounded semiannually on each June 1 and December 1, commencing June 1, 1996, shall be paid at maturity and shall be calculated by reference to the Table of Accreted Values attached hereto as Exhibit A. The Bonds shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, and shall mature on December 1, in the

aggregate Accreted value, and will be issued per \$5,000 Accreted Value at maturity, as follows:

Maturity Date	Initial Principal Amount	Initial Principal Amount per \$5,000 of Accreted Value at Maturity	Aggregate Accreted Value at Maturity	Approximate Yield
2006	\$438,872.85	\$2,868.45	\$765,000	5.15%
2007	412,296.75	2,694.75	765,000	5.25
2008	384,043.20	2,526.60	760,000	5.35
2009	359,388.80	2,364.40	760,000	5.45
2010	338,108.80	2,224.40	760,000	5.50
2011	317,778.80	2,090.65	760,000	5.55
2012	298,383.60	1,963.05	760,000	5.60
2013	279,900.40	1,841.45	760,000	5.65
2014	262,306.40	1,725.70	760,000	5.70
2015	245,578.80	1,615.65	760,000	5.70
2016	232,043.20	1,526.60	760,000	5.75
2017	216,934.40	1,427.20	760,000	5.75
2018	204,873.20	1,347.85	760,000	5.80
2019	193,488.40	1,272.95	760,000	5.80
2020	182,734.40	1,202.20	760,000	5.80
2021	172,580.80	1,135.40	760,000	5.80
2022	162,989.60	1,072.30	760,000	5.80
2023	154,950.75	1,012.75	765,000	5.80
2024	145,380.40	956.45	760,000	5.80
2025	137,301.60	903.30	760,000	5.80

The Bonds shall be printed, engraved or typewritten.

B. Place, Manner and Medium of Payment. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America.

Principal of, and premium, if any, and interest on the Bonds shall be payable at maturity upon presentation and surrender of the Bonds by the owners at either principal office of the Bond Registrar in Seattle, Washington, or New York, New York, at the option of such owners.

Section 4. Prior Redemption. The City has not reserved the right to call the Bonds prior to their scheduled maturity.

Section 5. Bond Fund; Provision for Tax Levy Payments; Pledge of Hotel/Motel Taxes. The City agrees that within the previously established Bond Fund it will account separately for the payment of principal and interest on the Bonds. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Bonds and other limited tax general obligation bonds of the City.

The City hereby irrevocably covenants and agrees for as long as the Bonds are outstanding and unpaid, that each year it will include in its budget and levy an ad valorem tax, within and as a part of the tax millage levy permitted to cities without a vote of the people, upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City that 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 Fund. None of the money in the Bond Fund shall be used for any other purpose than the payment of the principal of and interest on the Bonds and other limited tax general obligation bonds of the City. Money in the Bond Fund 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 Fund.

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.

The City hereby irrevocably covenants and agrees for as long as the Bonds are outstanding and unpaid, to levy the hotel/motel taxes authorized by RCW 67.28.180 and RCW 67.40.100 at not less than the maximum allowable rate at the time the Bonds are issued and hereby pledges in accordance with RCW 67.28.150 and 67.40.100, respectively, to apply amounts collected thereunder, subject to their use for other authorized purposes, to the extent necessary for the payment of the principal of and interest on the Bonds. Such amounts as are available and necessary for the payment of principal of and interest on the Bonds will be and are irrevocably set aside, pledged and appropriated for such purpose.

The pledge of the hotel/motel tax levied under RCW 67.28.180 is subject to the prior lien and pledge of such tax receipts to: (1) the City of Bellevue Convention Center Revenue Bonds, issued under the date of March 1, 1975; (2) the Payment for Ground Lease Obligations as defined in the Operating Agreement; and (3) to the Second Amended Lease Purchase Agreement between the City and the Authority, dated August 1, 1991, as amended as of November 1, 1994. The pledge of the hotel/motel tax levied under RCW 67.40.100 is subject to the prior lien and pledge of such tax receipts to the Second Amended Lease Purchase Agreement between the City and the Authority dated August 1, 1991 as amended as of November 1, 1994.

Section 6. 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 Fund 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.

Within 60 days of any defeasance of Bonds, the Bond Registrar shall provide notice of defeasance to registered owners and to each NRMSIR and SID, if any, in accordance with Section 17 hereof.

**Section 7. Tax Covenant.** The City hereby covenants and agrees with the owners of the Bonds for as long as the Bonds remain outstanding that the City will not make use of the proceeds of sale of the Bonds or any other funds or obligations of the City that may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code, which will cause the Bonds to be "arbitrage bonds" within the meaning of said section of the Code. The City will comply with the continuing requirements of Section 148 of the Code.

The City further covenants that it will not take any action or permit any action to be taken that would cause the Bonds to constitute "private activities bonds" within the meaning of Section 141 of the Code.

**Section 8. Arbitrage Rebate.** The City will pay the Rebate Amount, if any, to the United States of America at the times and in the amounts necessary to meet the requirements of the Code to maintain the federal income tax exemption for interest payments on the Bonds, in accordance with the Arbitrage and Tax Certification.

**Section 9. Lost or Destroyed Bonds.** In case the Bonds shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver new 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 Bond Registrar evidence satisfactory to the Bond Registrar that such Bonds were actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City with indemnity satisfactory to the Treasurer.

Section 10. Form of the Bonds. The Bonds shall be in substantially the following form:

Municipal Bond Insurance Policy No. \_\_\_\_ (the "Policy") with respect to payments due for principal of and interest on this bond has been issued by AMBAC Indemnity Corporation ("AMBAC Indemnity"). The Policy has been delivered to the United States Trust Company of New York, New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from AMBAC Indemnity or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this bond acknowledges and consents to the subrogation rights of AMBAC Indemnity as more fully set forth in the Policy.

UNITED STATES OF AMERICA

No. \_\_\_\_

\$ \_\_\_\_\_

STATE OF WASHINGTON

CITY OF BELLEVUE

LIMITED TAX LEVY GENERAL OBLIGATION BOND, 1995

APPROXIMATE  
INTEREST RATE:

%

MATURITY  
DATE:

ISSUE  
DATE:

CUSIP NO.:

SEE REVERSE SIDE FOR  
CERTAIN ADDITIONAL PROVISIONS

REGISTERED OWNER:

MATURITY VALUE:

The City of Bellevue, Washington, a municipal corporation of the State of Washington (the "City") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner hereof or registered assigns, on the Maturity Date identified above, the Maturity Value, or upon earlier redemption of this Bond, the Accreted Value hereof to the redemption date by reference to the Table of Accreted Values set forth hereon, representing principal and interest hereon payable from the Issue Date specified above at the Approximate Interest Rate per annum specified above compounded semiannually on June 1 and December 1, commencing June 1, 1996, subject to rounding to the Accreted Value.

Both principal of and interest on this bond are payable upon maturity in lawful money of the United States of America upon presentation and surrender of this bond at either of the principal offices of the fiscal agency of the State of Washington in either Seattle, Washington or New York, New York (collectively the "Bond Registrar").

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.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under Ordinance No. \_\_\_\_ of the City (the "Bond Ordinance") until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

These Bonds are issued pursuant to the Constitution and laws of the State of Washington, and duly adopted ordinances and resolutions of the City.

The City has obligated and bound itself to make annual levies of ad valorem taxes upon all the taxable property within the City within and as a part of the tax millage levy permitted to cities without a vote of the people in amounts sufficient, with such other moneys of the City available for such purposes as the Council may, from time to time, appropriate and set aside, to pay the principal installments of the Bonds and interest thereon as the same shall become due. The City has also obligated and bound itself to levy hotel/motel taxes pursuant to RCW 67.28.180 and 67.40.100 at not less than the maximum allowable rate at the time the Bonds were issued and has pledged the amounts collected, subject to their use for other authorized purposes, to the payment of principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby

irrevocably pledged for the levy of such taxes and the prompt payment of such principal and interest.

It is hereby certified and declared that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have happened, been done and performed and that the total indebtedness of the City including this Bond, does not exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the City of Bellevue, Washington, has caused this Bond to be signed by the facsimile or manual signature of its Mayor, to be attested by the facsimile or manual signature of its Clerk, and the official seal of the City to be impressed or imprinted hereon, this 27th day of December, 1995.

CITY OF BELLEVUE, WASHINGTON

By     /s/ facsimile or manual signature      
Mayor

ATTEST:

    /s/ facsimile or manual signature    

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:

These Bonds are described in the within-referenced Ordinance No. \_\_\_\_\_ of the City of Bellevue, Washington, and are the Limited Tax Levy General Obligation Bonds, 1995, dated December 27, 1995, of such City.

\_\_\_\_\_  
As Bond Registrar

By \_\_\_\_\_  
Authorized Officer

ADDITIONAL BOND PROVISIONS

This Bond is one of an issue of limited 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 \$5,139,935.15 issued pursuant to Ordinance No. \_\_\_ of the City, passed \_\_\_\_\_, 1995 (the "Bond Ordinance"), to provide financing for improvements to and capital costs and related expenses of the Meydenbauer Center located in Bellevue, Washington.

The City has not reserved the right to redeem the Bonds prior to their stated maturity.

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 ordinance authorizing their issuance.

The bonds of this issue are issued in fully registered form in the denomination of \$5,000 Accreted Value at maturity 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 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.

ASSIGNMENT

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

[Empty rectangular box for signature]

\_\_\_\_\_  
(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: \_\_\_\_\_, \_\_\_\_\_.

SIGNATURE GUARANTEED:

\_\_\_\_\_

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

Section 11. 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. The Bonds may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Bonds shall be the proper officers of the City although at the original date of such Bonds any such person shall not have been such officer.

Section 12. Application of Proceeds of the Bonds. A special account entitled the "1995 BCCA LGTO Bonds Project) (the "Bond Proceeds Account") is hereby authorized and directed to be established within the CIP Cashflow Bond Fund which fund is hereby renamed the "Capital Bond Fund" and which shall hereafter be referred to as such. At the time of delivery of the Bonds, the proceeds of the Bonds shall be deposited as follows:

- (a) Accrued interest shall be deposited in the Bond Fund.
- (b) The remaining Bond proceeds shall be deposited into the Bond Proceeds Account and used to pay costs of the Project including the reimbursement of funds and accounts of the City heretofore used for such purposes, and costs related to the issuance of the Bonds. The amounts deposited in accordance with the previous sentence are deemed to be appropriated for the purposes specified.

Amounts in the Bond Proceeds Account shall be expended in accordance with the Amendment to First Amended Design, Construction, Financing and Operating Agreement, upon receipt by the Finance Director of a written requisition from the Authority and approval by the City Manager.

Money remaining in the Bond Proceeds Account after all of such costs have been paid may be used to pay costs or other legally authorized expenditures of the City or shall be deposited in the Bond Fund. Money in the Bond Proceeds Account

may be invested as permitted by law and in a manner consistent with this ordinance. All interest earned and profits derived from such investments shall be retained in and become a part of the Bond Proceeds Account.

**Section 13. Sale of the Bonds.** The Bonds shall be sold to Seattle-First National Bank in accordance with the terms and conditions set forth in their offer to purchase the Bonds on file with the City Clerk. Such offer is hereby approved and the City Manager is hereby authorized to execute such offer.

**Section 14. Approval of Official Statement.** The form and content of the Preliminary Official Statement in connection with the Bonds dated November 29, 1995, are approved and the use of the Preliminary Official Statement in connection with the sale of the Bonds is approved. The City deems the Preliminary Official Statement as final as of its date pursuant to Securities and Exchange Commission Rule 15c2-12 except for the omission of information dependent upon the sale of the Bonds, such as price, interest rates, discount, ratings, delivery date and other terms of the Bonds dependent on the foregoing.

**Section 15. Bond Registrar.** 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. Such Bond Register shall contain 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.

The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the 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 ordinance.

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 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.

Upon surrender thereof to the Bond Registrar, the Bonds are interchangeable for Bonds in any authorized denomination of an equal aggregate principal amount and of the same interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the owner or transferee therefor, (other than taxes, if any, payable on account of such transfer) a new Bond (or Bonds, at the option of the new Registered Owner) of the same maturity and interest rate and for the same aggregate principal amount, in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and canceled Bond. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the fifteen days preceding any interest payment, principal payment or redemption date.

The City and the Bond Registrar, each in its discretion, may deem and treat the registered owner of each Bond as the absolute owner thereof for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

Section 16. Delivery of Bonds. Following the sale of the Bonds, the City shall cause definitive Bonds to be prepared, executed and delivered, which Bonds shall be typewritten, lithographed or printed with engraved or lithographed borders.

If definitive Bonds are not ready for delivery by the date established for closing, then the Treasurer, upon the approval of the purchasers, may cause to be issued and delivered to the purchasers one or more temporary Bonds with appropriate omissions, changes and additions. Any temporary Bond or Bonds shall be entitled and subject to the same benefits and provisions of this ordinance with respect to the payment, security and obligation thereof as definitive Bonds authorized thereby. Such temporary Bond or Bonds shall be exchangeable without cost to the owners thereof for definitive Bonds when the latter are ready for delivery.

**Section 17. Undertaking to Provide Ongoing Disclosure.**

A. **Contract/Undertaking.** This section constitutes the City's written undertaking for the benefit of the owners of the Bonds as required by Section (b)(5) of the Rule. This section may be revised in the resolution to be adopted by the Council accepting the winning bid.

B. **Financial Statements/Operating Data.** The City agrees to provide or cause to be provided to each NRMSIR and to the SID, if any, in each case as designated by the Commission in accordance with the Rule, the following annual financial information and operating data for the prior fiscal year (commencing in 1997 for the fiscal year ended December 31, 1996):

1. Annual financial statements showing ending fund balances for the City prepared in accordance with the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds under the heading "Comparative General Fund Statement of Revenues, Expenditures and Changes in Fund Balance";
2. The assessed valuation of taxable property in the City;
3. Property taxes due and percentage of taxes collected;

4. Property tax levies per \$1,000 of assessed valuation;
5. Outstanding general obligation debt of the City; and
6. Hotel/motel taxes collected pursuant to RCW 67.28.180 and RCW 67.40.100.

Such annual information and operating data described above shall be available on or before the expiration of seven months after the end of the City's fiscal year. The City's current fiscal year ends December 31. The City may adjust such fiscal year by providing written notice of the change of fiscal year to each then existing NRMSIR and the SID, if any. In lieu of providing such annual financial information and operating data, the City may cross-reference to other documents provided to the NRMSIR, the SID or to the Commission and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

If not provided as part of the annual financial information discussed above, the City shall provide the City's audited annual financial statement prepared in accordance with the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) when and if available to each then existing NRMSIR and the SID, if any.

C. Material Events. The City agrees to provide or cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on the debt service reserves, if any, for the Bonds reflecting financial difficulties; and

- (4) **Unscheduled draws on credit enhancements, if any, reflecting financial difficulties;**
- (5) **Substitution of credit or liquidity providers, if any, or their failure to perform;**
- (6) **Adverse tax opinions or events affecting the tax-exempt status of the Bonds;**
- (7) **Modifications to rights of Bond owners;**
- (8) **Bond calls;**
- (9) **Defeasance of the Bonds;**
- (10) **Release, substitution or sale of property, if any, securing repayment of the Bonds; and**
- (11) **Rating change for the Bonds.**

With reference to items 3 and 10 above, there is no debt service reserve fund or account for the Bonds and no property secures the repayment thereof. If the City subsequently chooses to establish any debt service reserves or provide such property as security for the Bonds, the City will provide notice of such establishment or provision and will provide notice of material events relating thereto, should such events occur. The only non-payment related default to which event #2 above applies is a failure to levy taxes as provided in Section 5 of this ordinance.

D. **Notification Upon Failure to Provide Financial Data.** The City agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the MSRB and to the SID, if any, notice of its failure to provide the annual financial information described in Subsection B above on or prior to the date set forth in Subsection B above.

E. **Termination/Modification.** The City's obligations to provide annual financial information and notices of material events shall terminate upon the

defeasance, prior redemption or payment in full of all of the Bonds. This section, or any provision hereof, shall be null and void if the City (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (2) notifies each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of this section.

Notwithstanding any other provision of this ordinance, the City may amend this Section 17, and any provision of this Section 17 may be waived, provided that the following conditions are satisfied:

1. If the amendment or waiver relates to the provisions of Sections 17B.(1)-(6) or C, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City with respect to the Bonds, or the type of business conducted;

2. The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

3. The amendment or waiver either (i) is approved by the owners of the Bonds or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Section 17, the City shall describe such amendment in the next annual report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting

principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under subsection C, and (ii) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

F. Bond Owner's Remedies Under This Section. The right of a registered owner or a Beneficial Owner of a Bond to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the City's obligations hereunder, and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds under this ordinance. For purposes of this section, Beneficial Owner means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

Section 18. Assessed Value and Existing Bonded Debt. The actual value of the taxable property within the City as ascertained by the last preceding assessment for City purposes is \$10,703,466,313. The City has outstanding nonvoted general obligation indebtedness in the amount of \$57,355,736. The total amount of outstanding general obligation bonded indebtedness of the City, whether voted or nonvoted, including the principal amount of the Bonds will be \$89,915,672.

Section 19. General Authorization. The appropriate City officials, agents and representatives are hereby authorized and directed to do everything necessary

for the prompt sale, issuance, execution and delivery of the Bonds, for the proper use and application of the proceeds of the sale thereof and to secure for the benefit of the City and the owners of the Bonds the Municipal Bond Insurance Policy.

**Section 20. Notices and Payment Procedure Pursuant to Municipal Bond Insurance Policy.** As long as the Municipal Bond Insurance Policy shall be in full force and effect, the City and the Bond Registrar agree to comply with the following provisions:

(1) If, one day prior to an interest payment date, the City or the Bond Registrar determines that there will be insufficient funds in the Bond Fund to pay the principal of or interest on the Bonds on such interest payment date, the City or the Bond Registrar shall so notify AMBAC Indemnity. Such notice shall specify the amount of the anticipated deficiency, the Bonds to which such deficiency is applicable and whether such Bonds will be deficient as to principal or interest, or both. If the City or the Bond Registrar has not so notified AMBAC Indemnity at least one day prior to an interest payment date, AMBAC Indemnity will make payments of principal or interest due on the Bonds on or before the first business day next following the date on which AMBAC Indemnity shall have received notice of nonpayment from the City or the Bond Registrar.

(2) The City or the Bond Registrar shall, after giving notice to AMBAC Indemnity as provided in (1) above, make available to AMBAC Indemnity and, at AMBAC Indemnity's direction, to the United States Trust Company of New York, as insurance trustee for AMBAC Indemnity or any successor insurance trustee (the "Insurance Trustee"), the registration books of the City maintained by the Bond Registrar, and all records relating to the Bond Fund.

(3) The City or the Bond Registrar shall provide AMBAC Indemnity and the Insurance Trustee with a list of registered owners of Bonds entitled to receive

principal or interest payments from AMBAC Indemnity under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Bonds entitled to receive full or partial interest payments from AMBAC Indemnity, and (ii) to pay principal on Bonds surrendered to the Insurance Trustee by the registered owners of Bonds entitled to receive full or partial principal payments from AMBAC Indemnity.

(4) The City or the Bond Registrar shall, at the time it provides notice to AMBAC Indemnity pursuant to (1) above, notify registered owners of Bonds entitled to receive the payment of principal or interest thereon from AMBAC Indemnity (i) as to the fact of such entitlement, (ii) that AMBAC Indemnity will remit to them all or a part of the interest payments next coming due upon proof of bondholder entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the registered owner's right to payment, (iii) that should they be entitled to receive full payment of principal from AMBAC Indemnity, they must surrender their Bonds (along with an appropriate instrument of assignment satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of AMBAC Indemnity) for payment to the Insurance Trustee, and not the Bond Registrar, and (iv) that should they be entitled to receive partial payment of principal from AMBAC Indemnity, they must surrender their Bonds for payment thereon first to the Bond Registrar, who shall note on such Bonds the portion of the principal paid by the Bond Registrar, and then, along with an appropriate instrument of assignment satisfactory to AMBAC Indemnity, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(5) In the event that the Bond Registrar has notice that any payment of principal or interest on a Bond which has become due for payment and which is

made to a bondholder by or on behalf of the City has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Bond Registrar shall, at the time AMBAC Indemnity is notified pursuant to (1) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from AMBAC Indemnity to the extent of such recovery if sufficient funds are not otherwise available, and the Bond Registrar shall furnish to AMBAC Indemnity its records evidencing the payments of principal of and interest on the Bonds which have been made by the Bond Registrar and subsequently recovered from registered owners and the dates on which such payments were made.

(6) In addition to those rights granted AMBAC Indemnity under this resolution, AMBAC Indemnity shall, to the extent it makes payment of principal of or interest on Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Bond Registrar shall note AMBAC Indemnity's rights as subrogee on the registration books of the City maintained by the Bond Registrar upon receipt from AMBAC Indemnity of proof of the payment of interest thereon to the registered owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Bond Registrar shall note AMBAC Indemnity's rights as subrogee on the registration books of the City maintained by the Bond Registrar upon surrender of the Bonds by the registered owners thereof together with proof of the payment of principal thereof.

(7) Any provision of this resolution expressly recognizing or granting rights in or to AMBAC Indemnity may not be amended in any manner which

affects the rights of AMBAC Indemnity hereunder without the prior written consent of AMBAC Indemnity.

(8) Any reorganization or liquidation plan with respect to the City must be acceptable to AMBAC Indemnity. In the event of any reorganization or liquidation, AMBAC Indemnity shall have the right to vote on behalf of all bondholders who hold AMBAC Indemnity-insured bonds absent a default by AMBAC Indemnity under the applicable Municipal Bond Insurance Policy insuring such Bonds.

(9) While the Municipal Bond Insurance Policy is in effect, the City shall furnish to AMBAC Indemnity:

(a) as soon as practicable after the filing thereof, a copy of any audit and annual report of the City.

(b) a copy of any notice to be given to the registered owners of the Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to this Ordinance relating to the security for the Bonds; and

(c) such additional information it may reasonably request.

(10) The City shall notify AMBAC Indemnity of any failure of the City to provide relevant notices, certificates, etc.

(11) The City will permit AMBAC Indemnity to discuss the affairs, finances and accounts of the City or any information AMBAC Indemnity may reasonably request regarding the security for the Bonds with appropriate officers of the City. The City will permit AMBAC Indemnity to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(12) Notwithstanding any other provision of this resolution, the City shall immediately notify AMBAC Indemnity if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

(13) Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by AMBAC Indemnity Corporation pursuant to the Municipal Bond Insurance Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City and all covenants, agreements and other obligations of the City to the registered owners shall continue to exist and shall run to the benefit of AMBAC Indemnity, and AMBAC Indemnity shall be subrogated to the rights of such registered owners.

Section 21. Amendment to Operating Agreement. The Amendment to the First Amended Design, Construction, Financing and Operating Agreement attached hereto as Exhibit B is hereby approved in substantially the form of Exhibit B. The City Manager is authorized to execute the form of such amendment with such insubstantial changes thereto as do not materially increase the burden or obligation of the City thereunder.

Section 22. 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 23. Effective Date. This ordinance shall take effect and be in force five days after its passage, approval and publication as required by law.

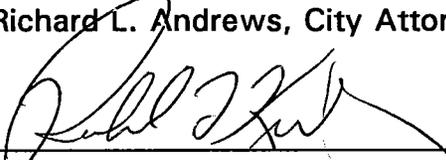
PASSED by the City Council of the City of Bellevue, Washington at a regular meeting of the Council, this 11th day of December, 1995, and signed in authentication of its passage this 11th day of December, 1995.

CITY OF BELLEVUE, WASHINGTON

  
Donald S. Davidson, DDS, Mayor

(SEAL)

APPROVED AS TO FORM:  
Richard L. Andrews, City Attorney

  
Richard L. Kirkby, Assistant City Attorney

ATTEST:

  
Myrna L. Basich, City Clerk

PUBLISHED: December 15, 1995

EXHIBIT A  
 CITY OF BELLEVUE, WASHINGTON  
 LIMITED TAX GENERAL OBLIGATION BONDS

ORIGINAL

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Accreted Value Table

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Delivery Date: 12/27/95

Maturity Date	CAB		CAB		CAB		CAB		CAB	
	12/ 1/ 6	12/ 1/ 7	12/ 1/ 8	12/ 1/ 9	12/ 1/10	12/ 1/11	12/ 1/12	12/ 1/13		
( 0.000000 % )	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )		
( 5.150000 % )	( 5.250000 % )	( 5.350000 % )	( 5.450000 % )	( 5.500000 % )	( 5.550000 % )	( 5.600000 % )	( 5.650000 % )	( 5.700000 % )		
( 57.369000 % )	( 53.895000 % )	( 50.532000 % )	( 47.288000 % )	( 44.488000 % )	( 41.813000 % )	( 39.261000 % )	( 36.829000 % )	( 34.400000 % )		
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12/27/95	2,868.45	2,694.75	2,526.60	2,364.40	2,224.40	2,090.65	1,963.05	1,841.45		
12/ 1/ 6	5,000.00	4,747.48	4,498.88	4,255.10	4,024.50	3,802.68	3,589.62	3,385.20		
6/ 1/ 7		4,872.10	4,619.23	4,371.06	4,135.17	3,908.20	3,690.13	3,480.84		
12/ 1/ 7		5,000.00	4,742.79	4,490.17	4,248.89	4,016.65	3,793.45	3,579.17		
6/ 1/ 8			4,869.66	4,612.52	4,365.73	4,128.12	3,899.67	3,680.28		
12/ 1/ 8			5,000.00	4,738.21	4,485.79	4,242.67	4,008.86	3,784.25		
6/ 1/ 9				4,867.33	4,609.15	4,360.41	4,121.10	3,891.15		
12/ 1/ 9				5,000.00	4,735.90	4,481.41	4,236.50	4,001.08		
6/ 1/10					4,866.14	4,605.77	4,355.12	4,114.11		
12/ 1/10					5,000.00	4,733.58	4,477.06	4,230.33		
6/ 1/11						4,864.93	4,602.42	4,349.84		
12/ 1/11						5,000.00	4,731.29	4,472.72		
6/ 1/12							4,863.76	4,599.08		
12/ 1/12							5,000.00	4,729.00		
6/ 1/13								4,862.59		
12/ 1/13								5,000.00		

Note: CAB Accretion Based on Stated Yield to Maturity

Micro-Muni Debt Date: 12-11-1995 @ 14:52:40 Filename: BELLCITY Key: 5.14MMFINAL

CITY OF BELLEVUE, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION BONDS

ORIGINAL

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Accreted Value Table  
=====

Delivery Date: 12/27/95

Coding	CAB							
	12/ 1/14	12/ 1/15	12/ 1/16	12/ 1/17	12/ 1/18	12/ 1/19	12/ 1/20	12/ 1/21
	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )	( 0.000000 % )
	( 5.700000 % )	( 5.750000 % )	( 5.750000 % )	( 5.800000 % )	( 5.800000 % )	( 5.800000 % )	( 5.800000 % )	( 5.800000 % )
	( 34.514000 % )	( 32.313000 % )	( 30.532000 % )	( 28.544000 % )	( 26.957000 % )	( 25.459000 % )	( 24.044000 % )	( 22.708000 % )
12/27/95	1,725.70	1,615.65	1,526.60	1,427.20	1,347.85	1,272.95	1,202.20	1,135.40
12/ 1/ 6	3,189.32	3,001.83	2,836.38	2,665.82	2,517.60	2,377.70	2,245.55	2,120.78
6/ 1/ 7	3,280.21	3,088.14	2,917.93	2,743.13	2,590.61	2,446.65	2,310.67	2,182.28
12/ 1/ 7	3,373.70	3,176.92	3,001.82	2,822.68	2,665.74	2,517.61	2,377.68	2,245.56
6/ 1/ 8	3,469.85	3,268.26	3,088.12	2,904.54	2,743.05	2,590.62	2,446.63	2,310.69
12/ 1/ 8	3,568.74	3,362.22	3,176.90	2,988.77	2,822.60	2,665.74	2,517.58	2,377.70
6/ 1/ 9	3,670.45	3,458.88	3,268.24	3,075.44	2,904.45	2,743.05	2,590.59	2,446.65
12/ 1/ 9	3,775.06	3,558.32	3,362.20	3,164.63	2,988.68	2,822.60	2,665.72	2,517.60
6/ 1/10	3,882.64	3,660.63	3,458.86	3,256.40	3,075.35	2,904.45	2,743.03	2,590.61
12/ 1/10	3,993.30	3,765.87	3,558.31	3,350.84	3,164.54	2,988.68	2,822.57	2,665.74
6/ 1/11	4,107.11	3,874.14	3,660.61	3,448.01	3,256.31	3,075.36	2,904.43	2,743.05
12/ 1/11	4,224.16	3,985.52	3,765.85	3,548.00	3,350.74	3,164.54	2,988.66	2,822.59
6/ 1/12	4,344.55	4,100.10	3,874.12	3,650.90	3,447.91	3,256.31	3,075.33	2,904.45
12/ 1/12	4,468.37	4,217.98	3,985.50	3,756.77	3,547.90	3,350.75	3,164.51	2,988.68
6/ 1/13	4,595.72	4,339.25	4,100.08	3,865.72	3,650.79	3,447.92	3,256.28	3,075.35
12/ 1/13	4,726.69	4,464.00	4,217.96	3,977.82	3,756.66	3,547.91	3,350.72	3,164.53
6/ 1/14	4,861.41	4,592.34	4,339.22	4,093.18	3,865.61	3,650.80	3,447.89	3,256.31
12/ 1/14	5,000.00	4,724.37	4,463.98	4,211.88	3,977.71	3,756.67	3,547.87	3,350.74
6/ 1/15		4,860.20	4,592.32	4,334.03	4,093.06	3,865.61	3,650.76	3,447.91
12/ 1/15		5,000.00	4,724.34	4,459.71	4,211.76	3,977.71	3,756.63	3,547.90
6/ 1/16			4,860.17	4,589.05	4,333.90	4,093.07	3,865.58	3,650.79
12/ 1/16			5,000.00	4,722.13	4,459.59	4,211.77	3,977.68	3,756.66
6/ 1/17				4,859.07	4,588.91	4,333.91	4,093.03	3,865.60
12/ 1/17				5,000.00	4,721.99	4,459.59	4,211.73	3,977.71
6/ 1/18					4,858.93	4,588.92	4,333.87	4,093.06
12/ 1/18					5,000.00	4,722.00	4,459.55	4,211.76
6/ 1/19						4,858.93	4,588.88	4,333.90
12/ 1/19						5,000.00	4,721.95	4,459.58
6/ 1/20							4,858.89	4,588.91
12/ 1/20							5,000.00	4,721.99
6/ 1/21								4,858.92
12/ 1/21								5,000.00

Note: CAB Accretion Based on Stated Yield to Maturity

Micro-Muni Debt Date: 12-11-1995 @ 14:52:41 Filename: BELLCITY Key: 5.14MMFINAL

CITY OF BELLEVUE, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION BONDS

ORIGINAL

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Accreted Value Table  
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Delivery Date: 12/27/95

Period Ending	CAB		CAB	
	12/ 1/22	12/ 1/23	12/ 1/24	12/ 1/25
	( 0.000000 %)	( 0.000000 %)	( 0.000000 %)	( 0.000000 %)
	( 5.800000 %)	( 5.800000 %)	( 5.800000 %)	( 5.800000 %)
	( 21.446000 %)	( 20.255000 %)	( 19.129000 %)	( 18.066000 %)
-----	-----	-----	-----	-----
12/27/95	1,072.30	1,012.75	956.45	903.30
12/ 1/ 6	2,002.91	1,891.68	1,786.52	1,687.25
6/ 1/ 7	2,061.00	1,946.54	1,838.33	1,736.18
12/ 1/ 7	2,120.77	2,002.99	1,891.64	1,786.52
6/ 1/ 8	2,182.27	2,061.08	1,946.50	1,838.33
12/ 1/ 8	2,245.55	2,120.85	2,002.95	1,891.64
6/ 1/ 9	2,310.68	2,182.35	2,061.03	1,946.50
12/ 1/ 9	2,377.69	2,245.64	2,120.80	2,002.95
6/ 1/10	2,446.64	2,310.76	2,182.31	2,061.04
12/ 1/10	2,517.59	2,377.78	2,245.59	2,120.81
6/ 1/11	2,590.60	2,446.73	2,310.72	2,182.31
12/ 1/11	2,665.73	2,517.69	2,377.73	2,245.60
6/ 1/12	2,743.03	2,590.70	2,446.68	2,310.72
12/ 1/12	2,822.58	2,665.83	2,517.63	2,377.73
6/ 1/13	2,904.44	2,743.14	2,590.64	2,446.68
12/ 1/13	2,988.66	2,822.69	2,665.77	2,517.64
6/ 1/14	3,075.34	2,904.55	2,743.08	2,590.65
12/ 1/14	3,164.52	2,988.78	2,822.63	2,665.78
6/ 1/15	3,256.29	3,075.45	2,904.49	2,743.08
12/ 1/15	3,350.72	3,164.64	2,988.72	2,822.63
6/ 1/16	3,447.89	3,256.42	3,075.39	2,904.49
12/ 1/16	3,547.88	3,350.85	3,164.57	2,988.72
6/ 1/17	3,650.77	3,448.03	3,256.35	3,075.39
12/ 1/17	3,756.64	3,548.02	3,350.78	3,164.58
6/ 1/18	3,865.59	3,650.91	3,447.95	3,256.35
12/ 1/18	3,977.69	3,756.79	3,547.94	3,350.79
6/ 1/19	4,093.04	3,865.74	3,650.83	3,447.96
12/ 1/19	4,211.74	3,977.84	3,756.71	3,547.95
6/ 1/20	4,333.88	4,093.20	3,865.65	3,650.84
12/ 1/20	4,459.56	4,211.90	3,977.76	3,756.71
6/ 1/21	4,588.89	4,334.05	4,093.11	3,865.66
12/ 1/21	4,721.97	4,459.73	4,211.81	3,977.76
6/ 1/22	4,858.90	4,589.07	4,333.95	4,093.12
12/ 1/22	5,000.00	4,722.15	4,459.64	4,211.82
6/ 1/23		4,859.09	4,588.97	4,333.96
12/ 1/23		5,000.00	4,722.05	4,459.64
6/ 1/24			4,858.99	4,588.97
12/ 1/24			5,000.00	4,722.05
6/ 1/25				4,858.99
12/ 1/25				5,000.00

Note: CAB Accretion Based on Stated Yield to Maturity

Micro-Muni Debt Date: 12-11-1995 @ 14:52:41 Filename: BELLCITY Key: 5.14MMFINAL

EXHIBIT B

ORIGINAL

AMENDMENT TO FIRST AMENDED DESIGN,  
CONSTRUCTION, FINANCING AND OPERATING AGREEMENT

THIS AMENDMENT to the First Amended Design, Construction, Financing and Operating Agreement is dated as of December 1, 1995 and is between the City of Bellevue (the "City"), a municipal corporation of the State of Washington, and the Bellevue Convention Center Authority (the "Authority"), a public corporation chartered by the City.

RECITALS

1. The City and the Authority have previously entered into a First Amended Design, Construction, Financing and Operating Agreement, dated as of August 1, 1991 (the "Operating Agreement"), to provide for the design, development, construction, financing and operation of the Meydenbauer Center.
2. The City intends to issue its Limited Tax General Obligation Bonds, 1995 in the aggregate principal amount of \$[ approximately 5,000,000] (the "1995 Bonds") and make the proceeds thereof available exclusively to pay for improvements to and capital expenses and related costs of Meydenbauer Center, subject to certain terms and conditions set forth herein.
3. The City intends to continue to levy hotel/motel taxes which will be used to pay the principal of and interest on the 1995 Bonds.
4. The City and the Authority have reached agreement on the procedures by which proceeds of the 1995 Bonds will be disbursed by the City for the benefit of the Authority and that hotel/motel taxes will be used by the City to pay debt service on the 1995 Bonds commencing 2006.
5. The original Operating Agreement and each of the subsequent Finance Plans of the Authority, as approved by the City Manager, did not contemplate the receipt of any hotel/motel taxes levied pursuant to RCW 67.28.180 after 2005.
6. Both parties also acknowledge that any future financing of an expansion of Meydenbauer Center will require the use of hotel/motel taxes which will become available commencing April 2005, after payment of debt service on the 1995 Bonds.

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NOW, THEREFORE, in consideration of the mutual promises made herein, the City and the Authority hereby agree as follows:

Section 1. Use of 2% Hotel/Motel Tax Revenues after April, 2005. A New section is added to the Operating Agreement to read as follows:

Use of 2% Hotel/Motel Tax Revenues after April, 2005.

(1) Priorities. The parties agree that the 2% Revenues collected after April 2005 will be used in the following priority and for the following purposes:

(a) First, to the payment by the City of the principal of and interest on the Limited Tax General Obligation Bonds, 1995 of the City (the "1995 Bonds").

(b) Second, to assure the financial health of the existing Meydenbauer Center through adequate funding of operations, debt service, ground lease payments, capital improvements, reserves and related costs.

(c) Third, to fully fund expansion and its associated costs through adequate funding of its operations, debt service, ground lease payments, capital improvements, reserves and related costs.

(i) During the calendar year 1996, the Authority will initiate a Comprehensive Expansion and Operations Plan (the "Plan") with respect to Meydenbauer Center to identify the amount needed for the Second and Third Priorities. The Plan will address all aspects of expansion and on-going operations of Meydenbauer Center including feasibility studies, architectural concepts, ground lease or property acquisition, financial planning, scheduling, related activities and the activities outlined in Section 1(1)(b) and 1(1)(c) of this Amendment to the Operating Agreement. The Authority may, to the extent other revenues are unavailable, request funding for such planning efforts from proceeds of the Bonds in an amount not exceeding 10% of the net proceeds of the Bonds. For planning purposes, the Authority should assume that all or a portion of the 2% Revenues available beginning in April, 2005, after providing for the payment of debt service on the 1995 Bonds, will be available to fund the Plan.

(ii) The Authority and the City will jointly review and approve the final Plan no later than March 31, 1997, unless such date is extended by mutual agreement. Upon such approval, the City will execute such agreements with the Authority as are necessary to make available that portion of the 2% Revenues that is identified in the Plan as necessary to its funding. The Plan shall be subject to review and revision by both the City and the Authority at any time, but any revisions to the final Plan shall require the consent of both parties.

(d) Fourth, to any City purpose permitted under law for the use of such 2% Revenues.

Section 2. Use of Bond Proceeds. A new section is added to the Operating Agreement to read as follows:

Use of Bond Proceeds. Upon issuance of the bonds, the City will deposit the net proceeds thereof in a special account of the City. The City will disburse funds therefrom upon the direction of the Authority for purposes related to capital improvements to and expenses and costs of Meydenbauer Center only upon; (a) receipt by the City Finance Director of a written request for funds from the Authority specifying the purpose for which the funds will be used and whether the funds will be disbursed by the Authority to reimburse it for expenditures already made or disbursed by the City directly to a third party for costs incurred on behalf of the Authority; and (b) approval of such disbursement by the City Manager upon determination that the expenditure is consistent with the approved Plan. All earnings on the proceeds of the Bonds will remain in the special account and may be disbursed in accordance with the procedures set forth in this section.

Section 3. Amendment to the Operating Agreement. Article VII, Paragraph A.1 of the Operating Agreement is hereby amended to read as follows:

1. Calculation of the Operating Payment Amount. The Operating Payment Amount is the sum of the Payment for Ground Lease Obligations plus the General Operations Payment.

(a) The "Payment for Ground Lease Obligations" is the amount required to fund the Ground lease Rental Fund in the amounts prescribed in Section IX.A.1. (requiring the Authority to set aside in such Fund each month one-sixth (1/6th) of the next occurring scheduled Ground Lease Rental Payment or Lease Agreement Payments, whichever is then applicable), plus the amount required to fund the Ground Lease Reserve Account to the Ground Lease Reserve Requirement level, plus the amount required to fund any shortfall in the Ground Lease Rental or Lease Agreement Payments payable in such month.

(b) The "General Operations Payment" is the amount, if any, remaining after deducting from an amount equal to Hotel/Motel Tax Revenue receipts for the immediately preceding Calendar Month: (i) the Payment for Ground Lease Obligations; (ii) Unadjusted Period Rent due in the Rent Period corresponding to the then current calendar month; and (iii) 2% Revenue required in such current calendar month for payment of debt service on the Existing Convention Center Bonds. Notwithstanding the foregoing, in any year after 1998, the General Operations Payment in each month shall be the lesser of (1) the amount derived by the calculation in the preceding sentence, or (2) an amount not less than one-twelfth (1/12th) the amount necessary, after applying any year-end surplus in accordance with Section VII.A.1.(c), to (i) fund all reserves of the Authority other than the Ground Lease Reserve Account at their targeted levels for the current Fiscal Year as established by the Finance Plan; and (ii) an amount equal to 150% of Maintenance and Operation Expenses for the current Fiscal Year, as projected in the Authority budget for such current Fiscal Year (excluding amounts in such budget for funding reserves).

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(c) For purposes of the previous paragraph, the term "Hotel/Motel Tax Revenue Receipts" shall apply to an amount equal to (i) all 3% Revenues for the term of this Agreement and (ii) those 2% Revenues collected prior to April 2005. With respect to 2% Revenues which are collected commencing in April, 2005, such amounts shall be used as follows: first, by the City to pay principal of and interest on the 1995 Bonds; second, shall be paid by the City to the Authority or on its behalf to fund the approved "Plan"; and third, shall be retained by the City.

(d) At the end of each Fiscal Year, the Authority shall apply any year-end surplus held in the Maintenance and Operations Fund first, to fund any shortfalls in Authority reserves (including, but not limited to the Ground Lease Reserve Account) and second, to fund such reserves at their targeted levels for the following Fiscal Year. Application of all amounts pursuant to this Section VII.A.1.(c) shall be made in accordance with this Agreement, the then current Finance Plan and applicable laws.

Section 4. Confirmation. All other provisions of the Operating Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the City and the Authority have executed this amendment as of this 11th Day of December 1995.

CITY OF BELLEVUE

Stephen C. Bass  
City Manager

ATTEST:

Myra G. Bassett  
City Clerk

APPROVED AS TO FORM

Robert C. Wallace  
Deputy City Attorney  
Pursuant to Ordinance No. 4851

BELLEVUE CONVENTION CENTER AUTHORITY

Robert C. Wallace  
Robert C. Wallace, Chairman