

ORIGINAL

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 6042

AN ORDINANCE of the City of Bellevue, Washington, providing for the issuance and sale of limited tax general obligation refunding bonds of the City in the aggregate principal amount not to exceed \$112,000,000 to refund certain limited tax general obligation bonds of the City, and pay costs of issuance of the bonds; authorizing the plan of refunding; authorizing a preliminary and final official statement; providing the form and terms of the bonds; providing for the disposition of the proceeds of the sale of the bonds; providing for continuing disclosure; and delegating the authority to approve the final terms of the bonds.

WHEREAS, the City Council of the City of Bellevue, Washington (the "City"), pursuant to Ordinance No. 5533 (the "2004 Bond Ordinance"), passed on June 24, 2004, has issued and has outstanding its Limited Tax General Obligation Bonds, Series 2004 (New City Building), issued under date of July 1, 2004 (the "2004 Bonds"), all of which are eligible for refunding:

<u>Maturity (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2015	\$1,510,000	5.000%
2016	1,580,000	5.000
2017	1,655,000	5.000
2018	1,730,000	5.000
2019	1,815,000	5.000
2020	1,905,000	5.000
2021	1,995,000	5.000
2022	2,095,000	5.000
2023	2,205,000	5.000
2024	2,315,000	5.000
2025	2,440,000	5.000
2026	2,570,000	5.250
2027	2,705,000	5.250
2028	2,850,000	5.250
2029	3,000,000	5.250
2034	17,600,000	5.000
2039	22,885,000	5.500
2043	23,175,000	5.125

WHEREAS, the 2004 Bond Ordinance authorizes the redemption and defeasance of the 2004 Bonds in advance of their scheduled maturity on or after December 1, 2014, in whole on any date and in part on any interest payment date, at par, plus accrued interest to the date of redemption; and

WHEREAS, after due consideration it appears to the City Council that all or a portion of the 2004 Bonds may be defeased and refunded to provide substantial debt service savings to the City under current bond market conditions; and

WHEREAS, on January 26, 2012, on behalf of the City, the City's Financial Advisor issued a request for proposals from various underwriting firms to sell the Bonds pursuant to negotiated sale; and

WHEREAS, the City Council wishes to delegate authority to the Finance Director (the "Designated Representative"), for a limited time, to select the underwriting proposal that is in the best interests of the City, and to approve the interest rates, maturity dates, redemption terms and principal maturities for the Bonds within the parameters set by this Ordinance;

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES
ORDAIN AS FOLLOWS:

Section 1. Definitions and Interpretation of Terms. As used in this ordinance, the following words shall have the following meanings:

Acquired Obligations means the Government Obligations acquired by the City pursuant to Section 8 of this ordinance to effect the refunding of the Refunded Bonds.

Beneficial Owner means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Bond Fund means the LTGO Bond Debt Service Fund described in Section 10 of this ordinance.

Bond Purchase Contract means the contract for the purchase of the Bonds between the Underwriter and the City, executed pursuant to Section 12 of this ordinance.

Bond Register means the registration books showing the name, address and tax identification number of each Registered Owner of the Bonds, maintained pursuant to Section 149(a) of the Code.

Bond Registrar means, initially, the fiscal agency of the State of Washington, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

Bond Year means each one-year period that ends on the date selected by the City. The first and last Bond Years may be short periods. If no day is selected by the City before the earlier of the final maturity date of the Bonds or the date that is five years after the date of issuance of the Bonds, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bonds.

Bonds means the City of Bellevue, Washington, Limited Tax General Obligation Refunding Bonds, 2012, issued pursuant to this ordinance.

Call Date means December 1, 2014.

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.

City Council means the City Council of the City, as duly and regularly constituted from time to time.

Code means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

Commission means the Securities and Exchange Commission.

Debt Service Fund means the Interest and Debt Redemption Regular Levy fund of the City.

Designated Representative means the Finance Director of the City or his or her designee.

DTC means The Depository Trust Company of New York, as depository for the Bonds, or any successor or substitute depository for the Bonds.

Escrow Agent means the financial institution selected pursuant to the conditions set forth in Section 8 of this ordinance.

Escrow Agreement means the Escrow Deposit Agreement to be entered into by the City and the Escrow Agent pursuant to Section 8 of this ordinance substantially in the form attached as Exhibit A hereto.

Federal Tax Certificate means the certificate executed by the Finance Director or her designee for maintaining the treatment of interest on the Bonds.

Finance Director means the Finance Director of the City and any successor to the functions of such office.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW.

Letter of Representations means the Blanket Letter of Representations from the City to DTC.

MSRB means the Municipal Securities Rulemaking Board or any successor to its functions.

Net Proceeds, when used with reference to the Bonds, means the principal amount of the Bonds, plus accrued interest and original issue premium, if any, and less original issue discount, if any.

Private Person means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

Private Person Use means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a short-term basis in accordance with regulations under the Code if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

Refunded Bonds mean all or a portion of the Refunding Candidates designated by the Designated Representative for refunding pursuant to Section 8 and Section 12 of this ordinance.

Refunding Candidates mean the outstanding 2004 Bonds.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register.

Rule means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Savings Target means a dollar amount equal to at least three percent (3.00%) of the principal amount of the Bonds.

2004 Bond Ordinance means Ordinance No. 5533 passed by the City Council on June 24, 2004, authorizing the issuance of the 2004 Bonds.

2004 Bonds means the outstanding "City of Bellevue, Washington Limited Tax General Obligation Bonds, Series 2004 ("New City Building) issued pursuant to the 2004 Bond Ordinance.

Underwriter means the initial purchaser of the Bonds, as selected by the Designated Representative.

Interpretation. In this ordinance, unless the context otherwise requires:

- (a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this ordinance;
- (b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;
- (c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;
- (d) Any headings preceding the text of the several articles and Sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and
- (e) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Authorization of Bonds. The City Council hereby finds that it is in the best interests of the City to refund the Refunded Bonds for debt service savings. The City is hereby authorized to issue limited tax general obligation refunding bonds (the "Bonds") in an aggregate amount of not to exceed \$112,000,000 to (i) refund the Refunded Bonds and (ii) pay all or a portion of the costs incidental to the foregoing and to the issuance of the Bonds.

Section 3. Description of Bonds. The Bonds shall be general obligations of the City; shall be designated the "City of Bellevue, Washington, Limited Tax General Obligation Refunding Bonds, 2012", shall be dated as of their initial date of delivery; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof within a maturity, provided that no Bond shall represent more than one maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest from their date, payable semiannually on June 1 and December 1, commencing June 1, 2012 at rates set forth in the Bond Purchase Contract and approved by the Designated Representative pursuant to Section 12 of this ordinance; and shall mature on December 1 in the years and principal amounts set forth in the Bond Purchase Contract and as approved by the Designated Representative pursuant to Section 12 of this ordinance.

Section 4. Registration, Transfer and Payment of Bonds.

- (a) *Bond Registrar/Bond Register.* The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of the state fiscal agency. The City shall cause a Bond Register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its principal corporate trust office. The Bond Registrar may be removed at any time at the option of the Finance Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Finance Director. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. 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 ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication of the Bonds.
- (b) *Registered Ownership.* 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 (except as provided in Section 13 of this ordinance), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 4(h) hereof, but such Bond may be

transferred as herein provided. All such payments made as described in Section 4(h) shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds initially shall be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the City has executed and delivered to DTC a Blanket Issuer Letter of Representations. Neither the City nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held in fully-immobilized form hereunder, DTC, its nominee or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

If any Bond shall be duly presented for payment and funds have not been duly provided by the City on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until it is paid.

(d) *Use of Depository.*

(1) 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 for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) 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; (B) to any substitute depository appointed by the Finance Director pursuant to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) 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 Finance Director to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Finance Director

may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the Finance Director, issue a single new Bond for each maturity 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 Finance Director.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Finance Director determines that it is in the best interest of the Beneficial Owners of the Bonds that such owners be able to obtain such bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully-immobilized form. The Finance Director shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds together with a written request on behalf of the Finance Director to the Bond Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, 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 cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any Bond during the 15 days preceding any

interest payment or principal payment date any such Bond is to be redeemed.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond 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 member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Registration Covenant.* The City covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least 15 days prior to the applicable payment date), such payment shall be made by the Bond Registrar by wire transfer to the account within the continental United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Bond Registrar.

Section 5. Redemption and Purchase.

(a) *Optional Redemption.* The City reserves the right to redeem the Bonds prior to their maturity on the dates, at the prices and under the terms set forth in the Bond Purchase Contract approved by the Designated Representative pursuant to Section 12 of this ordinance.

(b) *Mandatory Redemption.* The Bonds shall be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract and as approved by the Designated Representative pursuant to Section 12 of this ordinance.

(c) *Purchase of Bonds.* The City reserves the right to purchase any of the Bonds offered to it at any time at a price deemed reasonable by the Designated Representative.

(d) *Selection of Bonds for Redemption.* For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held in uncertificated form, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (d). If the City redeems at any one time fewer than all of the Bonds having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a 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 sum thereof, at the option of the Registered Owner, a Bond or Bonds of like maturity and interest rate in any of the denominations herein authorized.

(e) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds are held in uncertificated form, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 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 Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

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

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (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.

On or 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.

(2) Effect of Notice; Bonds Due. If an unconditional notice of redemption has 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 such Bonds or portions of Bonds shall cease to bear 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. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City 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. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 35 days before the redemption date to each party entitled to receive notice pursuant to Section 13, and to the Underwriter and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) Amendment of Notice Provisions. The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6. Form of the Bonds. The Bonds shall be in substantially the following form with appropriate or necessary insertions, depending upon the omissions and variations as permitted or required hereby:

[DTC LANGUAGE]
UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON
CITY OF BELLEVUE
LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2012

INTEREST RATE: % MATURITY DATE: CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Bellevue, Washington, a municipal corporation organized and existing under 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 indicated above and to pay interest thereon from _____, 2012, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on June 1, 2012, and semiannually thereafter on the first days of each succeeding June and December. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agency of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. ____ duly passed by the City Council on February 6, 2012 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond is one of an authorized issue of limited tax general obligation refunding bonds of the City of like date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$ _____ and is issued pursuant to the Bond Ordinance to refund certain outstanding limited tax general obligation bonds of the City and to pay costs of issuance.

The bonds of this issue are subject to redemption prior to their stated maturities as provided in the Bond Ordinance and the Bond Purchase Contract.

The City has irrevocably covenanted with the owner of this bond that it will annually include in its budget and levy taxes, within and as a part of the tax levy permitted to cities without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with 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.

The bonds of this issue have not been designated by the City as "qualified tax-exempt obligations" for investment by financial institutions under Section 265(b) of the Code.

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.

Reference is made to the Bond Ordinance 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 this bond which are defined in such 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.

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 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 manual or facsimile signature of the Mayor and to be attested by the manual or facsimile signature of the Clerk of the City, and the seal of the City imprinted, impressed or otherwise reproduced hereon as of this _____ day of _____, 2012.

[SEAL]

CITY OF BELLEVUE, WASHINGTON

By _____
/s/ manual or facsimile
Mayor

ATTEST:

/s/ manual or facsimile
City Clerk

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

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the City of Bellevue, Washington, Limited Tax General Obligation Refunding Bonds, 2012, dated _____, 2012.

WASHINGTON STATE FISCAL
AGENCY, as Bond Registrar

By _____
Authorized Signer

Section 7. Execution of the Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon. In case either or both of the officers who have signed or attested any of the Bonds cease to be such officer before such Bonds have been actually issued and delivered, such Bonds shall be valid nevertheless and may be issued by the City with the same effect as though the persons who had signed or attested such Bonds had not ceased to be such officers, and any Bond may be signed or attested on behalf of the City by officers who at the date of actual execution of such Bond are the proper officers, although at the nominal date of execution of such Bond such officer was not an officer of the City.

Only Bonds that bear a Certificate of Authentication in the form set forth in Section 6, 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 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 8. Refunding Procedures.

(a) *Refunding Plan.* For the purpose of realizing debt service savings, the City proposes to defease and refund the Refunded Bonds as set forth herein. The Refunded Bonds shall include all or a portion of those Refunding Candidates, as designated by the Designated Representative and set forth in the Bond Purchase Contract. Proceeds of the Bonds shall be deposited with the Escrow Agent pursuant to the Escrow Deposit Agreement, in the form set forth as Exhibit A hereto, to be used immediately upon receipt thereof to defease the Refunded Bonds as authorized by the 2004 Bond Ordinance. A portion of the proceeds of the Bonds may also be applied to pay costs of issuance of the Bonds.

The net proceeds deposited with the Escrow Agent shall be used to defease the Refunded Bonds and discharge the obligations thereon by the purchase of certain Government Obligations (which obligations so purchased, are herein called "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of:

- (1) Interest on the Refunded Bonds as such become due on and prior to the Call Date for the Refunded Bonds; and
- (2) The redemption price (100% of the principal amount) of the Refunded Bonds on the Call Date.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(b) *Escrow Agent/Escrow Agreement.* The City hereby authorizes the Designated Representative to appoint an escrow agent for the Refunded Bonds (the "Escrow Agent"). To carry out the purposes of this Section 8, the Designated

Representative is authorized and directed to execute and deliver to the Escrow Agent, an Escrow Deposit Agreement, substantially in the form attached hereto as Exhibit A, with such changes as are approved by the Designated Representative. A beginning cash balance, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Bonds remaining after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and costs of issuance of the Bonds.

(c) *Call for Redemption of Refunded Bonds.* The City hereby irrevocably calls the Refunded Bonds for redemption on their Call Date in accordance with the provisions of the 2004 Bond Ordinance authorizing the redemption and retirement of the 2004 Bonds prior to their fixed maturities. Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the issuance of the Bonds and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the redemption of the Refunded Bonds in accordance with the applicable provisions of the Refunded Bond Ordinance. The costs of publication of such notices shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the Finance Director, or, at the direction of the Finance Director, to the paying agent for the Refunded Bonds, sums sufficient to pay, when due, the payments specified in this Section 8. All such sums so paid to the Finance Director shall be credited to the Refunding Account. All moneys and Acquired Obligations deposited with the Escrow Agent and any income therefrom shall be held, invested (but only at the direction of the Finance Director) and applied in accordance with the provisions of this ordinance and with the laws of the State of Washington for the benefit of the City and owners of the Refunded Bonds.

The City will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due.

Section 9. Tax Covenants. The City covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exemption from federal income taxation of the interest on the Bonds and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exemption from federal income taxation of the interest on the Bonds.

(a) *Arbitrage Covenant.* Without limiting the generality of the foregoing, the City covenants that it will not take any action or fail to take any action with respect to the proceeds of sale of the Bonds or any other funds of the City which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code

and the regulations promulgated thereunder which, if such use had been reasonably expected on the dates of delivery of the Bonds to the initial purchasers thereof, would have caused the Bonds to be treated as "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code. The City will comply with the requirements of Section 148 of the Code and the applicable regulations thereunder throughout the term of the Bonds.

(b) *Private Person Use Limitation for Bonds.* The City covenants that for as long as the Bonds are outstanding, it will not permit:

(1) More than 10% of the Net Proceeds of the Bonds to be allocated to any Private Person Use; and

(2) More than 10% of the principal or interest payments on the Bonds in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The City further covenants that, if:

(3) More than five percent of the Net Proceeds of the Bonds are allocable to any Private Person Use; and

(4) More than five percent of the principal or interest payments on the Bonds in a Bond Year are (under the terms of this ordinance or any underlying arrangement) directly or indirectly:

(A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or

(B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the Projects described in subsection (3) hereof or Private Person Use payments described in subsection (4) hereof that is in excess of the five percent limitations described in such subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the Projects funded by the proceeds of the Bonds, and (ii) any Private Person Use will not exceed the amount of Net Proceeds of the Bonds allocable to the state or local governmental use portion of the Project(s) to which the Private Person Use of such portion of the Projects funded by the proceeds of the Bonds relate. The City further covenants that it will comply with any limitations on the use of the Projects funded by the proceeds of the Bonds by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax exemption of the

interest on the Bonds. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds.

(c) *Modification of Tax Covenants.* The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bonds. To that end, the provisions of this section may be modified or eliminated without any requirement for formal amendment thereof upon receipt of an opinion of the City's bond counsel that such modification or elimination will not adversely affect the tax exemption of interest on any Bonds.

(d) *Designation under Section 265(b).* The City does not designate the Bonds issued pursuant to this ordinance as "qualified tax exempt obligations" for investment by financial institutions under Section 265(b) of the Code.

Section 10. Bond Fund; Provision for Payment. The City has heretofore established a fund to be used for the payment of debt service on the Bonds, designated as the "Interest and Debt Redemption Regular Levy Fund" (the "Bond Fund"). No later than the date each payment of principal of and/or interest on the Bonds matures or becomes due and payable, the City shall transmit sufficient funds, from the Bond Fund or from other legally available sources to the Bond Registrar for the payment of such principal and/or interest. Money in the Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in legal investments for City funds.

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 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 legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the tax levy permitted to cities without a vote of the people, and 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 11. Defeasance. In the event that the City, to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities that, together with the known earned income therefrom, are sufficient to redeem or pay

and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government 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 such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Bond Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance.

The City shall give written notice of defeasance to the owners of all Bonds so provided for within 20 days of the defeasance and to each party entitled to receive notice in accordance with Section 13 of this ordinance.

Section 12. Sale of the Bonds.

(a) *Bond Sale.* The Bonds shall be sold by negotiated sale to the Underwriter pursuant to the terms of the Bond Purchase Contract. The Financial Advisor has advised the Council that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a meeting date of the Council. The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to approve the final interest rates, aggregate principal amount, principal amounts of each maturity, selection of the Refunded Bonds, and redemption rights.

The Designated Representative is hereby authorized to designate none, a portion or all of the Refunding Candidates as Refunded Bonds (which may include certain maturities or partial maturities) and to approve the final interest rates, aggregate principal amount, principal maturities, and redemption rights for the Bonds so long as (a) the aggregate principal amount of the Bonds does not exceed \$112,000,000, (b) the final maturity date for the Bonds is no later than December 1, 2043, (c) the Bonds are sold (in the aggregate) at a price not less than 98% and not greater than 115%; (d) the Bonds are sold for a price that results in a minimum net present value debt service savings equal to or greater than the Savings Target; and (e) the true interest cost for the Bonds (in the aggregate) does not exceed 4.00%.

In determining the final interest rates, aggregate principal amounts, principal maturities and redemption rights, the Designated Representative shall take into account those factors that, in his or her judgment, will result in the lowest true interest cost on the Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Bonds. Subject to the terms and conditions set forth in this section, the Designated Representative is hereby authorized to execute the Bond Purchase Contract.

Following the execution of the Bond Purchase Contract, the Designated Representative shall provide a report to the Council describing the final terms of the

Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representative by this Section 12 shall expire 180 days after the effective date of this ordinance. If a Bond Purchase Contract for the Bonds has not been executed within 180 days after the effective date of this ordinance, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 12.

(b) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance, the proper officials of the City including the City Manager and the Finance Director, are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of this ordinance.

(c) *Preliminary and Final Official Statements.* The City authorizes the Finance Director to approve the preliminary official statement for the Bonds and authorizes the distribution of the preliminary official statement in connection with the offering of the Bonds. Pursuant to the Rule, the City deems the preliminary official statement as final as of its date except for the omission of information dependent upon the pricing of the Bonds. The City agrees to cooperate with the Underwriter to deliver or cause to be delivered, within seven business days from the date of the sale of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, copies of a final official statement in sufficient quantity to comply with paragraph (b)(4) of the Rule and the rules of the MSRB. The City authorizes the Underwriter to use the official statement, substantially in the form of the preliminary official statement, in connection with the sale of the Bonds. The City's Finance Director is authorized to approve, supplement or amend the final official statement.

Section 13. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This Section constitutes the City's written undertaking for the benefit of the owners, including Beneficial Owners, of the Bonds as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* The City agrees to provide or cause to be provided to the Municipal Securities Rulemaking Board ("MSRB"), the following annual financial information and operating data for the prior fiscal year (commencing in 2013 for the fiscal year ended December 31, 2012):

1. Annual financial statements, which statements may or may not be audited, showing ending fund balances for the City's general fund prepared in

accordance with the Budgeting 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 "General Fund Comparative Statement of Revenues, Expenditures and Changes in Fund Balance";

2. The assessed valuation of taxable property in the City;
3. Ad valorem taxes due and percentage of taxes collected;
4. Property tax levy rate per \$1,000 of assessed valuation; and
5. Outstanding general obligation debt of the City.

Items 2-5 shall be required only to the extent that such information is not included in the annual financial statements.

The information and data described above shall be provided on or before nine 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 the MSRB. In lieu of providing such annual financial information and operating data, the City may cross-reference to other documents available to the public on the MSRB's internet website or filed with the Commission.

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 Budgeting 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 the MSRB.

(c) *Listed Events.* The City agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;

- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- Modifications to the rights of Bond owners, if material;
- Bond calls, if material, and tender offers;
- Defeasances;
- Release, substitution or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the City;
- The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City shall promptly determine whether the events described above are material.

Solely for purposes of disclosure, and not intending to modify this undertaking, the City advises that no debt service reserves or property secures payment of the Bonds.

(d) *Format for Filings with the MSRB.* All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(e) *Notification Upon Failure to Provide Financial Data.* The City agrees to provide or cause to be provided, in a timely manner, to the MSRB 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.

(f) *Termination/Modification.* The City's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Any provision of this section shall be null and void if the City (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (2) notifies the MSRB of such opinion and the cancellation of this section.

The City may amend this section with an opinion of nationally recognized bond counsel in accordance with the Rule. In the event of any amendment of this section, the City shall describe such amendment in the next annual report, and shall include a narrative explanation of the reason for the amendment 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 shall 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.

(g) *Bond Owner's Remedies Under This Section.* The right of any bond owner or Beneficial Owner of Bonds to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the City's obligations under this section, 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. 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 14. Lost or Destroyed Bonds. If any Bonds are lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like amount, maturity and tenor to the Registered Owner upon the owner paying the expenses and charges of the Bond Registrar and the City in connection with preparation and authentication of the replacement Bond or Bonds and upon his or her filing with the Bond Registrar and the City evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to both.

Section 15. General Authorization; Ratification of Prior Acts. The City Manager and the Finance Director, and other appropriate officers of the City are authorized to take any actions and to execute documents as in his or her judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified.

Section 16. Severability. If any provision in this ordinance is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 17. Effective Date. This ordinance shall become effective five days after its passage and publication, as required by law.

Passed by the City Council this 6th day of February, 2012 and signed in authentication of its passage this 6th day of February, 2012.

(SEAL)

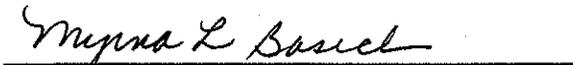

Conrad Lee, Mayor

Approved as to form:

Lori M. Riordan, City Attorney


Mary Kate Berens, Deputy City Attorney

Attest:


Myrna L. Basich, City Clerk

Published February 9, 2012

EXHIBIT A

ESCROW DEPOSIT AGREEMENT

**CITY OF BELLEVUE, WASHINGTON
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2012**

THIS ESCROW AGREEMENT, dated as of _____, 2012 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the City of Bellevue, Washington (the "City") and _____, _____, _____, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The notice addresses of the City and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, the City heretofore has issued and there presently remain outstanding the obligations described in Exhibit B attached hereto (the "Refunded Bonds"); and

WHEREAS, pursuant to Ordinance No. ___ passed on February 6, 2012 (the "Bond Ordinance"), the City has determined to issue its Limited Tax General Obligation Refunding Bonds, 2012 (the "Bonds"); and

WHEREAS, a portion of the proceeds of the Bonds will be used for the purpose of providing funds to pay the costs of refunding the Refunded Bonds; and

WHEREAS, _____ has prepared a report dated _____, 2012 (the "Verification Report") relating to the source and use of funds available to accomplish the refunding of the Refunded Bonds, the investment of such funds in Government Obligations (as defined herein) and the adequacy of such funds and investments to provide for the payment of the debt service due on the Refunded Bonds; and

WHEREAS, pursuant to the Bond Ordinance, the Refunded Bonds have been designated for redemption prior to their scheduled maturity dates and, after provision is made for such redemption, the Refunded Bonds will come due in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in Exhibit C attached hereto and made a part hereof; and

WHEREAS, when Escrowed Securities have been deposited with the Escrow Agent for the payment of all principal and interest of the Refunded Bonds when due, then the Refunded Bonds shall be legally defeased; and

WHEREAS, the issuance, sale, and delivery of the Refunding Bonds have been duly authorized to be issued, sold, and delivered for the purpose of obtaining the funds required to

provide for the payment of the principal of, interest on and redemption premium (if any) on the Refunded Bonds when due as shown on Exhibit C attached hereto;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Bonds, the City and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

Article 1. Definitions

Section 1.1. Definitions.

Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

Escrow Fund means the fund created by this Agreement to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

Escrowed Securities means the noncallable Government Obligations described in Exhibit D attached to this Agreement, or cash or other noncallable obligations substituted therefor pursuant to Section 4.2 of this Agreement.

Government Obligations means direct, noncallable (a) United States Treasury Obligations, (b) United States Treasury Obligations - State and Local Government Series, (c) non-prepayable obligations which are unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America or (d) REFCORP debt obligations unconditionally guaranteed by the United States.

Paying Agent means The Bank of New York Mellon, as the fiscal agency of the State of Washington, and as the paying agent for the Refunded Bonds.

Refunding Bonds means that portion of the Bonds authorized under the Bond Ordinance for the purpose of refunding the Refunded Bonds.

Section 1.2. Other Definitions.

The terms "Agreement," "City," "Escrow Agent," "Bond Ordinance," "Verification Report," "Refunded Bonds," and "Bonds" when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.3. Interpretations.

The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions

hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Bonds in accordance with applicable law.

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Escrow Fund.

Concurrently with the sale and delivery of the Bonds, the City shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund (as defined below), the funds (from the proceeds of the Refunding Bonds and a cash contribution by the City, if necessary) sufficient to purchase the Escrowed Securities and pay costs of issuance, if any, described in Exhibit D, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the City in writing.

Article 3. Creation and Operation of Escrow Fund

Section 3.1. Escrow Fund.

The Escrow Agent has created on its books a special trust fund and irrevocable escrow account to be known as the Refunding Account (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in Exhibit D attached hereto. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds as set forth in Ordinance No. 5533 adopted by the City Council of the City on June 24, 2004 (the "Refunded Bond Ordinance"), which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Escrow Fund shall be transferred to the City, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2. Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Bonds at their respective redemption dates and interest thereon to such redemption dates in the amounts and at the times shown in Exhibit C attached hereto.

Section 3.3. Sufficiency of Escrow Fund.

The City represents that, based upon the information provided in the Verification Report, the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Paying Agent at the times and in the amounts required to pay

the interest on the Refunded Bonds as such interest comes due and the principal of the Refunded Bonds as the Refunded Bonds are paid on an optional redemption date prior to maturity, all as more fully set forth in Exhibit E attached hereto and as required for the legal defeasance of the Refunded Bonds under the terms of the Refunded Bond Ordinance. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.2. hereof, the City shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the City's failure to make additional deposits thereto.

Section 3.4. Trust Fund.

The Escrow Agent or its affiliate, shall hold at all times the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Bonds as set forth in the Refunded Bond Ordinance. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the City, and the Escrow Agent shall have no right to title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the City or, except to the extent expressly herein provided, by the Paying Agent.

Article 4. Limitation on Investments

Section 4.1. Investments.

Except for the initial investment in the Escrowed Securities the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer, or otherwise dispose of the Escrowed Securities.

Section 4.2. Substitution of Securities.

[Reserved]

Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Section 2.1, 3.2 and 4.2 hereof, no withdrawals, transfers or reinvestment shall be made of cash balances in the Escrow Fund. Cash balances shall be held by the Escrow Agent in United States currency as cash balances as shown on the books and records of the Escrow Agent and, except as provided herein, shall not be reinvested by the Escrow Agent; provided, however, a conversion to currency shall not be required (i) for so long as the Escrow Agent's internal rate of return does not exceed 20%, or (ii) if the Escrow Agent's internal rate of return exceeds 20%, the Escrow Agent receives a letter of instructions, accompanied by the opinion of nationally recognized bond counsel, approving the assumed reinvestment of such proceeds at such higher yield.

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

The City hereby irrevocably calls the Refunded Bonds for redemption on their earliest redemption dates, as shown in the Verification Report and on Appendix A attached hereto.

Section 6.2. Notice of Redemption/Notice of Defeasance.

The Escrow Agent agrees to give a notice of defeasance and a notice of the redemption of the Refunded Bonds pursuant to the terms of the Refunded Bonds and in substantially the forms attached hereto as Appendices A and B attached hereto and as described on said Appendices A and B to the Paying Agent for distribution as described therein. The notice of defeasance shall be given immediately following the execution of this Agreement, and the notice of redemption shall be given in accordance with the ordinance authorizing the Refunded Bonds. The Escrow Agent hereby certifies that provision satisfactory and acceptable to the Escrow Agent has been made for the giving of notice of redemption of the Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

The Escrow Agent will keep books of record and account in which complete and accurate entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection during business hours and after reasonable notice by the parties hereto and by the owners of the Refunded Bonds.

Section 7.2. Reports.

While this Agreement remains in effect, the Escrow Agent monthly shall prepare and send to the City a written report summarizing all transactions relating to the Escrow Fund during

the preceding financial month, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

Article 8. Concerning the Paying Agents and Escrow Agent

Section 8.1. Representations.

The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 8.2. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the City promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Bonds shall be taken as the statements of the City and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

The Escrow Agent is not a party to the proceedings authorizing the Refunding Bonds or the Refunded Bonds and is not responsible for nor bound by any of the provisions thereof. In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the City thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for

its own neglect or willful misconduct, nor for any loss unless the same shall have been through its negligence or bad faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the City with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the City or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the City at any time.

Section 8.3. Compensation.

The City shall pay to the Escrow Agent fees for performing the services hereunder and for the expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement pursuant to the terms of the Fee Schedule attached hereto as Appendix B. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

Section 8.4. Successor Escrow Agents.

Any corporation, association or other entity into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business or any corporation, association or other entity resulting from any such conversion, sale, merger, consolidation or other transfer to which it is a party, *ipso facto*, shall be and become successor escrow agent hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event, the City, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the City within 60 days, a successor may be appointed by the owners of a

majority in principal amount of the Refunded Bonds then outstanding by an instrument or instruments in writing filed with the City, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized or doing business under the laws of the United States or the State of Washington, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$100,000,000 and subject to the supervision or examination by federal or state authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the City and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the City shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor Escrow Agent if (a) the requirements of this Section 8.4 and the Refunded Bond Ordinance are satisfied; (b) the successor Escrow Agent has assumed all the obligations of the Escrow Agent under this Agreement; and (c) all of the Escrowed Securities and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor Escrow Agent.

Article 9. Miscellaneous

Section 9.1. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the City or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

Section 9.2. Termination of Responsibilities.

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the City, the owners of the Refunded Bonds or to any other person or persons in connection with this Agreement.

Section 9.3. Binding Agreement.

This Agreement shall be binding upon the City and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Bonds, the City, the Escrow Agent and their respective successors and legal representatives.

Section 9.4. Severability.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 9.5. Washington Law Governs.

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Washington.

Section 9.6. Time of the Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 9.7. Notice to Ratings Agencies.

In the event that this Agreement or any provision thereof is severed, amended or revoked, the City shall provide written notice of such severance, amendment or revocation to Moody's Investors Service at 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, Attention: Public Finance Rating Desk/Refunded Bonds and to Standard & Poor's, 38th Floor, 55 Water Street, New York, New York, 10041, Attention: Public Finance Surveillance.

Section 9.8. Amendments.

This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Bonds. No such amendment shall be made without first receiving written confirmation from the rating agencies (if any) which have rated the Refunded Bonds that such administrative changes will not result in a withdrawal or reduction of its rating then assigned to the Refunded Bonds. If this Agreement is amended, prior written notice and copies of the proposed changes shall be given to the rating agencies which have rated the Refunded Bonds.

EXECUTED as of the date first written above.

CITY OF BELLEVUE, WASHINGTON

Finance Director

[ESCROW AGENT]

Name: _____
Title: _____

- Exhibit A — Addresses of the City and the Escrow Agent
- Exhibit B — Description of the Refunded Bonds
- Exhibit C — Schedule of Debt Service on Refunded Bonds
- Exhibit D — Description of Beginning Cash Deposit (if any) and Escrowed Securities
- Exhibit E — Escrow Fund Cash Flow
- Appendix A — Notice of Redemption for the 2004 Bonds
- Appendix B — Notice of Defeasance for the 2004 Bonds
- Appendix C — Fee Schedule

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EXHIBIT A
Addresses of the City and Escrow Agent

The City: City of Bellevue
450 110th Ave NE
P.O. Box 90012
Bellevue, Washington 98009
Attention: Finance Director

Escrow Agent: _____

EXHIBIT B
Description of the Refunded Bonds

City of Bellevue, Washington
Limited Tax General Obligation Bonds, Series 2004 (New City Building)

Maturity Dates (December 1)	Principal	Interest Rates
2015	\$1,510,000	5.000%
2016	1,580,000	5.000
2017	1,655,000	5.000
2018	1,730,000	5.000
2019	1,815,000	5.000
2020	1,905,000	5.000
2021	1,995,000	5.000
2022	2,095,000	5.000
2023	2,205,000	5.000
2024	2,315,000	5.000
2025	2,440,000	5.000
2026	2,570,000	5.250
2027	2,705,000	5.250
2028	2,850,000	5.250
2029	3,000,000	5.250
2034	17,600,000	5.000
2039	22,885,000	5.500
2043	23,175,000	5.125

EXHIBIT C
Schedule of Debt Service on the Refunded Bonds

<u>Date</u>	<u>Interest</u>	<u>Principal/ Redemption Price</u>	<u>Total</u>
	\$	\$	\$
	\$	\$	\$

EXHIBIT D
Escrow Deposit

I. Cash: \$_____

II. Other Obligations:

<u>Description</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Total Cost</u>
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III. Costs of Issuance :

Escrow Agent Fee (_____)	\$
Bond Counsel Fee (Pacifica Law Group LLP)	
Rating Agency (_____)	
Printing/mailing the POS Fee	
Contingency	
TOTAL:	\$

(1) Net of Purchaser's fee of \$____.00.

EXHIBIT E
Escrow Fund Cash Flow

<u>Date</u>	<u>Escrow Requirement</u>	<u>Net Escrow Receipts</u>	<u>Excess Receipts</u>	<u>Cash Balance</u>
		\$ _____	\$ _____	\$ _____
	\$ _____			
	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

APPENDIX A

NOTICE OF REDEMPTION*

**City of Bellevue, Washington
Limited Tax General Obligation Bonds, Series 2004 (New City Building)**

NOTICE IS HEREBY GIVEN that the City of Bellevue, Washington (the "City") has called for redemption on December 1, 2014, its outstanding Limited Tax General Obligation Bonds, Series 2004 (New City Building) (the "Bonds").

The Bonds to be refunded will be redeemed at a price of one hundred percent (100%) of their principal amount, plus interest accrued to December 1, 2014. The redemption price of the Bonds is payable on presentation and surrender of the Bonds at the office of:

The Bank of New York Mellon
Worldwide Series Processing
2001 Bryan Street, 9th Floor
Dallas, Texas 75021

-or-

Wells Fargo Bank National
Association
Corporate Trust Department
14th Floor - M/S 257
999 Third Avenue
Seattle, Washington 98104

Interest on the Bonds to be refunded or portions thereof which are redeemed shall cease to accrue on December 1, 2014.

The following Bonds are being redeemed:

* This notice shall be given not more than 60 nor less than 30 days prior to December 1, 2014 by first class mail to each registered owner of the Refunded Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; MBIA Insurance Corporation (or its successor in interest); Moody's Investors Service; Standard & Poor's Public Finance Surveillance; and to the Municipal Securities Rulemaking Board.

Maturity Dates (December 1)	Principal Amounts	Interest Rates	CUSIP Numbers
2015	\$1,510,000	5.000%	079365B92
2016	1,580,000	5.000	079365C26
2017	1,655,000	5.000	079365C34
2018	1,730,000	5.000	079365C42
2019	1,815,000	5.000	079365C59
2020	1,905,000	5.000	079365C67
2021	1,995,000	5.000	079365C75
2022	2,095,000	5.000	079365C83
2023	2,205,000	5.000	079365C91
2024	2,315,000	5.000	079365D25
2025	2,440,000	5.000	079365D33
2026	2,570,000	5.250	079365D41
2027	2,705,000	5.250	079365D58
2028	2,850,000	5.250	079365D66
2029	3,000,000	5.250	079365D74
2034**	17,600,000	5.000	079365E40
2039**	22,885,000	5.500	079365E99
2043**	23,175,000	5.125	079365F56

**Term Bonds

By Order of the City of Bellevue, Washington

The Bank of New York Mellon, as Paying Agent

Dated: _____.

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act") unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Bonds.

APPENDIX B

Notice of Defeasance*
City of Bellevue, Washington
Limited Tax General Obligation Bonds, Series 2004 (New City Building)

NOTICE IS HEREBY GIVEN to the owners of that portion of the above-captioned bonds with respect to which, pursuant to an Escrow Deposit Agreement dated _____, 2012, by and between the City of Bellevue, Washington (the "City") and _____, _____ (the "Escrow Agent"), the City has deposited into an escrow account, held by the Escrow Agent, cash and non-callable direct obligations of the United States of America, the principal of and interest on which, when due, will provide money sufficient to pay each year, to and including the respective maturity or redemption dates of such bonds so provided for, the principal thereof and interest thereon (the "Defeased Bonds"). The Defeased Bonds will be called on December 1, 2014, at a price of 100% plus accrued interest. Such Defeased Bonds are therefore deemed to be no longer outstanding pursuant to the provisions of Ordinance No. 5533 of the City, authorizing the issuance of the Defeased Bonds, but will be paid by application of the assets of such escrow account.

The Defeased Bonds are described as follows:

Limited Tax General Obligation Bonds, Series 2004 (New City Building) (Dated July 1, 2004)

* This notice shall be given immediately by first class mail to each registered owner of the Defeased Bonds. In addition notice shall be mailed to The Depository Trust Company of New York, New York; MBIA Insurance Corporation (or its successor in interest); Moodys Investor Service; Standard & Poor's Public Finance Surveillance; and to the Municipal Securities Rulemaking Board.

Maturity Dates (December 1)	Principal Amounts	Interest Rates	CUSIP Numbers
2015	\$1,510,000	5.000%	079365B92
2016	1,580,000	5.000	079365C26
2017	1,655,000	5.000	079365C34
2018	1,730,000	5.000	079365C42
2019	1,815,000	5.000	079365C59
2020	1,905,000	5.000	079365C67
2021	1,995,000	5.000	079365C75
2022	2,095,000	5.000	079365C83
2023	2,205,000	5.000	079365C91
2024	2,315,000	5.000	079365D25
2025	2,440,000	5.000	079365D33
2026	2,570,000	5.250	079365D41
2027	2,705,000	5.250	079365D58
2028	2,850,000	5.250	079365D66
2029	3,000,000	5.250	079365D74
2034**	17,600,000	5.000	079365E40
2039**	22,885,000	5.500	079365E99
2043**	23,175,000	5.125	079365F56

** Term Bonds

Information for Individual Registered Owner

The addressee of this notice is the registered owner of Bond Certificate No. _____ of the Defeased Bonds described above, which certificate is in the principal amount of \$ _____. All of which has been defeased as described above.

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APPENDIX C

Fee Schedule

CERTIFICATE

I, the undersigned, Clerk of the City of Bellevue, Washington (herein called the "City") and keeper of the records of the City Council of the City (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. ____ of the City (herein called the "Ordinance"), as finally passed at a regular meeting of the Council of the City held on the 6th day of February, 2012, 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 of the Council was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper adoption or passage of said 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 ____ of February, 2012.

Myrna L. Basich, MMC, City Clerk