

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 6173

AN ORDINANCE of the City of Bellevue, Washington, providing for the issuance of limited tax general obligation bonds of the City in the aggregate principal amount of not to exceed \$10,000,000 for the purpose of providing funds to finance improvements to the Meydenbauer Convention Center and to pay issuance costs; providing for the disposition of the proceeds of sale of such bonds; delegating the authority to approve the method of sale for and final terms of the bonds; and approving the Sixth Amendment to the First Amended Design, Construction, Financing and Operating Agreement between the City and the Bellevue Convention Center Authority.

WHEREAS, the City Council of the City of Bellevue, Washington (the "City"), has determined that it is in the public interest to finance renovations of and other improvements to the Meydenbauer Convention Center (the "Convention Center"); and

WHEREAS, in order to provide the funds required to make such improvements to the Convention Center, the City now desires to authorize the issuance of limited tax general obligation bonds in the principal amount of not to exceed \$10,000,000 and to authorize the sale of the Bonds; and

WHEREAS, pursuant to the First Amended Lease Purchase Agreement between the City and the Bellevue Convention Center Authority (the "Authority"), dated August 1, 1991, as amended (the "Lease Purchase Agreement"), the First Amended Sublease between the City and the Authority dated August 1, 1991, as amended (the "Lease"), and the First Amended Design, Development, Construction, Financing and Operating Agreement between the City and the Authority dated August 1, 1991, as amended (the "Operating Agreement" and collectively with the Lease Purchase Agreement and the Lease, the "Agreements"), the City authorized the Authority to construct, operate and maintain the Convention Center for lease back to the City; and

WHEREAS, pursuant to the Agreements, the City has previously pledged lodging taxes levied pursuant to RCW 67.28.180 ("2% Revenues") and RCW 67.28.181 ("3% Revenues" and together with the 2% Revenues, "Lodging Taxes") to pay debt service on the Authority bonds and certain City bonds, and maintenance and operating costs of the Convention Center; and

WHEREAS, the City and the Authority have determined that it is necessary and in their respective best interests to amend the Operating Agreement to provide for the completion of such improvements and the payment of the debt service on the Bonds; and

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

WHEREAS, the Bonds authorized herein shall be sold by either a competitive sale or negotiated sale as herein provided; now, therefore,

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, unless a different meaning clearly appears from the context:

Agreements mean, collectively, the First Amended Lease Purchase Agreement between the City and the Authority, dated August 1, 1991, as amended, the First Amended Sublease between the City and the Authority dated August 1, 1991, as amended, and the First Amended Design, Development, Construction, Financing and Operating Agreement between the City and the Authority dated August 1, 1991, as amended.

Approved Bid means the winning bid submitted for the Bonds.

Authority means the Bellevue Convention Center Authority, a public corporation formed pursuant to chapter 35.21 RCW.

Bond Purchase Contract means the contract for the purchase of the Bonds, if any, 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.

Bonds mean the not to exceed \$10,000,000 aggregate principal amount of the City of Bellevue, Washington, Limited Tax General Obligation Bonds, 2015 issued pursuant to this ordinance.

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.

CEDE & Co. means the nominee of The Depository Trust Company.

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 legislative authority of the City as the same shall be 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.

Convention Center means the Meydenbauer Convention Center located in Bellevue, Washington.

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

Designated Representative means the City Manager and/or the Finance Director of the City or his or her designee. The signature of one Designated Representative shall be sufficient to bind the City.

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

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

Financial Advisor means Piper Jaffray & Co., Seattle, Washington.

Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW, as such chapter may be hereafter amended or restated.

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

Lodging Taxes means lodging taxes levied by the City pursuant to RCW 67.28.180 ("2% Revenues") and RCW 67.28.181 ("3% Revenues"). The terms "Hotel/Motel Taxes" and "Transient Occupancy Taxes" also mean Lodging Taxes.

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

Net Proceeds, when used with reference with 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.

Notice of Sale means the notice of bond sale authorized to be given in Section 12 of this ordinance.

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.

Project means renovations of and other improvements to the Convention Center described in the Sixth Amendment.

Registered Owner means the person in whose name a Bond is registered on the Bond Register. For so long as the City utilizes the book-entry system for the Bonds, DTC shall be deemed to be the Registered Owner.

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.

Sixth Amendment means the Sixth Amendment to the First Amended Design, Construction, Financing and Operating Agreement between the City and the Authority, a form of which is attached hereto in Exhibit A.

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. Findings. The City Council hereby finds that it is in the public interest for the City to issue the Bonds to finance and/or reimburse a portion of the costs of the Project. If the City Council shall determine that it has become impractical to complete any portion of the Project by reason of changed conditions, the City shall not be required to complete such portions of the Project. If the Project has been completed or constructed or duly provided for, or found to be impractical, the City Council may apply the Bond proceeds or any portion thereof to the redemption of the Bonds or to other capital purposes as the City Council, in its discretion, shall determine, consistent with the Sixth Amendment.

Section 3. Authorization of Bonds and Description of Bonds. The City is hereby authorized to issue and sell the Bonds in one or more series in the aggregate principal amount of not to exceed \$10,000,000 to provide funds to finance and/or reimburse costs of the Project and to pay costs of issuance of the Bonds. The Bonds shall be general obligations of the City; shall be designated the "City of Bellevue, Washington, Limited Tax General Obligation Bonds, 20[]", with such designation as determined to be necessary by the Designated Representative; shall be dated as of their 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, 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; and shall bear interest from their date payable on the dates and at rates set forth in the Approved Bid or Bond Purchase Contract; and shall mature on the dates and in the principal amounts set forth in the Approved Bid or Bond Purchase Contract and as approved by the Designated Representative pursuant to Section 12. The Bonds of any of the maturities may be combined and issued as term bonds, subject to mandatory redemption as provided in the Notice of Sale for the Bonds and the Approved Bid or Bond Purchase Contract. The Bonds authorized herein may be combined with other limited tax general obligation bonds of the City and sold as a single series and issue if determined to be in the best interest of the City.

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) *Mandatory Redemption of Term Bonds and Optional Redemption, if any.* The Bonds shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Notice of Sale or Bond Purchase Contract approved by the Designated Representative pursuant to Section 12 of this ordinance. The Bonds shall be subject to mandatory redemption to the extent, if any, set forth in the Approved Bid or Bond Purchase Contract and as approved by the Designated Representative pursuant to Section 12 of this ordinance.

(b) *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 Finance Director.

(c) *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 book-entry only 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 (c). 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.

(d) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds are held in book-entry only form, notice of redemption (which notice may be conditional on the receipt of sufficient funds for redemption or otherwise) 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 book-entry only 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,
- (E) any conditions to redemption, and
- (F) 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, unless such redemption has been rescinded, 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. The City retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected registered

owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

(2) Effect of Notice; Bonds Due. If an unconditional notice of redemption has been given as aforesaid, or if the conditions to redemption have been satisfied or waived, 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 20 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 BOND, 20[]

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 specified above, unless redeemed prior thereto as provided herein, together with interest on such Principal Amount from _____, 20____, or the most recent date to which interest has been paid or duly provided for, at the Interest Rate set forth above payable _____ 1, 20____, and semiannually thereafter on each June 1 and December 1 until payment of the principal sum has been made or duly provided for. Both principal of and interest on this bond are payable in lawful money of the United States of America. 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.

This bond is one of an authorized issue of limited tax general obligation bonds of the City of like date and tenor, except as to number, interest rate and date of maturity, in the aggregate principal amount of \$ _____, issued pursuant to Ordinance No. _____ of the City, passed on August 4, 2014 (the "Bond Ordinance"), to finance or reimburse the City for costs related to renovations of and other improvements to the Meydenbauer Convention Center and to pay costs of issuance of the Bonds, as further provided in the Bond Ordinance.

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

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, including Lodging Taxes levied by the City pursuant to chapter 67.28 RCW and available under the Agreements, 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 City has irrevocably covenanted with the owner of this bond that it will levy the Lodging Taxes at a rate not less than the maximum allowable rate at the time the bonds of this issue are issued and has pledged in accordance with chapter 67.28 RCW to apply amounts collected thereunder, subject to their use for other authorized purposes, to the extent necessary for the payment of the principal of and interest on the bonds of this issue. Such amounts as are available under the Agreements and necessary for the payment of principal of and interest on the bonds of this issue are hereby irrevocably pledged and appropriated for such purpose.

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 _____, 20[___].

[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 Bonds, 20[___], dated _____, 20[___].

WASHINGTON STATE FISCAL
AGENT, as Registrar
By THE BANK OF NEW YORK
MELLON TRUST COMPANY, N.A., as
subcontractor to The Bank of New York
Mellon, fiscal agent for the State of
Washington

By _____
Authorized Officer

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. Hotel/Motel Tax Fund. The Hotel/Motel Tax Fund has previously been established by the City. A new project entitled "2015 Bond Proceeds Project Account" (the "Project Account") is hereby established in the Hotel/Motel Tax Fund. Money in the Project Account shall be used to pay the costs of the Project and costs of issuance for the Bonds.

Amounts in the Project Account shall be expended in accordance with the Sixth Amendment.

Money remaining in the Project Account after all of such costs have been financed or reimbursed may be used to pay costs of other legally authorized capital expenditures of the City or shall be deposited into the Debt Service Fund and used to pay principal on the Bonds. Money in the Project Account may be invested as permitted by law and the investment policy of the City. All interest earned and profits derived from such investments shall be retained in and become a part of the Project Account or deposited into the Debt Service Fund.

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 Project 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 Project 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 to which the Private Person Use of such portion of the Project funded by the proceeds of the Bonds relate. The City further covenants that it will comply with any limitations on the use of the Project 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.

(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) *No 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. Debt Service Fund and Provision for Tax Levy Payments. The Debt Service Fund has been established by the City and shall be drawn upon for the purpose of paying the principal of and interest on the Bonds.

The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it will include in its budget and levy an ad valorem tax, within and as a part of the tax levy permitted to cities without a vote of the people, upon all the property within the City subject to taxation in an amount which will be sufficient, together with other lawfully available funds, to pay the principal of and interest on the Bonds as the same shall become due. All of such taxes and any of such other money so collected shall be paid into the Debt Service Fund. Money in the Debt Service Fund not needed to pay the interest or principal next coming due may temporarily be deposited in such institutions or invested in such obligations as may be lawful for the investment of City money. Any interest or profit from the investment of such money shall be deposited in the Debt Service Fund.

The City hereby irrevocably pledges that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds as the same shall become due.

The City hereby further irrevocably covenants and agrees, for as long as the Bonds are outstanding and unpaid, to levy the Lodging Taxes at a rate not less than the maximum allowable rate at the time the Bonds are issued and hereby pledges in accordance with RCW 67.28.180 and 67.28.181, respectively, to apply amounts collected thereunder, subject to their use for other authorized purposes, to the extent necessary for the payment of the principal of and interest on the Bonds. Such amounts as are available under the Agreements and necessary for the payment of principal of and interest on the Bonds will be and are irrevocably set aside, pledged, and appropriated for such purpose.

Section 11. Defeasance. In the event that the City, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Debt Service 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 which, 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 Debt Service 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 Debt Service 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; Official Statement. The Financial Advisor has advised the Council that market conditions are fluctuating and, as a result, the most favorable market conditions may best be achieved by either a negotiated sale or a competitive sale, depending on then applicable market conditions. 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 method of sale and to approve the final interest rates, maturity dates, redemption terms and principal maturities for the Bonds. The Designated Representative may also determine to combine the Bonds authorized herein with other authorized limited tax general obligation bonds of the City and to sell such bonds as a single series and issue. The Designated Representative is hereby authorized to approve a competitive bond sale or a negotiated bond sale, as set forth below.

(a) *Competitive Bond Sale.* If the Designated Representative determines that the Bonds are to be sold at a competitive public sale, the Designated Representative or his designee shall: (1) establish the date of the public sale; (2) establish the criteria by which the successful bidder will be determined; (3) request that a good faith deposit in the amount determined to be necessary accompany each bid; (4) cause notice of the public sale to be given (the "Notice of Sale"); and (5) provide for such other matters pertaining to the public sale as he deems necessary or desirable. The Designated Representative shall cause the Notice of Sale to be given and provide for such other matters pertaining to the public sale as he or she deems necessary or desirable.

Upon the date and time established for the receipt of bids for the Bonds, the Designated Representative or his designee shall open the bids and shall cause the bids to be mathematically verified. The Bonds shall be sold to the bidder offering to purchase them at the lowest true interest cost to the City; *provided, however,* that the Designated Representative reserves the right to reject any and all bids for the Bonds and also may waive any irregularity or informality in any bid.

Subject to the terms and conditions set forth in this Section 12, the Designated Representative is hereby authorized to accept an Approved Bid for the Bonds in one or more series upon his or her approval of the final interest rates, maturity dates, aggregate principal amounts, principal maturities, and redemption rights set forth therein for the Bonds in accordance with the authority granted by this section so long as:

(1) the aggregate principal amount of the Bonds does not exceed \$10,000,000;

(2) the final maturity date for the Bonds is no later than December 1, 2035;

(3) the Bonds are sold (in the aggregate) at a price not less than 96% and not greater than 120%;

(4) the true interest cost for the Bonds (in the aggregate) does not exceed 5.00%.

(b) *Negotiated Bond Sale.* If the Designated Representative determines that the Bonds are to be sold by negotiated sale, the Designated Representative shall solicit bond underwriting proposals and shall select the Underwriter that submits the proposal that is in the best interest of the City. The Bonds shall be sold to the Underwriter pursuant to the terms of the Bond Purchase Contract.

Subject to the terms and conditions set forth in this Section 12, the Designated Representative is hereby authorized to enter into the Bond Purchase Contract with the Underwriter to issue and sell the Bonds in one or more series upon his or her approval of the final interest rates, maturity dates, aggregate principal amounts, principal maturities, and redemption rights set forth therein for the Bonds in accordance with the authority granted by this section so long as:

(1) the aggregate principal amount of the Bonds does not exceed \$10,000,000;

(2) the final maturity date for the Bonds is no later than December 1, 2035;

(3) the Bonds are sold (in the aggregate) at a price not less than 96% and not greater than 120%;

(4) the true interest cost for the Bonds (in the aggregate) does not exceed 5.00%.

(c) *Report to Council; Expiration of Authority.* Following the sale of the Bonds, the Designated Representative shall provide a report to the Council, describing the method of sale and 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 one year after the effective date of this ordinance. If an Approved Bid or Bond Purchase Contract has not been accepted within one year 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.

(d) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance, the proper officials of the City, including the Designated Representative, are authorized and directed to undertake all action necessary for the prompt execution

and delivery of the Bonds to the successful bidder or Underwriter thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds.

(e) *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 Finance Director is hereby authorized to deem 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 successful bidder or 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 successful bidder or Underwriter, copies of a final official statement in sufficient quantity to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board ("MSRB"). 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 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 MSRB, the following annual financial information and operating data for the prior fiscal year (commencing in 2015 for the fiscal year ended December 31, 2014):

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);
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;
5. Outstanding general obligation debt of the City; and
6. Lodging Taxes collected pursuant to RCW 67.28.180 and RCW 67.28.181.

Items 2-6 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 the end of 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 and, if such document is a final official statement within the meaning of the Rule, available from the MSRB 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 10 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 Bondholders, 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.

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) *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.

(e) *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.

(f) *Termination/Modification.* The City's obligations to provide annual financial information and notices of listed 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 listed 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 bondowner 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. Amendment to Operating Agreement. The City hereby approves the Sixth Amendment in substantially the form attached hereto as Exhibit A, which is incorporated herein by this reference. The City Manager is hereby authorized to execute such Sixth Amendment on behalf of the City, together with such changes as the City Manager deems consistent with the purposes of this ordinance.

Section 15. 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,

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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 16. General Authorization; Ratification of Prior Acts. The City Manager and Finance Director, and other appropriate officers of the City are authorized to take any actions and to execute documents as in their 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 17. 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 18. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

Passed by the City Council this 4th day of August, 2014 and signed in authentication of its passage this 4th day of August, 2014.

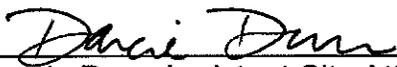
(SEAL)



Claudia Balducci, Mayor

Approved as to form:

Lori M. Riordan, City Attorney



Darcie Durr, Assistant City Attorney

Attest:



Myrna L. Basich, City Clerk

Published August 7, 2014

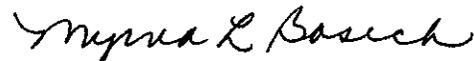
CERTIFICATE

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. 6173 of the City (herein called the "Ordinance"), as finally passed at a regular meeting of the Council of the City held on the 4th day of August, 2014, 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 4th of August, 2014.



Myrna L. Basich, MMC, City Clerk

Exhibit A

[FORM OF AMENDMENT]
DRAFT DATED 7/22/14

SIXTH AMENDMENT
TO THE FIRST AMENDED DESIGN, DEVELOPMENT,
CONSTRUCTION, FINANCING AND OPERATING AGREEMENT

This SIXTH AMENDMENT TO THE FIRST AMENDED DESIGN, DEVELOPMENT, CONSTRUCTION, FINANCING AND OPERATING AGREEMENT ("Sixth Amendment") is made as of the ___ day of _____, 20___, by and between the CITY OF BELLEVUE (the "City"), a municipal corporation duly formed and existing under the laws of the State of Washington, and the BELLEVUE CONVENTION CENTER AUTHORITY (the "Authority"), a public development corporation chartered by the City.

Pursuant to applicable law and for and in consideration of the mutual promises, covenants and conditions set forth below, the parties agree as follows:

Recitals. This Sixth Amendment is made with reference to the facts set forth in this section. Capitalized terms used herein have the meanings given in the Operating Agreement (as defined below), as amended by Sections 2.1 and 2.2 of this Sixth Amendment.

Pursuant to the First Amended Design, Development, Construction, Financing and Operating Agreement, dated as of August 1, 1991 ("1991 Agreement"), as amended or supplemented by the following: (a) Supplemental Agreement Regarding Implementation of Article III, Section C of the 1991 Agreement, dated as of May 14, 1993; (b) [First] Amendment to the 1991 Agreement, dated as of December 1, 1995 ("First Amendment"); (c) Second Amendment to the 1991 Agreement, dated as of January 1, 2000 ("Second Amendment"); (d) Third Amendment to the 1991 Agreement, dated as of June 1, 2002 ("Third Amendment"); (e) Fourth Amendment to the 1991 Agreement, dated as of June 30, 2006 ("Fourth Amendment"); and (f) Fifth Amendment to the 1991 Agreement, dated as of November 26, 2007 ("Fifth Amendment") (as so supplemented and amended, the "Operating Agreement"), the Authority constructed, maintains and operates the Convention Center Project.

This Sixth Amendment is made pursuant to Article XIII.M of the Operating Agreement, which provides that amendments are permitted only by written instrument approved by resolution duly adopted by the Authority and approved by the City by ordinance.

This Sixth Amendment is made to provide for (a) the transfer to the Authority of proceeds of the sale of the Old Convention Center Site, including interest earnings thereon, to the Authority to be used solely for the Renovation Project and other capital purposes of the Authority; and (b) the issuance of the 2015 City Bonds (as defined below), the proceeds of which are to be loaned to the Authority for the purpose of carrying out the Renovation Project. This Sixth Amendment is intended to have no effect on any other terms of the

Operating Agreement and all other terms of the Operating Agreement are intended to remain in effect.

The Authority is authorized, pursuant to its Resolution No ___, adopted on July 22, 2014, and has taken all steps necessary pursuant to its Charter, Bylaws, and applicable laws and regulations, to enter into this Sixth Amendment and to comply fully with the terms hereof.

The City is authorized, pursuant to its Ordinance No ___, passed on August 4, 2014, and has taken all steps necessary pursuant to applicable laws and regulations, to enter into this Sixth Amendment and to carry out the issuance of the 2015 City Bonds. The City is authorized, pursuant to Ordinance No ___, passed on August 4, 2014, and has taken all steps necessary to transfer to the Authority proceeds of the sale of the Old Convention Center Site, including interest earnings thereon, for the purposes stated herein.

Amendments to Operating Agreement. The Operating Agreement is amended as follows:

Additional Defined Terms. The following defined terms are added to those set forth in Article IA (Definitions) of the Operating Agreement:

“1995 City Bonds” means the Limited Tax General Obligation Bonds, 1995 issued by the City, issued for the purpose of providing financing for improvements to and other capital costs of the Meydenbauer Center.

“2010 City Bonds” means the portion of the City’s Limited Tax General Obligation Refunding Bonds, 2010 issued by the City and allocated to the purpose of refunding a portion of the City’s then-outstanding Limited Tax General Obligation Bonds, 2002, which were issued originally for Meydenbauer Center capital purposes.

“2015 City Bonds” means that portion of the limited tax general obligation bonds issued by the City which are allocated by the City to providing a loan to the Authority under this Sixth Amendment to carry out the Renovation Project and an allocable share of the costs of issuance. As used in this Agreement, the term “2015 City Bonds” refers only to that portion of such bonds allocated to these purposes, which may be issued as part of a larger various purpose series of bonds issued by the City.

“City Bonds” means the City’s Outstanding (a) 1995 City Bonds; (b) 2010 City Bonds; (c) 2015 City Bonds; and (d) any bonds issued in the future by the City and allocated to the purposes of improving, renovating or expanding the Convention Center.

“Renovation Project” means the renovations and improvements to the Improvements, including without limitation (a) building envelope remediation, (b) interior improvements to the public areas, restrooms, meeting rooms and show offices, and theater, and (c) technology installation, all as further described in Exhibit A to this Sixth Amendment.

Amended Defined Terms. The following defined terms set forth in Article I.A (Definitions) of the Operating Agreement are amended as set forth below. Deleted text is shown using strikethrough formatting and added text is shown using double underlining.

“Bonds” or “Authority Bonds” means the Authority’s Outstanding (a) Special Obligation Revenue Bonds, Series 1991A and Series 1991B issued in a principal amount not to exceed \$30,000,000 for purposes of financing the construction of the Improvements (the “1991 Bonds”); (b) Special Obligation Revenue Bonds, Series 1994 (the “1994 Bonds”); and (c) any Future Authority Bonds.

“Future Authority Bonds” means any bond or bonds, note or notes, or evidence of indebtedness or evidences of indebtedness, as the case may be, of the Authority issued consistent with this Operating Agreement (as amended from time to time) and the Indenture (including any supplement thereto), for the purposes of providing funds for the construction, improvement, renovation, expansion or refinancing of the Improvements but shall exclude the Authority’s 1991 Bonds and 1994 Bonds. Future Authority Bonds shall not include bonds or other indebtedness secured either by Gross Parking Revenue or Net Parking Revenue.

“Improvements” means the convention center improvements located at 11100 NE 6th Street, Bellevue, Washington, known as the Meydenbauer Center and constituting a portion of the Convention Center Project, including the parking garage, theater and exhibition hall/meeting room facilities, and any additions and betterments thereto (including, without limitation, the Renovation Project), all as finally specified in the Construction Documents, which are proposed to be or have been built on the Premises by the Authority pursuant to this Agreement and leased to the City pursuant to the Lease Purchase Agreement.

“Indenture” means that certain Trust Indenture, dated as of August 1, 1991, as supplemented by the First Supplemental Trust Indenture, dated as of November 1, 1994, by and between the Authority and Seattle-First National Bank (predecessor to _____), as Trustee, providing for the issuance of the Authority Bonds, as the same may be supplemented or amended from time to time.

“Operating Payment Amount” is that amount the City is required to pay the Authority each month under this Agreement in accordance with Section VII.A, equal to ~~the sum of the Payment for Ground Lease Obligations and the~~ General Operations Payment.

Financing for Renovation Project. A new section E is added to Article III (Approval of Financing), to read as follows:

E. Financing for Renovation Project.

(1) Transfer of Proceeds of Sale of Old Convention Center Site.

For the purpose of providing all or part of the funds necessary to carry out the Renovation Project, the City agrees to transfer, on or before _____, 2014,

[\$exact amount to be filled in, as of date selected for transfer] from the proceeds of the sale of the Old Convention Center Site to be used for the Renovation Project or other capital purposes of the Authority.

(2) Issuance of 2015 City Bonds; Loan Amount and Expenditure of Bond Proceeds. The City agrees to cause the issuance, sale and delivery of the 2015 City Bonds prior to June 30, 2015. A portion of the proceeds of the 2015 Bonds will be used to provide a loan to the Authority to provide financing for the Renovation Project and to pay the costs of issuing the 2015 City Bonds. The City agrees to loan to the Authority the principal amount set forth in this paragraph and the Authority agrees to borrow the same from the City at the interest rates and consistent with other terms applicable to the 2015 City Bonds. The principal loan amount shall be equal to the par amount of 2015 City Bonds necessary to produce (a) a project fund deposit equal to \$12.5 million, less the amount transferred to the City from the proceeds of the sale of the Old Convention Center Site under paragraph (1), above, plus (b) an amount necessary to pay the costs of issuance allocated to the 2015 City Bonds. The Authority agrees to repay the amount borrowed at the times and at the interest rates applicable to the 2015 City Bonds, as set forth in the debt service schedule to be attached as Exhibit B to this Sixth Amendment as of the closing date of the 2015 City Bonds, which exhibit is incorporated by this reference. Such repayment obligation shall be satisfied in the manner set forth in Article VII.A.3 of this Operating Agreement and Sections 2.4 and 2.5 of this Sixth Amendment.

(3) Use of 2015 City Bond Proceeds ; Reporting and Accounting. Upon issuance of the 2015 City Bonds, the proceeds of the 2015 City Bonds allocable to the Renovation Project, net of any amounts necessary to pay related costs of issuance, shall be delivered to the Authority to be used solely to carry out the Renovation Project. Upon completion of the Renovation Project [and periodically prior to completion], the Authority shall provide an accounting of the investment of, earnings on, and expenditure of the proceeds of the Old Convention Center Site sale and of the proceeds of the 2015 City Bonds. To the extent that the 2015 City Bonds are determined by the City to be subject to arbitrage rebate or yield restriction regulations under the federal tax code, the Authority agrees to cooperate with the City in providing such information and obtaining any arbitrage rebate calculations as may be necessary to comply with such regulations.

(4) Tax Covenants. The Authority agrees not to take, or permit to be taken on its behalf, actions which would result in the interest paid on the 2015 City Bonds becoming taxable, and shall take all actions necessary or required by it to preserve the tax-exempt status of the interest paid on the 2015 City Bonds. The Authority further covenants and agrees to pay or cause to be paid to the City, within 10 Business Days of receipt by the Authority of a written demand therefor, such amounts as have been determined to be necessary to be delivered to the Internal Revenue Service as a rebate amount for the 2015 City Bond proceeds (and for other amounts treated as "gross proceeds" of the 2015 City Bonds) pursuant to Section 148 of the Code. For so long as the 2015 City Bonds remain Outstanding, the City agrees to provide notice to the Authority of any audit or request for documentation from the Internal Revenue Service ("IRS") or application for the Voluntary Closing Agreement

Program in connection with the 2015 City Bonds, within 10 days of the receipt thereof, and the Authority shall have the opportunity to review City submissions to the IRS and to consent to any settlement with the IRS.

(5) Continuing Disclosure. If the City determines that the Authority should be treated as an "obligated person" (within the meaning of the Rule 15c2-12 of the Securities and Exchange Commission) with respect to the 2015 City Bonds, the Authority shall, prior to the issuance of the 2015 City Bonds, enter into a written undertaking to provide continuing disclosure ("Undertaking"). Failure of the Authority to comply with this section or such Undertaking shall not be considered an Event of Default under this Operating Agreement. However, the City, or its dissemination agent, may (and, at the request of the Owners of at least a majority in aggregate principal amount of the then Outstanding 2015 City Bonds, accompanied by indemnity satisfactory to it, shall) or any owner of such bonds may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Authority to comply with its obligations under the Undertaking.

Payment Obligations of City Amended. Article VII (Payment Obligations of the City) of the Operating Agreement is amended to read as set forth below. Deleted text is shown using strikethrough formatting and added text is shown using double underlining.

A. **City Payment for Authority Performance**. In consideration of the continuing performance by the Authority of the obligations to develop, design, construct, lease and operate the Improvements, ~~and in consideration of the Authority's assumption of the obligation to pay Ground Lease Rental,~~ the City shall pay the Authority on or before the 5th day of each month an amount equal to the Operating Payment Amount. Payment shall be made by the City from any sums legally available.

1. Calculation of the Operating Payment Amount. The Operating Payment Amount is equal to the General Operations Payment.

(a) The "General Operations Payment" in each month shall be is the lesser of:

(i) the amount, if any, remaining after deducting from an amount equal to Hotel/Motel Tax Revenue receipts for the immediately preceding Calendar Month: ~~(i) the Unadjusted Period Rent due in the Rent Period corresponding to the then current calendar month; and (ii) 2% Revenue required in such current calendar month for payment of debt service on the Existing Convention Center Bonds. Notwithstanding the foregoing, in any year after 1998, the General Operations Payment in each month shall be the lesser of (1) the amount derived by the calculation in the preceding sentence, or (2)~~

(ii) an amount not less than one twelfth (1/12th) the amount necessary, after applying any year end surplus in accordance with Section VII.A.1.(c), to (i) fund all reserves of the Authority other than the Ground Lease Reserve Account at their targeted levels for the current Fiscal Year as established by the Finance Plan; and (ii) an

amount equal to 150% of Maintenance and Operation Expenses for the current-Fiscal Year, as projected in the Authority budget for such current Fiscal Year (excluding amounts in such budget for funding reserves).

(b) For purposes of the previous paragraph, the term "Hotel/Motel Tax Revenue receipts" shall apply to an amount equal to (i) all 3% Revenues for the term of this Agreement and (ii) those 2% Revenues collected prior to ~~April 2005~~ available under clause (B) of the next succeeding sentence. ~~With respect to The 2% Revenues which are collected commencing in April, 2005, such amounts shall be used as follows in the following order of priority: first, (A) by the City to pay principal of and interest on the 1995 City Bonds, and the 2002 2010 City Bonds, and 2015 City Bonds; second, (B) shall be paid by the City to the Authority or on its behalf to fund the approved Finance Plan; and third, (C) the remainder shall be retained by the City.~~

(c) At the end of each Fiscal Year, the Authority shall apply any year end surplus held in the Maintenance and Operations Fund first, to fund any shortfalls in Authority reserves and second, to fund such reserves at their targeted levels for the following Fiscal Year. Application of all amounts pursuant to this Section VII.A.1(c) shall be made in accordance with this Agreement, the then current Plan and applicable laws.

2. City's Obligation Limited. The City may pay the Operating Payment Amount from any moneys of the City on hand and legally available therefor, and need not pay such amount from Hotel/Motel Tax Revenue. The City shall indicate each month the portion of the Operating Payment Amount that is, or shall be treated as, 2% Revenue and the amount that is, or shall be treated as, 3% Revenue. The City shall further indicate each month the amount of ~~the Payment for Ground Lease Obligations~~ and the General Operating Payment, based on the Authority Budget and any updates thereof. The Authority shall, in applying amounts so designated, comply with all legal limitations then applicable with respect to the use of such Hotel/Motel Taxes. The Authority further agrees to establish such accounts and subaccounts within its various funds and to perform such other recordkeeping as may be reasonably required by the City to permit tracking of 2% Revenue and 3% Revenue. No pledge of Hotel/Motel Tax Revenues is made by this Agreement. Nothing in this Agreement is intended as or shall be construed as creating a debt of the City; the City's payment obligations hereunder are conditioned upon the continuing performance by the Authority of its obligations set forth in this Agreement. The City does not by this Agreement guaranty any debt of the Authority.

3. ~~Existing Convention Center Bonds Debt Service Shortfalls to be Reimbursed by Authority.~~ ~~The City has heretofore established the Convention Center Bond Redemption Fund (Fund 415) for the purpose of paying debt service on the Existing Convention Center Bonds. Moneys and investments on hand in the Fund are projected to be sufficient to pay debt service on the Existing Convention Center Bonds, however, such bonds are not defeased and remain secured by a pledge of 2% Revenue. The City agrees that it shall first apply amounts available in the Convention Center Bond Redemption Fund to pay debt service on the Existing Convention Center Bonds. In the event that amounts in such Fund are insufficient to pay such debt~~

~~service, the City may, in accordance with section VII.A.I, provide for such payment out of 2% Revenue. In the event the City for whatever reason has not deducted sufficient amounts from the monthly payments to the Authority to provide for the timely payment of the Existing Convention Center Bonds, after utilizing all available amounts in the Convention Center Bond Redemption Fund (Fund 415), the City shall provide first for the payment of such debt service out of other moneys legally available, and shall submit to the Authority a request to remit such shortfall. The Authority shall have thirty (30) days to remit the requested amount. Nothing in this Agreement is intended to limit in any way the pledge of 2% Revenue to payment of the Existing Convention Center Bonds. The City covenants and agrees that it will not prepay or take any action to defease the Existing Convention Center Bonds prior to their final scheduled maturity date of March 1, 2005.~~

B. Authority Budgets; City Expenses Related to the Convention Center Project. The City shall annually forward to the Authority a summary of anticipated City expenses relating to the Convention Center Project for the next Fiscal Year (excluding Operating Payment Amounts and Lease Purchase Rent), ~~together with the schedule of anticipated Ground Lease Rental payable in such Fiscal Year.~~ The Authority shall include such costs in its Budget. The City shall forward such anticipated expense summary in a timely manner to permit the Authority to prepare its Budget on a timely basis. Such City expenses shall include, but are not limited to, expenses of Authority audits performed at request of the City. As such its expenses are incurred during each year, the City shall submit bills to the Authority for their payment. In the event of any dispute as regards the bills submitted by the City, either party to this Agreement may submit the matter to the Financial Oversight Committee for resolution.

1. Authority Budgets. The annual Budget shall include, but not be limited to:

~~(a) Ground Lease Rental (and Lease Agreement Payments and all amounts payable under the Ground Lease and Lease Agreement) which shall be in amounts to be determined in conjunction with the City). [Reserved]~~

(b) Debt service on the Authority Bonds.

(c) Amounts necessary to pay other indebtedness of the Authority.

(d) All design, development and construction costs, including all taxes, license and permit fees, and utilities.

(e) All Maintenance and Operation Expenses, including without limitation marketing and tourist promotion expenses.

(f) Amounts budgeted for reserve funds.

(g) All administrative costs of the Authority related to the Convention Center Project.

(h) All administrative costs of the Authority related to the Performing Arts Center.

(i) ~~All out-of-pocket costs of the City of holding title to the Old Convention Center site, pending its transfer, if any, to the Authority, including all taxes and assessments owed by the City with respect to such property. [Reserved]~~

(j) City expenses reasonably chargeable to the Convention Center Project, as reported by the City pursuant to this Section VII.B.

(k) All other expenses of the Authority related to the Convention Center Project.

In preparation of its annual Budget, the~~The Authority shall consider in preparation of its annual Budget and may include therein~~ any amounts for tourist promotion, and may include such amounts therein.

~~The Authority shall also include in its Budget an estimate of each month's Payment for Ground Lease obligations based on the Ground Lease Rental Schedule provided by the City. The Authority shall provide the City with as much advance notice as is reasonably practicable of any changes in the Payment for Ground Lease Obligations from that estimated in the Budget.~~

Use of Hotel-Motel Tax Revenues after April, 2005 Amended. The new section added to the Operating Agreement by Section 1 (Use of Hotel-Motel Tax Revenues after April, 2005) of the First Amendment, as amended by the Third Amendment, is further amended as set forth below. Deleted text is shown using strikethrough formatting and added text is shown using double underlining.

[Section 1.] Use of 2% Hotel/Motel Tax Revenues after April, 2005.

1. **Priorities. In consideration of and in repayment for the proceeds of the 1995, 2010 and 2015 City Bonds loaned to or used for the benefit of the Authority,** ~~the~~The parties agree that the 2% Revenues collected after April 2005 will be used in the following priority and for the following purposes:

(a) First, to the payment by the City of the principal of and interest on the ~~Limited Tax General Obligation Bonds, 1995 of the City (the "1995 City Bonds,") and the 2002~~ the 2010 City Bonds, and the 2015 City Bonds.

(b) Second, to assure the financial health of the existing Meydenbauer Center through adequate funding of operations, debt service, ~~ground lease payments,~~ improvements, reserves and related costs in accordance with the then current Convention Center Finance Plan (the "Plan").

(c) Third, to fully fund expansion and its associated costs through adequate funding of its operations, debt service, capital improvements, reserves and related costs in accordance with the Plan.

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

Ratification; No Other Changes. Except as and to the extent modified by this Sixth Amendment, all provisions of the Operating Agreement shall remain unchanged and in full force and effect in all other respects and are hereby ratified and confirmed.

Counterparts. This Sixth Amendment may be executed in counterparts, and each such counterpart shall be deemed to be an original instrument. All such counterparts together will constitute one and the sixth Amendment.

IN WITNESS WHEREOF, the City and the Authority have executed this Sixth Amendment as of the date first above written.

Authority:

BELLEVUE CONVENTION CENTER AUTHORITY

By _____
[Chair]

City:

CITY OF BELLEVUE, WASHINGTON

By _____
[City Manager]

Approved as to Form:

Lori M. Riordan, City Attorney

[Add notary blocks]