

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 8137

A RESOLUTION of the City Council of the City of Bellevue, Washington, approving a plan of refunding certain outstanding limited tax general obligation bonds of the City; approving the issuance of the City's Limited Tax General Obligation Refunding Bonds, 2010, in the aggregate principal amount of \$12,875,000 to provide funds for such plan of refunding; and approving the sale of such refunding bonds, all in accordance with Ordinance No. 5954 of the City.

WHEREAS, the City of Bellevue, Washington (the "City"), by Ordinance No. 5954 passed by the City Council on July 19, 2010 (the "Bond Ordinance"), authorized the issuance and sale of the City's Limited Tax General Obligation Refunding Bonds, 2010, in the aggregate principal amount of not to exceed \$13,700,000 (the "Bonds") for the purpose of refunding certain outstanding limited tax general obligation bonds of the City; and

WHEREAS, the Bond Ordinance authorized the City's Finance Director, in consultation with the City's financial advisor, to determine a plan of refunding and to negotiate the sale of the Bonds to accomplish such plan of refunding, all subject to approval by resolution of the City Council; and

WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement has been prepared for the sale of the Bonds; and

WHEREAS, the Finance Director has negotiated the sale of the Bonds to Barclays Capital Inc. (the "Underwriter") on the terms and conditions set forth in the Bond Ordinance, this resolution and a bond purchase contract, attached as Exhibit A hereto (the "Purchase Contract"); and

WHEREAS, in accordance with the Bond Ordinance, the City Council wishes to authorize and approve the final plan of refunding, the sale of the Bonds and the final principal maturity amounts, interest rates and redemption rights for the Bonds, all as set forth herein;

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

Section 1. Definitions. Capitalized terms used herein and not otherwise defined shall have the same meanings in this resolution as such terms are given in Section 1 of the Bond Ordinance.

Section 2. Authorization of Sale of the Bonds and Approval of Purchase Contract. The City Council hereby authorizes the sale of the Bonds in the aggregate principal amount of \$12,875,000 and dated as of their date of delivery. The Bonds shall bear interest from their date until such interest has been paid or its payment duly provided for, payable each June 1 and December 1, commencing on December 1, 2010, at such rates and shall mature on December 1 in such years and amounts as are set forth below:

<u>Years</u> <u>(December 1)</u>	<u>Amounts</u>	<u>Interest Rates</u>
2010	\$460,000	2.00%
2011	365,000	2.00
2012	615,000	2.50
2013	620,000	2.50
2014	720,000	2.50
2015	720,000	4.00
2016	740,000	2.00
2017	835,000	3.00
2018	835,000	3.00
2019	390,000	3.00
2020	400,000	3.00
2021	415,000	3.50
2022	430,000	3.50
2023	445,000	3.50
2024	460,000	3.50
2025	480,000	3.50
2032	3,945,000	4.00

The terms and conditions thereof set forth in the Purchase Contract, are hereby approved, and the Underwriter's offer to purchase the Bonds, as set forth in the Purchase Contract, is hereby accepted. The Director of Finance is hereby authorized to sign the Purchase Contract on behalf of the City.

The Bonds shall conform in all other respects to the terms and conditions set forth in the Bond Ordinance, except as expressly provided herein.

Section 3. Redemption.

(a) Optional Redemption. The City reserves the right to redeem the Bonds maturing on and after December 1, 2021, in whole or in part, on any date on or after December 1, 2020, at par, plus accrued interest to the date of redemption. If less than a whole of a maturity is called for redemption, the Bonds to be redeemed within that maturity shall be chosen by lot in integral multiples of \$5,000 by the Bond Registrar or, so long as the Bonds are registered in the name of CEDE & Co. or its registered assign, by DTC.

(b) Mandatory Sinking Fund Redemption. The Bonds maturing on December 1, 2032 are Term Bonds that shall be redeemed prior to maturity randomly (or paid at maturity), not later than December 1 in the years and in the principal amounts set forth below (to the extent such Term Bonds have not been previously redeemed or purchased), without premium, together with the interest accrued to the date fixed for redemption.

Term Bonds

<u>Year</u>	<u>Amount</u>
2026	\$495,000
2027	520,000
2028	540,000
2029	565,000
2030	585,000
2031	610,000
2032*	630,000

* Final maturity.

To the extent the City redeems (other than in satisfaction of the mandatory sinking fund requirements), defeases or purchases for retirement any Bonds that are Term Bonds, the City may reduce the mandatory sinking fund requirements of such Bonds on a pro rata basis for those Term Bonds.

Section 4. Plan of Refunding. In accordance with Section 8 of the Bond Ordinance, the Finance Director has determined, in consultation with the City's financial advisor, that proceeds of the Bonds shall be used to refund the following limited tax general obligation bonds of the City (collectively, the "Refunded Bonds"):

Refunded 1998 Bonds

<u>Maturity (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2010	\$250,000	4.20%
2011	300,000	4.30
2012	300,000	4.35
2013	300,000	4.40
2014	400,000	4.40
2015	400,000	4.50
2016	400,000	4.60
2017	500,000	4.65
2018	500,000	4.70

Refunded 2002 Bonds

<u>Maturity</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2012	\$ 255,000	4.250%
2013	265,000	4.250
2014	275,000	4.375
2015	290,000	4.500
2016	305,000	4.600
2017	320,000	4.650
2018	335,000	4.750
2019	355,000	4.875
2020	370,000	4.875
2021	390,000	5.500
2022	410,000	5.500
2023	435,000	5.000
2024	455,000	5.125
2025	480,000	5.125
2026	505,000	5.125
2027	535,000	5.125
2032	3,140,000	5.375

As provided in the Bond Ordinance, proceeds of the Bonds shall be deposited in the Refunding Account and used, together with other funds of the City, if necessary, to purchase 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 that, together with any necessary beginning cash balance, will provide for the payment of:

(a) The interest on the Refunded 1998 Bonds to and including October 28, 2010;

(b) The redemption price (100% of the principal amount) payable on October 28, 2010, of the Refunded 1998 Bonds;

(c) The interest on the Refunded 2002 Bonds to and including December 1, 2011; and

(d) The redemption price (100% of the principal amount) payable on December 1, 2011, of the Refunded 2002 Bonds.

Any beginning cash balance and the Acquired Obligations shall be irrevocably deposited with the Escrow Agent in an amount sufficient to defease the Refunded Bonds in accordance with this Section 4. Any amounts described above that are not provided for in full by such beginning cash balance and the purchase and deposit with the Escrow Agent of the Acquired Obligations described in this section shall be provided for by the irrevocable deposit of the necessary amount out of the proceeds of sale of the Bonds or any other money of the City legally available therefor. The

proceeds of the Bonds remaining in the Refunding Account 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 the costs of issuing the Bonds. The City may, from time to time, transfer, or cause to be transferred, from the Refunding Account any money not thereafter required for the purposes set forth in subparagraphs (a) through (d) above, subject to verification in writing by an independent certified public accountant that such transfer will not result in inadequate funds being available to make the required payments therefrom. The City reserves the right to substitute other securities for the Acquired Obligations in the event it may do so pursuant to Section 148 of the Code and applicable regulations thereunder, upon compliance with the conditions set forth in the Escrow Agreement.

The selection of U.S. Bank National Association, as Escrow Agent is hereby ratified and confirmed.

Section 5. Redemption of Refunded Bonds; Findings of Defeasance. The City hereby irrevocably sets aside sufficient funds through the purchase of Acquired Obligations and an initial cash deposit to make the payments, as specified in subparagraphs (a) through (d) in Section 4 above.

The City hereby irrevocably defeases and calls for redemption on October 28, 2010, the Refunded 1998 Bonds in accordance with the provisions of the 1998 Bond Ordinance authorizing the redemption and retirement of certain of the 1998 Bonds prior to their fixed maturities.

The City hereby irrevocably defeases and calls for redemption on December 1, 2011, the Refunded 2002 Bonds in accordance with the provisions of the 2002 Bond Ordinance authorizing the redemption and retirement of certain of the 2002 Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the final establishment of the escrow account and delivery of the Acquired Obligations and the requisite cash deposit, if any, to the Escrow Agent, except as provided herein relating to the substitution of securities. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish such defeasance.

The Escrow Agent is hereby authorized and directed to notify the fiscal agency of the State of Washington to give notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of the 1998 Bond Ordinance and the 2002 Bond Ordinance. The Finance Director is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of publication of such notice shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the fiscal agency of the State of Washington sums sufficient to make, when due, the payments specified in subparagraphs (a) through (d) in Section 4 above. All such sums shall be paid from the money and Acquired Obligations deposited with the Escrow Agent pursuant to this section, and the income therefrom and proceeds thereof. All such sums so paid shall be credited to the Refunding Account. All money and Acquired Obligations deposited with the Escrow Agent and any income therefrom shall be held, invested and applied in accordance with the provisions of the Bond Ordinance and with the laws of the State of Washington for the benefit of the City and the owners of the Refunded Bonds.

The City Council hereby finds and determines that the Acquired Obligations to be deposited with the Escrow Agent and the income therefrom, together with any necessary beginning cash balance, are sufficient to defease and redeem the above-referenced Refunded Bonds and will discharge and satisfy the obligations of the City with respect to the Refunded Bonds under the ordinances authorizing their issuance and the pledges of the City therein. Immediately upon the delivery of such Acquired Obligations to the Escrow Agent and the deposit of any necessary beginning cash balance, such Refunded Bonds shall be deemed not to be outstanding under their respective authorizing ordinances and shall cease to be entitled to any lien, benefit or security under such ordinances except the right to receive payment from the Acquired Obligations and beginning cash balance so set aside and pledged.

Section 6. Execution and Delivery of the Bonds. The proper officers of the City and the Finance Director of the City are hereby authorized and directed to do all things necessary or proper for the printing, execution and delivery of the Bonds to the Underwriter in accordance with the terms of the Purchase Contract and the Bond Ordinance, as well as this resolution, and for the proper application and use of the proceeds of such sale.

Section 7. Official Statement; Use of Documents. The Finance Director is authorized and directed to execute and deliver to the Underwriter copies of an Official Statement in substantially the form of the Preliminary Official Statement dated August 30, 2010; provided, however, that the Finance Director is authorized to supplement or amend the Official Statement as the Finance Director, with the approval of bond counsel to the City, deems necessary or appropriate. The City Council represents to the Underwriter that the Preliminary Official Statement is "deemed final" by the City as of its date within the meaning of the Rule, except for the omission of such information as may be permitted by the Rule. The City Council approves and authorizes the use of such Official Statement (including any such supplements and amendments thereto) in connection with the public offering and sale of the Bonds by the Underwriter.

Section 8. Ratification of Past Acts. All actions and proceedings heretofore taken by the officers, agents, attorneys and employees of the City in connection with the issuance and sale of the Bonds are hereby ratified, approved and confirmed.

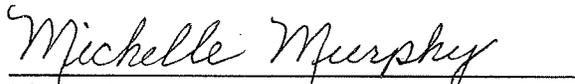
Section 9. Effective Date. This resolution shall be in effect from and after its adoption in accordance with law.

Passed by the City Council this 14 day of September, 2010,
and signed in authentication of its passage this 14 day of September,
2010.

(SEAL)


Don Davidson, DDS
Mayor

Attest:


~~Myma L. Basich~~, City Clerk
Acting