ORIGINAL

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 3668

AN ORDINANCE of the City of Bellevue, Washington, relating to Local Improvement District No. 268; authorizing the issuance and sale of local improvement district bond anticipation notes in Local Improvement District No. 268 pending the receipt of the proceeds of the local improvement district bonds authorized to be issued by Ordinance No. 3519; and providing for the sale and delivery of such notes to Peoples National Bank of Washington, Seattle, Washington.

WHEREAS, by Ordinance No. 3519 passed by the City Council on July 1, 1985, the City ordered the construction and installation of certain street improvements on Northup Way between Bel-Red Road and 156th Avenue N.E. pursuant to Resolution No. 4549 and, after a public hearing thereon, established Local Improvement District No. 268 and provided for the issuance and sale of local improvement district warrants or other short-term obligations; and

WHEREAS, the City Council deems it to be in the best interest of the City that the City borrow money and issue its short-term obligation pursuant to Chapter 39.50 RCW in the form of local improvement district bond anticipation notes for the purpose of providing the funds with which to pay the costs of carrying out the improvements ordered in Local Improvement District No. 268; NOW, THEREFORE,

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

Section 1. The total estimated cost and expense of the improvemens ordered to be carried out in Local Improvement District No. 268 (the "District") by Ordinance No. 3519 is $425,000, all of which expense is anticipated to be assessed against the specially benefited properties in the District. Local improvement district bond anticipation notes of the District (the "Notes") shall be issued in the aggregate principal amount of $425,000 to pay the cost and expense of constructing the improvements, capitalize interest on the Notes and pay the administrative costs of issuing and selling the Notes. The Notes shall be in fully registered form; shall be in the denomination of $5,000 and/or any integral multiple thereof; and shall be numbered separately and in the manner and with any additional designation as the Note Registrar (collectively, the fiscal agencies of the State of Washington

ORIGINAL

located in Seattle, Washington, and New York, New York) deems necessary for the purpose of identification. The Notes shall be dated as of the date of their initial issuance; shall mature on January 1, 1988; and shall bear interest at the rate of 5.80% per annum computed on the basis of a 360-day year of twelve 30-day months, payable semiannually commencing July 1, 1987. The City Council declares and finds that the fixing of the above interest rate is in the best interests of the City.

The Notes shall be issued only in registered form as to both principal and interest on books or records maintained by the Note Registrar (the "Note Register"). Such Note Register shall contain the name and mailing address of the owner of each Note and the principal amount and number of Notes held by each owner.

Notes may be transferred only if endorsed in the manner provided thereon and surrendered to the Note Registrar. The transfer of a Note shall be by the Note Registrar's receiving the Note to be transferred, cancelling it and issuing a new certificate in the form of the Notes to the transferee after registering the name and address of the transferee on the Note Register. Notes are interchangeable for Notes in any authorized denomination of an equal aggregate principal amount. Such exchange or transfer shall be without cost to the owner or transferee.

Both principal of and interest on the Notes shall be payable solely out of the Local Improvement Fund, District No. 268 (the "Note Fund"), from the proceeds of local improvement district bonds authorized to be issued by Ordinance No. 3519 or other short-term obligations to be deposited in such fund and/or prepaid special benefit assessments deposited in such fund, other money legally available for that purpose, and from the Local Improvement Guaranty Fund of the City, and shall be payable in lawful money of the United States of America. Interest on the Notes shall be paid by check or draft mailed to the registered owners at the addresses appearing on the Note Register on the fifteenth day of the month preceding the interest payment date. Principal of the Notes shall be payable upon presentation and surrender of the Notes by the registered owners at the principal offices of either of the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York, at the option of such owners.

The City reserves the right and option to redeem the Notes in whole at any time on or after July 1, 1987. Notice of such redemption shall be given by mailing not less than ten days prior to the date fixed for for redemption, notice of such redemption by first class mail, postage prepaid, to the

registered owners of the Notes at the addresses appearing on the Note Register. The requirements of this section shall be deemed to be complied with when notice is mailed as herein provided whether or not it is actually received by the owner of any Note. The interest on the Notes shall cease on the date fixed for redemption unless the Notes are not redeemed upon presentation made pursuant to such call.

Section 2. The Notes shall be printed, lithographed or typed on good bond paper in a form consistent with the provisions of this ordinance and state law, shall be signed by the Mayor and the City Clerk, both of whose signatures shall be in facsimile, and shall have a facsimile reproduction of the seal of the City printed thereon.

Only such Notes as shall bear thereon a Certificate of Authentication in the following form, manually executed by the Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance:

CERTIFICATE OF AUTHENTICATION

This Note is one of the fully registered City of Bellevue, Washington, Local Improvement District No. 268 Bond Anticipation Notes described in the Note Ordinance.

Washington State Fiscal Agency
Note Registrar

By _____
Authorized Officer

Such Certificate of Authentication shall be conclusive evidence that the Notes so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either or both of the officers who have executed the Notes shall cease to be such officer or officers of the City before the Notes so signed shall have been authenticated or delivered by the Note Registrar, or issued by the City, such Notes nevertheless may be authenticated, delivered and issued and upon such authentication, delivery and issue, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Note also may be signed on behalf of the City by such persons as on the actual date of execution of such Note shall be proper officers of the City although on the original date of such Note any such person shall not have been such officer of the City.

Section 3. The Note Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by the City. The Note Registrar is authorized, on behalf of the City, to authenticate and deliver Notes transferred or exchanged in accordance with the provisions of such Notes and this ordinance and to carry out all of the Note Registrar's powers and duties under this ordinance. The Note Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Notes. The Note Registrar may become the owner of Notes with the same rights it would have if it were not the Note Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Note owners.

Section 4. The Notes shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 5. The City covenants that it will not take or permit to be taken on its behalf any action which would adversely affect the exemption from federal income taxation of the interest on the Notes 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 Notes. Without limiting the generality of the foregoing and except to the extent that the investment of any Note proceeds is limited to a yield required to comply with federal arbitrage regulations, the City will spend the proceeds of the Notes with due diligence to completion of the purpose specified herein, and will not invest or make other use of the proceeds of the Notes or of its other money at any time during the term of the Notes, which, if such use had been reasonably expected at the date that the Notes are issued, would have caused such Notes to be arbitrage obligations within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations thereunder.

In addition, if future federal laws or regulations require the payment by the City of any federal tax or rebate or the observing by the City of any other requirement to maintain the exemption from federal income taxation of the interest on the Notes, the City, to the extent permitted by law, shall make any such payment and observe any such requirement.

The City further covenants that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a note issuer whose arbitrage certifications may not be relied upon.

ORIGINAL

Section 6. Peoples National Bank of Washington of Seattle, Washington, has submitted an offer to purchase the Notes at a price of par, the City to furnish the Notes and the approving legal opinion of Roberts & Shefelman, municipal bond counsel of Seattle, Washington, at the City's expense. Bond counsel shall not be required to review or express any opinion concerning the completeness or accuracy of any official statement, offering circular or other sales material issued or used in connection with the Notes, and bond counsel's opinion shall so state. The City Council finds that it is in the best interest of the City that such offer be accepted, and accepts the same. The Notes, therefore, immediately upon their authentication, shall be delivered to the purchaser in Seattle, Washington, upon payment therefor in accordance with such offer.

Section 7. This ordinance shall take effect and be in force five days after its passage and legal publication.

PASSED by the City Council this 16th day of June, 1986, and signed in authentication of its passage this 16th day of June, 1986.

Cary E. Bozeman, Mayor

Approved as to form:

Richard L. Andrews
City Attorney

Attest:

Marie K. O'Connell
City Clerk

Published:

June 21, 1986

1190b