

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 2297

AN ORDINANCE providing for the issuance of \$4,531,000.00 principal amount of "Refunding Limited General Obligation Bonds, 1976," of the City for the purpose of providing funds to pay and redeem its outstanding "Limited General Obligation Bonds, 1973," dated August 1, 1973, and its outstanding "Limited General Obligation Bonds, 1975," dated May 1, 1975; fixing the date, form, denominations, maturities, interest rates, terms and covenants of such refunding bonds; providing for and authorizing the purchase of certain obligations out of the proceeds of the sale of such refunding bonds and for the use and application of the moneys to be derived from such investment; providing for the payment and redemption of the outstanding bonds to be refunded; and confirming the sale of such refunding bonds to Seattle-First National Bank of Seattle, Washington.

WHEREAS, the City of Bellevue, Washington (hereinafter called the "City"), now has outstanding \$1,655,000.00 principal amount of its "Limited General Obligation Bonds, 1973" (hereinafter called the "1973 Bonds"), issued under date of August 1, 1973, which 1973 Bonds mature serially on August 1 in each of the years 1976 through 1993 and bear interest at various rates from 5.00% per annum to 7.00% per annum; and

WHEREAS, the City further has outstanding \$3,000,000.00 principal amount of its "Limited General Obligation Bonds, 1975" (hereinafter called the "1975 Bonds"), issued under date of May 1, 1975, which 1975 Bonds mature serially on June 1 in each of the years 1977 through 1995, some of which 1975 Bonds bear interest at the rate of 6.90% per annum and the remainder of which 1975 Bonds bear interest at the rate of 7.00% per annum; and

WHEREAS, under the provisions of Ordinance No. 1932 passed and approved June 25, 1973, authorizing the issuance of the 1973 Bonds and in such bonds, the City reserved the right to redeem any or all of the 1973 Bonds at par plus accrued interest on any semi-annual interest payment date on or after August 1, 1983; and

WHEREAS, under the provisions of Ordinance No. 2197 passed and approved March 17, 1975, authorizing the issuance of the 1975

Bonds and in such bonds, the City reserved the right to redeem any or all of the 1975 Bonds at par plus accrued interest on any semi-annual interest payment date on or after June 1, 1987; and

WHEREAS, the City is in urgent need of additional non-committed moneys during the calendar years 1976 and 1977 to meet certain emergent required expenditures, and in order to make such moneys available, it is necessary to restructure and reduce the debt service requirements during such years for its outstanding 1973 Bonds and 1975 Bonds which may be accomplished through the advance refunding of such bonds; and

WHEREAS, in addition to the governmental purpose for such advance refunding of the 1973 Bonds and 1975 Bonds, as aforesaid, it appears to the City Council after due consideration that all of the 1973 Bonds may be refunded and finally called for redemption on February 1, 1984, being six months after the first par call date, and that all of the 1975 Bonds may be refunded and finally called for redemption on December 1, 1987, being six months after the first par call date, by the issuance and sale of the bonds authorized herein (hereinafter called the "Refunding Bonds") so that a substantial saving to the City and its taxpayers will be effected by the issuance of the Refunding Bonds in a lesser principal amount and by the difference between the principal and interest cost over the life of the Refunding Bonds and the principal and interest cost over the life of such 1973 Bonds and 1975 Bonds; and

WHEREAS, in order to effect such refunding in the manner that will be most advantageous to the City and its taxpayers, it is hereby found necessary and advisable that certain "Acquired Obligations" (hereinafter identified) bearing interest and maturing at such times as necessary to pay the principal of and interest on the 1973 Bonds as the same shall become due and to redeem the remaining outstanding 1973 Bonds on February 1, 1984, being six months after the first par call date, and to pay the principal of and interest on the 1975 Bonds as the same shall become due and to redeem the remaining outstanding 1975 Bonds on December 1, 1987, being six months after the first par call date, be purchased out of the proceeds of the sale of the Refunding Bonds; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DO
ORDAIN, as follows:

Section 1. For the purpose of providing the moneys required to pay the principal of and interest on the 1973 Bonds coming due to and including February 1, 1984, and to redeem and retire on February 1, 1984, the outstanding 1973 Bonds maturing after February 1, 1984, and to pay the principal of and interest on the 1975 Bonds coming due to and including December 1, 1987, and to redeem and retire on December 1, 1987, the outstanding 1975 Bonds maturing after December 1, 1987, the City shall issue the Refunding Bonds in the aggregate principal amount of \$4,531,000.00.

The Refunding Bonds shall be dated April 1, 1976; shall be in denominations of \$5,000.00 each, except for bond numbered "1" which shall be in the denomination of \$1,000.00; and shall bear interest at the rates hereinafter set forth, payable on July 1, 1976, and semiannually thereafter on the first days of January and July of each year, interest to maturity being evidenced by coupons to be attached to the Refunding Bonds with full obligation on the part of the City to pay interest at the bond rate or rates from and after the bond maturity dates until the Refunding Bonds with interest are paid in full or funds sufficient to pay such Refunding Bonds with interest in full are on deposit in the bond redemption fund herein-after referred to, and the Refunding Bonds have been called for redemption. The Refunding Bonds shall be numbered, shall bear interest and shall mature on January 1 in each year as follows:

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Interest Rates</u>	<u>Years</u>
1 to 33	\$161,000	6.60%	1978
34 to 66	165,000	6.60%	1979
67 to 101	175,000	6.60%	1980
102 to 139	190,000	6.60%	1981
140 to 179	200,000	6.60%	1982
180 to 222	215,000	5.50%	1983
223 to 266	220,000	5.70%	1984
267 to 313	235,000	5.80%	1985
314 to 363	250,000	5.90%	1986
364 to 416	265,000	6.00%	1987
417 to 472	280,000	6.10%	1988
473 to 531	295,000	6.20%	1989
532 to 594	315,000	6.30%	1990
595 to 661	335,000	6.40%	1991
662 to 731	350,000	6.50%	1992
732 to 805	370,000	6.50%	1993
806 to 854	245,000	6.60%	1994
855 to 907	265,000	6.625%	1995

Both principal of and interest on the Refunding Bonds shall be payable in lawful money of the United States of America at either fiscal agency of the State of Washington in the Cities of Seattle, Washington, or New York, New York, solely out of the "Refunding Limited General Obligation Bond Fund, 1976" (herein called the "Bond Fund"), hereinafter created in the office of the City Treasurer.

Section 2. The City hereby reserves the right to redeem any or all of the Refunding Bonds outstanding in whole, or in part in inverse numerical order, at par plus accrued interest to the date of redemption on any semiannual interest payment date on or after January 1, 1987.

Notice of any call for redemption of any of the Refunding Bonds prior to their stated maturity dates shall be published at least once in the official newspaper of the City not less than thirty nor more than forty-five days prior to the call date. Notice of said

intended redemption shall also be mailed to Seattle-First National Bank at its main office in Seattle, Washington, or to the successor in business of said corporation, if any, at its main office. Interest on any Refunding Bond or Bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call.

In addition to such publication and mailing the City shall also mail notice of such intended redemption to Standard & Poor's Corporation and Moody's Investors Service, Inc., New York, New York, or to their successors, if any. The mailing of such notice shall not, however, be a condition precedent to the call of any of the Refunding Bonds for redemption, and failure to give such notice shall not affect the right of the City to redeem the Refunding Bonds called for redemption in the manner set forth in the preceding paragraph.

Section 3. The Refunding Bonds shall be designated "Refunding Limited General Obligation Bonds, 1976," and shall be in substantially the following form:

No. _____ \$5,000.00
(\$1,000.00 on Bond No. 1)

UNITED STATES OF AMERICA

STATE OF WASHINGTON

CITY OF BELLEVUE

REFUNDING LIMITED GENERAL OBLIGATION BOND, 1976

_____ %

KNOW ALL MEN BY THESE PRESENTS: That the City of Bellevue, Washington (hereinafter called the "City"), is justly indebted to and for value received hereby promises to pay to the bearer on the FIRST DAY OF JANUARY, 19__, the sum of

FIVE THOUSAND DOLLARS
(\$1,000.00 on Bond No. 1)

together with interest thereon at the rate of _____ % per annum, payable on July 1, 1976, and semiannually thereafter on the first days of January and July of each year, interest to maturity being evidenced by and payable upon the presentation and surrender of the attached interest coupons as they severally become due up to the bond maturity date and with full obligation on the part of the City to pay interest at the same rate from and after the bond maturity date until this bond with interest is paid in full or funds are available in the "Refunding Limited General Obligation Bond Fund, 1976" (hereinafter called the "Bond Fund"), for payment in full and the

bond has been duly called for redemption. Both principal of and interest on this bond are payable in lawful money of the United States of America at either fiscal agency of the State of Washington in the Cities of Seattle, Washington, or New York, New York.

The City reserves the right to redeem any or all of the bonds outstanding in whole, or in part in inverse numerical order, at par plus accrued interest to the date of redemption on any semiannual interest payment date on or after January 1, 1987.

Notice of any call for redemption of any of the bonds of this issue prior to their stated maturity dates shall be published at least once in the official newspaper of the City not less than thirty nor more than forty-five days prior to the call date. Notice of said intended redemption shall also be mailed to Seattle-First National Bank at its main office in Seattle, Washington, or to the successor in business of said corporation, if any, at its main office. In addition, notice of such intended redemption shall also be mailed to Standard & Poor's Corporation and Moody's Investors Service, Inc., New York, New York, or to their successors, if any, but the mailing of such notice to such corporations shall not be a condition precedent to the call of any of the bonds of this issue for redemption. Interest on any bond or bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call.

This bond is one of an issue of 907 bonds of like date, tenor and effect, except as to number, denomination, interest rate and date of maturity, in the aggregate principal amount of \$4,531,000.00, issued by the City pursuant to the provisions of Chapter 138, Laws of 1965, Ex. Ses., of the Legislature of the State of Washington, as amended, known as the "Refunding Bond Act" (RCW Chapter 39.53), for the purpose of refunding its outstanding "Limited General Obligation Bonds, 1973," originally issued by the City for general municipal purposes pursuant to Ordinance No. 1932 and its outstanding "Limited General Obligation Bonds, 1975," originally issued by the City for general municipal purposes pursuant to Ordinance No. 2197, all as provided in Ordinance No. _____, and is issued in full compliance with the ordinances of the City and the Constitution and laws of the State of Washington.

The City hereby irrevocably pledges itself to levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors therein upon all property in the City subject to taxation in amounts sufficient to pay the principal of and interest on the bonds of this issue

ATTEST:

(facsimile signature)

City Clerk

Section 4. The Refunding Bonds shall be printed or lithographed on good bond paper and shall be signed by the facsimile signature of the Mayor and attested by the manual signature of the City Clerk of the City, under the seal of the City, and the coupons shall bear the facsimile signatures of the Mayor and the City Clerk.

Section 5. The Bond Fund is hereby created and established in the office of the City Treasurer for the payment of the principal of and interest on the Refunding Bonds. All taxes collected for and allocated to the payment of the principal of and interest on the Refunding Bonds shall be deposited in the Bond Fund.

Section 6. The City hereby irrevocably pledges itself to levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors therein upon all property in the City subject to taxation in an amount sufficient to pay the principal of and interest on the Refunding Bonds 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 for the prompt payment of such principal and interest.

Section 7. The proceeds of the sale of the Refunding Bonds, exclusive of the accrued interest thereon which shall be paid into the Bond Fund, shall be used immediately upon the receipt thereof to discharge the obligations of the City under Ordinance No. 1932 passed and approved on June 25, 1973, authorizing the issuance of the 1973 Bonds and under Ordinance No. 2197 passed and approved on March 17, 1975, authorizing the issuance of the 1975 Bonds by providing for the payment as hereinafter set forth in this section of the principal of and interest on the 1973 Bonds and 1975 Bonds. To the extent practicable the City shall discharge such obligations by the purchase of Federal National Mortgage Association Debentures (FNMA), Federal National Mortgage Association Capital Debentures (FNMACD), Federal Land Bank Bonds (FLB), Federal Home Loan Bank Bonds (FHLB), Bank for Cooperatives Bonds (BC) and Federal Intermediate Credit Bank Bonds (FICB) ("Acquired Obligations") bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide for the payment of the principal of and interest on the 1973 Bonds which will become due and payable on or before February 1, 1984, and the redemption price payable on February 1, 1984, for the principal of the 1973 Bonds maturing after February 1, 1984, and the principal of and interest on the 1975 Bonds which will become due and payable on or before December 1, 1987, and the redemption price payable on December 1, 1987, for the principal of the 1975 Bonds maturing after December 1, 1987. Such Acquired Obligations and the prices to be paid for the same are more particularly described in the proposal of Seattle-First National Bank hereinafter referred to.

Such Acquired Obligations shall be irrevocably deposited with Seattle-First National Bank (Corporate Trust Division), Seattle, Washington (hereinafter called the "Refunding Trustee"). Any amounts described in this section which are not provided for in full by the purchase and deposit of the Acquired Obligations described in this section shall be provided for by the irrevocable deposit of a portion of the proceeds of sale of the Refunding Bonds or other moneys of the City with the aforesaid Refunding Trustee.

Section 8. The City hereby irrevocably calls for redemption on February 1, 1984, all of the outstanding 1973 Bonds maturing after February 1, 1984, and on December 1, 1987, all of the outstanding 1975 Bonds maturing after December 1, 1987, at par plus accrued interest to such dates of redemption. Such calls for redemption shall be irrevocable after the delivery of the Refunding Bonds to the initial purchaser thereof.

The City Clerk and Refunding Trustee are hereby authorized and directed to give notice of the redemption of the 1973 Bonds in accordance with the provisions of Ordinance No. 1932 pertaining to the 1973 Bonds and to give notice of the redemption of the 1975 Bonds in accordance with the provisions of Ordinance No. 2197 pertaining to the 1975 Bonds.

The Refunding Trustee is hereby authorized and directed to pay the principal of and interest on the 1973 Bonds and 1975 Bonds when due from the Acquired Obligations and moneys deposited with the Refunding Trustee pursuant to the previous section of this ordinance. All Acquired Obligations and the moneys deposited with the Refunding Trustee and any income therefrom shall be held, invested and applied in accordance with the provisions of Ordinance No. 1932 pertaining to the 1973 Bonds, Ordinance No. 2197 pertaining to the 1975 Bonds, this ordinance and with the statutes of the State of Washington.

All necessary and proper fees, compensation and expenses of the Refunding Trustee for the Refunding Bonds and all other costs incidental to the refunding of the 1973 Bonds and 1975 Bonds, including, but not limited to, reasonable charges of bond counsel, rating services and bond printing, shall be paid when due by the initial purchaser of the Refunding Bonds. The proper officers and agents of the City are directed to obtain from the Refunding Trustee an agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the redemption and retirement of the 1973 Bonds and 1975 Bonds as provided herein and stating that such provisions for the payment of the fees, compensation and expenses of such Refunding Trustee are satisfactory to it.

In order to carry out the purposes of the preceding section of this ordinance and this section, the Mayor and City Clerk of the City are authorized and directed to execute and deliver to Seattle-First National Bank (Corporate Trust Division), Seattle, Washington, an agreement substantially in the form attached hereto, marked "Exhibit A," and by this reference thereto made a part of this ordinance.

Section 9. In the event that moneys and/or "Government Obligations," as such Obligations are defined in Ch. 39.53 RCW, as now or hereafter amended, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such moneys, if necessary) sufficient to redeem and retire the Refunding Bonds in accordance with their terms, are set aside in the Bond Fund of the City to effect such redemption and retirement, and such moneys and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Refunding Bonds, and the Refunding Bonds and the coupons appurtenant thereto shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the moneys so set aside and pledged, and the Refunding Bonds and such coupons shall be deemed not to be outstanding hereunder.

Section 10. The City hereby covenants that it will not make any use of the proceeds of the sale of the Refunding Bonds or any other funds of the City which may be deemed to be proceeds of such Refunding Bonds pursuant to Section 103(d)(2) of the Internal Revenue Code and the applicable Regulations thereunder which, if such use had been reasonably expected on the date of delivery of the Refunding Bonds to the initial purchaser thereof, would have caused the Refunding Bonds to be "arbitrage bonds" within the meaning of said section and said Regulations. The City will comply with the requirements of subsection (d) of Section 103 of the Internal Revenue Code and the applicable Regulations thereunder throughout the term of the Refunding Bonds.

The City Council hereby finds and determines that the issuance and sale of the Refunding Bonds at this time will effect a saving to the City and its taxpayers. In making such finding and determination the City Council has given consideration to the reduction in the principal amount of the Refunding Bonds and to the interest to the fixed maturities of the Refunding Bonds and the 1973 Bonds and 1975 Bonds being refunded, the costs of issuance of the Refunding Bonds and the known earned income from the investment of the proceeds of sale of the Refunding Bonds pending redemption of the 1973 Bonds and 1975 Bonds.

The City Council hereby further finds and determines that the moneys and Acquired Obligations to be deposited with the Refunding Trustee for the 1973 Bonds and 1975 Bonds in accordance with Section 7 of this ordinance will discharge and satisfy the obligations of the City under Ordinance No. 1932 authorizing the issuance of the 1973 Bonds and Ordinance No. 2197 authorizing the issuance of the 1975 Bonds and the pledges, charges, trusts, covenants and agreements of the City therein made or provided for as to said 1973 Bonds and 1975 Bonds and that said 1973 Bonds and 1975 Bonds shall no longer be deemed to be outstanding under said Ordinances Nos. 1932 and 2197, respectively, immediately upon the deposit of such moneys and Acquired Obligations with the Refunding Trustee.

Section 11. The action of the City Council of the City heretofore taken accepting on February 23, 1976, the written offer of Seattle-First National Bank (Bank Investment Division), Seattle, Washington, to purchase the Refunding Bonds and to sell to the City the Acquired Obligations under the terms and conditions thereof as provided in said offer and in this ordinance is hereby in all respects ratified and confirmed, and such written offer on file with the City Clerk of the City is by this reference incorporated herein and made a part hereof.

The proper City officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Refunding Bonds to said purchaser and for the proper application and use of the proceeds of the sale thereof.

Section 12. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Refunding Bonds.

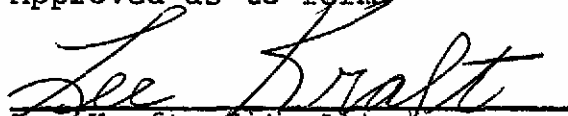
Section 13. This ordinance shall take effect and be in force five days after its passage, approval and legal publication.

PASSED by the City Council at a regular open public meeting thereof this 8th day of March, 1976, and signed in authentication of its passage this 8th day of March, 1976.



M. F. Vanik, Mayor

Approved as to form:



Lee Kraft, City Attorney

Attest:



Patricia K. Weber, City Clerk

Published March 18, 1976