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ORDINANCE NO. 4980

AN ORDINANCE of the City Council of Bellevue, Washington, authorizing the issuance and sale of a Local Improvement District No. 277 Bond Anticipation Note in the principal amount of \$172,000 for the purpose of repaying outstanding bond anticipation notes; providing the form, terms, conditions and covenants of the note; accepting an offer for the purchase of the note; and providing for the disposition of the proceeds of the sale of the note.

WHEREAS, the City Council of Bellevue, Washington (the "City"), by Ordinance No. 3754 passed on February 17, 1987, created Local Improvement District No. 277 (the "District"), created a special fund of the City (the "LID Fund"), and provided for the issuance of local improvement district bonds and interim short-term obligations to pay the cost of improvements in the District and the expenses incidental thereto; and

WHEREAS, Chapter 39.50 of the Revised Code of Washington authorizes the City to issue short-term obligations to provide short-term financing in anticipation of the sale of its local improvement district bonds; and

WHEREAS, on September 6, 1990, the City issued \$5,140,474.56 of Local Improvement District No. 277 Bonds, 1990 to pay for a portion of the costs of improvements in the District; and

WHEREAS, an appeal of a portion of the assessments in the District was filed, which prevented the City from issuing bonds in the full amount of the assessments to be paid over time; and

WHEREAS, the City currently has outstanding \$320,000 principal amount of Local Improvement District No. 277 Bond Anticipation Notes (the "Outstanding Notes"), which were issued to cover the amount of assessments that were appealed, and that mature on April 1, 1997; and

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WHEREAS, it is deemed necessary and desirable that the City, in order to repay a portion of the principal of and interest on the Outstanding Notes on April 1, 1997, issue and sell short-term obligations in the form of a local improvement district bond anticipation note in the principal amount of \$172,000 pending the issuance and sale of additional local improvement district bonds of the City;

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

Section 1. Definitions. As used in this ordinance the following terms shall have the following meanings, unless a different meaning clearly appears from the context:

"Bank" means Key Bank of Washington, Tacoma, Washington.

"Bonds" means the Local Improvement District No. 277 Bonds to be issued to pay and redeem the Note or any refunding note or notes.

"City" means Bellevue, Washington, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of Washington.

"Council" means the general legislative authority of the City as the same shall be duly and regularly constituted from time to time.

"District" means Local Improvement District No. 277 of the City.

"LID Fund" means the Local Improvement District No. 277 Project Fund within the Local Improvement District Fund created by Ordinance No. 3754 of the City.

"Note" means the Local Improvement District No. 277 Bond Anticipation Note issued pursuant to and for the purposes provided in this ordinance.

"Note Register" means the books or records maintained by the Note Registrar for the purpose of registration of the Note.

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"Note Registrar" means the Finance Director of the City for the purpose of registering and authenticating the Note, maintaining the Note Register, effecting transfer of ownership of the Note, and paying principal of and interest on the Note.

"Outstanding Notes" means the Local Improvement District No. 277 Bond Anticipation Notes dated April 1, 1995 and outstanding in the principal amount of \$320,000.

Section 2. Authorization of the Bonds. The issuance and sale of the Bonds in such form and with such terms, conditions, covenants, dates, interest rates, maturities and other details as shall hereafter be determined by ordinance, as heretofore authorized by Ordinance No. 3754, is hereby affirmed. The proceeds of the Bonds shall be paid into the LID Fund and shall be applied to the extent necessary, together with other available funds, to pay and redeem the Note.

Section 3. Authorization of the Note. In anticipation of the issuance of the Bonds the City shall, for the purpose of repaying a portion of the Outstanding Notes, issue a short-term obligation in the principal amount of \$172,000. Said short-term obligation shall be designated the "Bellevue, Washington, Local Improvement District No. 277 Bond Anticipation Note, 1997," shall be dated the date of its delivery to the Bank and shall be in registered form.

The Note shall be in the denomination of \$172,000, shall mature on December 1, 2002, and shall bear interest at the variable rate per annum of 51.88% of the prime rate of Key Bank of Washington, Tacoma Washington (the "Bank") (the prime rate announced by the Bank from time to time), payable on December 1, 1997 and on each June 1 and December 1 thereafter and at maturity or prepayment thereof, and shall be calculated based on a 360-day year.

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The City shall be obligated to pay interest at the same rate on the Note from and after the maturity date thereof until the Note shall have been paid in full or funds shall have been duly provided in the LID Fund for such payment in full.

The Finance Director shall act as registrar for the Note. Interest on the Note shall be paid by check drawn on the Note Registrar and mailed (on the date due) to the registered owner of the Note as shown on the books of the Note Registrar. The principal on the Note shall be payable in lawful money of the United States of America at the office of the Note Registrar.

Section 4. Redemption of the Note. Both the principal of and interest on the Note are payable solely from the proceeds of the sale of the Bonds or refunding bond anticipation notes to be issued by the City, from assessments and interest thereon levied in the District to pay the costs and expenses of the improvements in the District or from the Local Improvement Guaranty Fund of the City or any other lawfully available funds. The City hereby covenants with the owner(s) of the Note that it will issue the Bonds, refunding bond anticipation notes, or a combination of the foregoing in an amount sufficient, with any assessments, to pay when due the principal of and interest on the Note and will thereupon redeem the Note. To the extent that there are not sufficient amounts from these sources to repay the Note, the City covenants that it will include in its budget and levy an ad valorem tax, within the tax millage levy permitted to cities without a vote, upon all of the property within the City subject to taxation, in an amount sufficient to pay the Note.

Section 5. Right of Prior Redemption. The City has reserved the right to call and redeem the Note in whole or in part at any time upon at least 5 days notice mailed by first class mail to the registered owner of the Note at the address appearing on the Note Register. Interest on the Note so called for redemption shall cease to accrue on the date fixed for redemption.

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Section 6. Form of the Note. The Note shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. 1

\$172,000

STATE OF WASHINGTON
CITY OF BELLEVUE
LOCAL IMPROVEMENT DISTRICT NO. 277
BOND ANTICIPATION NOTE, 1997

REGISTERED OWNER: KEY BANK OF WASHINGTON

MATURITY DATE: December 1, 2002

PRINCIPAL AMOUNT: One Hundred and Seventy Two Thousand Dollars

Bellevue, Washington (the "City"), a municipal corporation organized and existing under and by virtue of the laws of the State of Washington, hereby acknowledges itself indebted and for value received promises to pay to the Registered Owner on the Maturity Date indicated above, the Principal Amount specified above, together with interest thereon from the date hereof at the variable rate per annum of 51.88% of the prime rate of Key Bank of Washington, Tacoma Washington (the "Bank") (the prime rate announced by the Bank from time to time), payable on December 1, 1997 and on each June 1 and December 1 thereafter, or until such Principal Amount shall have been paid or payment duly provided for. Interest shall be calculated based on a 360-day year.

Both principal of and interest on this note are payable solely from the proceeds of Local Improvement District No. 277 bonds or refunding bond anticipation notes to be issued by the City; from assessments and interest thereon levied in Local Improvement District No. 277 to pay the total costs and expenses of the improvements therein; from other lawfully available money; and from the Guaranty Fund of the City. Payment of principal shall be made to the owner hereof at the office of the Finance Director of the City in Bellevue, Washington, out of the Local Improvement District No. 277 Fund of the City created by Ordinance No. 3754 of the City. Interest on this note shall be paid by check drawn on the Note Registrar and mailed (on the date due) to the Registered Owner as shown on the books of the Note Registrar. Reference is made to an ordinance of the City passed on March 17, 1997 (the "Note Ordinance") for definitions of other defined terms used herein.

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The City has reserved the right to call and redeem this note in whole or in part at any time upon at least 5 days notice mailed by first class mail to the registered owner. Interest shall cease to accrue on the date fixed for redemption.

The City hereby covenants with the owner of this note that it will issue bonds of Local Improvement District No. 277 or refunding bond anticipation notes in an amount sufficient, with any available assessments, to pay the principal of and interest on this note when due and will thereupon redeem this note. To the extent that there are not sufficient amounts from these sources to repay the Note, the City covenants that it will include in its budget and levy an ad valorem tax, within the tax millage levy permitted to cities without a vote, upon all of the property within the City subject to taxation, in an amount sufficient to pay the Note.

This note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Note Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Note Registrar.

It is hereby certified and declared that this note is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and duly adopted ordinances of the City, and that all acts, conditions and things required to have happened, been done, and performed precedent to and in the issuance of this note have happened, been done, and performed.

IN WITNESS WHEREOF, Bellevue, Washington, has caused this note to be executed on behalf of the City by the manual or facsimile signature of the Mayor, to be attested by the manual or facsimile signature of the City Clerk, and the official seal of the City to be impressed or imprinted hereon this ____ day of March, 1997.

CITY OF BELLEVUE, WASHINGTON

By _____
Mayor

ATTEST:

Clerk of the Council

(S E A L)

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CERTIFICATE OF AUTHENTICATION

This note is described in the within-mentioned Note Ordinance and is the Local Improvement District No. 277 Bond Anticipation Note, 1997 of Bellevue, Washington, dated _____, 1997.

Finance Director, Note Registrar

By _____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

(Please print or typewrite name and address, including zip code, of Transferee)

the within note and does hereby irrevocably constitute and appoint _____, of _____ or its successor, as registrar to transfer said note on the books kept for registration thereof with full power of substitution in the premises.

DATED: _____

SIGNATURE GUARANTEED:

Notice: Signature(s) must be guaranteed pursuant to law.

NOTE: The signature of this Assignment must correspond with the name of the registered owner as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.

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Section 7. Execution of the Note. The Note shall be signed on behalf of the City by the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the Clerk of the City, and shall have the official seal of the City impressed or imprinted thereon.

Only such Note as shall bear thereon a Certificate of Authentication in the form herein before recited, manually executed by the Note 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 Note has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

Section 8. Application of Proceeds of Sale of the Notes. The principal proceeds of the sale of the Note shall be paid to the City and deposited into the Note Redemption Account of the LID Fund and applied to pay \$172,000 of the principal of the Outstanding Notes on April 1, 1997.

Section 9. Sale of the Note. The City hereby accepts the offer of Key Bank of Washington, Tacoma, Washington, dated March 17, 1997, to purchase the Note in accordance with the terms contained in this ordinance and said offer.

The appropriate City officials are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Note and for the proper application and use of the proceeds thereof.

Section 10. Note Not Arbitrage Bond or Private Activity Bond. The City covenants and agrees that throughout the term of the Note no part of the proceeds of the Note or any other money or obligations held under this ordinance shall at any time be used for any purpose or invested in such a manner, nor shall the City take any other action, which would cause the Note to be (i) an "arbitrage

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bond" under the Internal Revenue Code of 1986, as amended, and applicable regulations (the "Code") or (ii) a "private activity bond" under the Code.

Section 11. Special Designation. The City hereby designates the Note as a "qualified tax-exempt obligation" pursuant to Section 265(b) of the Code.

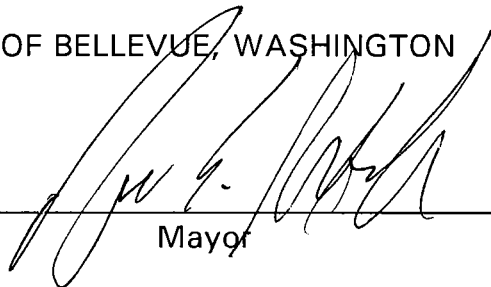
Section 12. Prior Acts. Any act taken pursuant to the authority of this ordinance but prior to its effective date is hereby ratified and confirmed.

Section 13. Effective Date. This ordinance shall become effective five days after its passage and publication as required by law.

PASSED by the City Council of the City of Bellevue this 17th day of March, 1997 and signed in authentication of its passage this 17th day of March, 1997.

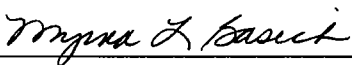
CITY OF BELLEVUE, WASHINGTON

By

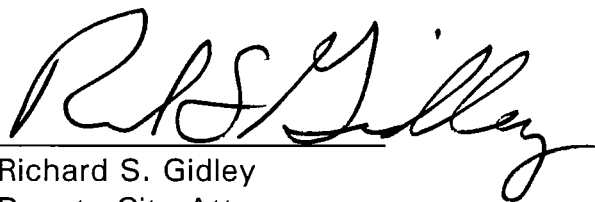


Mayor

ATTEST:


City Clerk

APPROVED AS TO FORM:


Richard S. Gidley
Deputy City Attorney

Published March 21, 1997

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CERTIFICATE OF CLERK

I DO HEREBY CERTIFY that I am the duly chosen, qualified and acting City Clerk of the City of Bellevue, Washington (the "City"), and keeper of the records of the City; and

I HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. 4980 of the City (the "Ordinance"), as finally adopted at a regular meeting of the City Council held on the 17th day of March, 1997 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 was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the adoption of the Ordinance; that all other requirements and proceedings incident to the proper adoption of the 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 17th day of March, 1997.



City Clerk

(SEAL)