

ORIGINAL

ORDINANCE NO. 2018

AN ORDINANCE RELATING TO THE INCURRENCE OF INDEBTEDNESS; PROVIDING FOR THE SALE AND ISSUANCE OF \$1,370,000 LIMITED TAX GENERAL OBLIGATION NOTES, 1999, TO REFUND ON A CURRENT BASIS, THE CITY'S LIMITED TAX GENERAL OBLIGATION NOTES, 1997; PROVIDING FOR THE DATE, DENOMINATIONS, FORM, TERMS, REGISTRATION PRIVILEGES, MATURITY, INTEREST RATE AND COVENANTS OF THE NOTES; PROVIDING FOR THE ANNUAL LEVY OF TAXES TO PAY THE PRINCIPAL THEREOF AND THE INTEREST THEREON; ESTABLISHING A DEBT SERVICE FUND FOR THE NOTES; AND PROVIDING FOR THE SALE AND DELIVERY OF SUCH NOTES TO NATIONSBANC MONTGOMERY SECURITIES LLC.

WHEREAS, the City of Redmond (the "City") purchased certain real property from the United States government for city purposes, located at 9551 N.E. Avondale Road in the City (the "Property").

WHEREAS, pursuant to Ordinance No. 1951, passed by the City Council and approved by the Mayor on September 2, 1997, the City issued and sold its Limited Tax General Obligation Notes, 1997 (the "1997 Notes") for the purpose of providing part of the costs necessary to purchase the Property; and

WHEREAS, the City reserved the right in Ordinance No. 1951 to prepay the 1997 Notes prior to maturity;

WHEREAS, the current refunding and defeasance of the 1997 Notes is necessary to extend the maturity of the financing on the Property;

WHEREAS, the incurrence of indebtedness by the City will not cause the total indebtedness of the City to be incurred without the assent of the voters of the City to exceed the limitations set forth in Chapter 39.36 RCW; and

WHEREAS, pursuant to Chapter 39.53 RCW, the City is authorized to sell and issue, without an election, limited tax general obligation notes to refund, on a current basis, the 1997 Notes; and

WHEREAS, NationsBanc Montgomery Securities LLC (the "Purchaser") has offered, by way of the Purchase Agreement (the "Purchase Agreement"), to purchase such limited tax general obligation notes upon the terms and conditions hereinafter set forth; NOW, THEREFORE,

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

Section 1. Finding, Purpose and Description of Notes. The City authorizes the sale and issuance of its "Limited Tax General Obligation Notes, 1999" (the "Notes") for the purpose of providing the funds necessary to refund on a current basis and defease the 1997 Notes and to pay certain costs related to the sale and issuance of the Notes (the "Project").

The Notes shall be in the aggregate principal amount of \$1,370,000; shall be dated the date of issue; shall mature on April 1, 2001; shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date at the rate of 3.65 percent per annum, payable on April 1, 2000, and at maturity or earlier redemption. The Notes shall be issued in fully registered form as to both principal and interest; shall be in the denomination of \$100,000 each or any integral multiple thereof, except that one Note ("Note No. 1") be in the denomination of \$170,000 or \$100,000 or any integral multiple thereof, plus \$70,000; shall be numbered

separately in such manner and with any additional designation as the fiscal agencies of the State of Washington (the "Registrar"), deem necessary for purposes of identification.

If any Note is not paid upon proper presentment at its maturity date, the City shall have the obligation to pay interest at the same rate from and after such maturity or earlier redemption date until such Note, both principal and interest, is paid in full.

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

On the date of issue of the Notes, the Notes shall be issued in the form of a single certificate, which certificate shall be registered in the name of The Depository Trust Company or any successor thereto engaged to operate a book-entry system for recording the beneficial ownership of the Notes, as Custodian (the "Custodian"), or its nominee, and delivered to the Custodian. The Custodian shall hold such Note certificate in fully immobilized form for the benefit of the beneficial owners of the Notes (the "Beneficial Owners") pursuant to the Letter of Representations (the "Letter of Representations"), from the City and the Registrar to the Custodian pertaining to the payment of the Notes and the book-entry system, until the earliest to occur of either (1) the date of maturity of the Notes evidenced by such certificate, at which time the Custodian shall surrender such certificate to the Registrar for payment of the principal of and interest on such Notes coming due on such date, and the cancellation thereof; (2) the fifth business day following the date of receipt by the Registrar of the City's request to terminate the book-entry system of registering the beneficial ownership of the Notes (the "Book-Entry Termination Date"); or (3) the date the City determines to utilize a new Custodian for the Notes, at which time the old Custodian shall (provided the City is not then in default of any payment

then due on the outstanding Notes) surrender the immobilized certificates to the Registrar for transfer to the new Custodian and cancellation as herein provided.

For so long as any outstanding Notes are registered in the name of the Custodian or its nominee and held by the Custodian in fully immobilized form as described in this Section 2, the rights of the Beneficial Owners shall be evidenced solely by an electronic and/or manual entry made from time to time on the records established and maintained by the Custodian in accordance with the Letter of Representations, and no certificates evidencing such Notes shall be issued and registered in the name of any Beneficial Owner or such Beneficial Owner's nominee.

The City may terminate the "book-entry" system of registering ownership of the Notes at any time (provided the City is not then in default of any payment then due on the outstanding Notes) by delivering to the Registrar: (a) a written request that it issue and deliver Note certificates to each Beneficial Owner or such Beneficial Owner's nominee on the Book-Entry Termination Date; (b) a list identifying the Beneficial Owners as to both name and address; and (c) a supply of Note certificates, if necessary for such purpose. Upon surrender to the Registrar of the immobilized certificates evidencing all of the then outstanding Notes, the Registrar shall issue and deliver new certificates to each Beneficial Owner or such Beneficial Owner's duly appointed agent, naming such Beneficial Owner or such Beneficial Owner's nominee as the Owner thereof. Such certificates may be in any integral multiple of \$100,000, except for Note No. 1 which shall be in the denomination of \$170,000 or \$100,000 or any integral multiple thereof plus \$70,000. Following such issuance, the Owners of such Notes may transfer and exchange such Notes in accordance with Section 7 hereof.

Neither the City nor the Registrar shall have at any time any responsibility or liability to any Beneficial Owner of any Notes or to any other person for any error, omission, action or failure to act on the part of the Custodian with respect to payment, when due, to the Beneficial Owner of the principal and interest on the Notes, proper recording of beneficial ownership of Notes, proper transfers of such beneficial ownership, or any notices to Beneficial Owners or any other matter pertaining to the Notes.

Section 2. Place, Manner and Medium of Payment. Both principal of and interest on the Notes shall be payable in lawful money of the United States of America. Prior to the Book-Entry Termination Date, the principal and interest on the Notes shall be paid by the Registrar to the Custodian as the Owner (hereinafter defined) thereof, for the benefit of the Beneficial Owners thereof, in accordance with the Letter of Representations. From and after the Book-Entry Termination Date, interest on the Notes shall be paid by check or draft mailed by the Registrar on or before the interest payment date, to the persons who are named as the registered owners of the Notes (the "Owners") on the registration books for the Notes maintained by the Registrar (the "Note Register") on the fifteenth day of the month preceding the interest payment date, and upon presentation and surrender of the Notes at maturity or earlier redemption. From and after the Book-Entry Termination Date, principal of the Notes shall be payable only upon presentation and surrender of the Notes by the Owners upon maturity or earlier redemption at the principal corporate trust office of the Registrar.

Section 3. Redemption; Open Market Purchase. The Notes shall be subject to optional redemption prior to maturity, in whole or in part on any date commencing October 1, 1999 (by lot in such manner as the Registrar shall determine), at a redemption price of par, plus accrued interest to the date fixed for redemption.

Any Note in the principal amount of greater than \$100,000 may be partially redeemed in any integral multiple of \$100,000, except that if Note No 1 is partially redeemed, the remaining aggregate principal amount of Note No. 1 after such redemption shall be in the denomination of \$170,000 or \$100,000 or any integral multiple thereof plus \$70,000. In such event, upon surrender of such Note at the principal corporate trust office of the Registrar, a new Note or Notes (at the option of the Owner) of the same maturity and interest rate and in the aggregate principal amount remaining unredeemed shall be authenticated and delivered to the Owner, without charge to the Owner therefor, in any denomination authorized by this Ordinance and selected by the Owner.

Prior to the Book-Entry Termination Date, the Registrar shall give, or cause to be given, notice of a call for redemption of any Notes to the Custodian, as the Owner thereof, for the benefit of the Beneficial Owners thereof, in accordance with the Letter of Representations. From and after the Book-Entry Termination Date, and unless waived by the Owner of any Note to be redeemed, notice of any such intended redemption shall be given by or on behalf of the City not less than 30 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Owner of each Note to be redeemed at the address appearing on the Note Register on the day the notice is mailed. 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. In addition, such redemption notice shall be mailed within the same time period, postage prepaid, to such other persons, including registered securities depositories, and with such additional information as the City Finance Director shall deem appropriate, but such additional notice shall not be a condition precedent to the redemption of such Notes.

If such notice to the Owners shall have been given and the City shall have set aside sufficient money for the payment of all Notes called for redemption on the date fixed for redemption, the Notes so called shall cease to accrue interest after such redemption date, and all such Notes shall be deemed not to be outstanding hereunder for any purpose, except that the Owners thereof shall be entitled to receive payment of the redemption price and interest accrued on the principal of the Notes to the redemption date from the money set aside for such purpose.

The City reserves the right to purchase any or all of the Notes on the open market at any time and at any price. All Notes purchased by the City shall be surrendered to the Registrar for cancellation.

Section 4. Debt Limit Not Exceeded. The City finds and covenants that the Notes are issued within all constitutional and statutory debt limitations presently applicable to the City.

Section 5. Pledge of Full Faith, Credit and Resources. The Notes are limited tax general obligations of the City. Unless the principal of and interest on the Notes are paid from other sources, including, but not limited to, the proceeds of the sale of the Property, so long as any Notes are outstanding, the City hereby irrevocably covenants to include in its budgets and to make annual levies of taxes upon all property within the City subject to taxation without a vote in amounts which, together with any other money legally available therefor, shall be sufficient to pay such principal and interest as the same shall become due. The City hereby irrevocably pledges its full faith, credit and resources to the annual levy and collection of such taxes and for the prompt payment of such principal and interest. All of such taxes shall be paid into the Note Fund hereinafter created.

The City hereby irrevocably covenants that the annual tax provided for herein to be levied for the payment of the principal of and interest on the Notes shall be within and as a part of the tax levy permitted the City without a vote of the people and that a sufficient portion of each such annual tax levy to be made so long as the Notes are outstanding, together with any other money legally available therefor, shall be and is hereby set aside, pledged and appropriated for the payment of the principal of and interest on the Notes as the same shall become due.

Section 6. Form of Notes. The Notes shall be typewritten, printed, lithographed or multicopied on good bond paper in a form consistent with this Ordinance and Washington law.

Section 7. Execution of Notes. The Notes shall be signed on behalf of the City with the facsimile or manual signatures of the Mayor and the City Clerk, and shall have the seal of the city impressed or a facsimile thereof imprinted thereon.

In case either or both of the officers who shall have executed any Note shall cease to be such officer or officers of the City before the Note so signed shall have been authenticated or delivered by the Registrar or issued by the City, such Note nevertheless may 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 Note also may be signed and attested on behalf of the City by such persons as at the actual date of execution of such Note shall be the proper officers of the City although at the original date of such Note such persons were not such officers of the City.

Section 8. Authentication and Delivery of Notes by Registrar. The Registrar is authorized and directed, on behalf of the City, to authenticate and deliver Notes initially issued or transferred or exchanged in accordance with the provisions of such Notes and this Ordinance.

Only such Notes as shall bear thereon a "Certificate of Authentication" manually executed by an authorized signatory of the 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 Notes so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Ordinance.

The Registrar shall be responsible for the representations contained in the Certificate of Authentication on the Notes.

Section 9. Registration. The Registrar shall keep, or cause to be kept, the Note Register at the principal corporate trust office of the Registrar.

The City and each Registrar, in its discretion, may deem and treat the Owner of each Note as the absolute owner thereof for all purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary. Payment of any such Note shall be made only as described in Section 2 hereof, but such registration may be transferred as herein provided. All such payments made as provided in Section 2 hereof shall be valid and shall satisfy and discharge the liability of the City upon such Note to the extent of the amount or amounts so paid.

The registered ownership of any Note may be transferred. Prior to the Book-Entry Termination Date, the beneficial ownership of the Notes may only be transferred on the records established and maintained by the Custodian. On and after the Book-Entry Termination Date, no transfer of any Note shall be valid unless it is surrendered at any principal corporate trust office of the Registrar, with the assignment form appearing on such Note duly executed by the Owner or such Owner's duly authorized agent, in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Note and shall authenticate and deliver, without charge to the Owner or transferee therefor (other than any governmental fees or

taxes payable on account of such transfer), a new Note or Notes (at the option of the new Owner), of the same maturity and interest rate and for the same aggregate principal amount, in any authorized denomination, naming as Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Note, in exchange for such surrendered and cancelled Note.

From and after the Book-Entry Termination Date, any Note may be surrendered at the principal corporate trust office of the Registrar and exchanged, without charge, for an equal aggregate principal amount of Notes, in any authorized denomination. The Registrar shall not be obligated to transfer or exchange any Note during the 15 days preceding the interest payment, maturity or redemption date.

The Registrar may become the Owner of any Note with the same rights it would have if it were not a Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners of the Notes.

The City covenants that, until all Notes shall have been surrendered and cancelled, it will maintain a system of recording the ownership of each Note that complies with the provisions of the Internal Revenue Code of 1986, as amended (the "Code").

Section 10. Mutilated, Lost, Stolen or Destroyed Notes. If any Note becomes mutilated; lost, stolen or destroyed, the Registrar may authenticate and deliver a new Note of the same maturity and interest rate and of like tenor and effect in substitution therefor, all in accordance with law. If such mutilated, lost, stolen or destroyed Note has matured, the City at its option, may pay the same without the surrender thereof. However, no such substitution or payment shall be made unless and until the applicant shall furnish (a) evidence satisfactory to the

Registrar of the destruction or loss of the original Note and of the ownership thereof, and (b) such additional security, indemnity or evidence as may be required by or on behalf of the City. No substitute Note shall be furnished unless the applicant shall reimburse the City and the Registrar for their respective expenses in the furnishing thereof. Any such substitute Note so furnished shall be equally and proportionately entitled to the security of this Ordinance with all other Notes issued hereunder.

Section 11. Defeasance. If money and/or “Government Obligations” (as such obligations are defined in Chapter 39.53 RCW, as now in existence or hereafter amended) maturing at such times(s) and bearing such interest to be earned thereon (without any reinvestment thereof) as will provide a series of payments which shall be sufficient, together with any money initially deposited, to provide for the payment of the principal of and interest on all or a portion of the Notes, when due in accordance with their terms and in accordance with a refunding plan adopted by the City, are set aside in a special fund (hereinafter called the “trust account”) to effect such payment and are pledged irrevocably for the purpose of effecting such payment, then no further payments need be made into the Note Fund for the payment of the principal of and the interest on such Notes, the Owners thereof shall cease to be entitled to any lien, benefit or security of this ordinance except for the right to receive the money and the principal and interest proceeds on the obligations set aside in the trust account, and such Notes shall no longer be deemed to be outstanding hereunder.

Section 12. Sale of the Notes. The Purchaser has presented the Purchase Agreement to the City pursuant to which the Purchaser has offered to purchase the Notes, under the terms and conditions provided in the Purchase Agreement, which written Purchase Agreement is on file with the City Clerk and is incorporated herein by this reference. The City

Council finds that entering into the Purchase Agreement is in the City's best interest and therefore accepts the offer contained in the Purchase Agreement and authorizes the execution of the Purchase Agreement by City officials.

The Notes will be printed or multicopied at City expense and will be delivered to the Purchaser in accordance with the terms of the Purchase Agreement with the approving legal opinion of Gottlieb, Fisher & Andrews, PLLC, bond counsel of Seattle, Washington, relative to the issuance of the Notes, printed on or attached to each Note. Bond counsel has not been engaged to participate in the preparation or review of, or express any opinion concerning the completeness or accuracy of the official statement or other disclosure documentation used in connection with the offer or sale of the Notes by any person, and bond counsel's opinion shall so state Bond counsel has not been retained to monitor, and shall not be responsible for monitoring, the City's compliance with any federal law or regulations to maintain the tax-exempt status of the interest on the Notes.

Section 13. Delivery of Notes; Temporary Notes. The proper City officials are authorized and directed to execute and/or approve, as appropriate, all documents, including but not limited to, the final Official Statement pertaining to the Notes, and to do everything necessary for the preparation and delivery of a transcript of proceedings pertaining to the Notes, and the printing, execution and prompt delivery of the Notes to the Purchaser and for the proper application and use of the proceeds of the sale thereof.

If definitive Notes are not ready for delivery by the date established for closing (the "Closing"), the City Finance Director, upon the approval of the Purchaser, may cause to be issued and delivered to the Purchaser one or more temporary Notes with appropriate omissions, changes and additions. Any temporary Note or Notes shall be entitled and subject to the same

benefits and provisions of this ordinance with respect to the payment, security and obligation thereof as definitive Notes authorized hereby. Such temporary Note or Notes shall be exchangeable without cost to the Owners thereof for definitive Notes when the latter are ready for delivery.

Section 14. Establishment of Note Fund; Application of Note Proceeds. There is hereby created and established in the office of the City Finance Director a special fund to be designated as the “Limited Tax General Obligation Note Fund, 1999” (the “Note Fund”).

The accrued interest on the Notes, if any, received by the City upon the sale of the Notes shall be deposited into the Note Fund and shall be applied to the payment of interest coming due on the Notes. Net principal proceeds of the sale of the Notes shall be deposited, upon receipt, in the Limited Tax General Obligation Note Fund, 1997 and used to pay on the redemption date for the 1997 Notes the redemption price of the 1997 Notes equal to the principal amount of the 1997 Notes and interest accrued to the date of redemption. The remaining net principal proceeds of the sale of the Notes shall be deposited in the Coast Guard Property Acquisition Project Fund to pay the costs related to the issuance of the Notes.

Section 15. Tax-Exemption Covenants. The City covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion of the interest on the Notes from gross income for purposes of federal income taxation, and will take or require to be taken such acts as may be permitted by Washington law and as may from time to time be required under applicable law to continue the exclusion of the interest on the Notes from gross income for purposes of federal income taxation. Without limiting the generality of the foregoing, the City will not invest or make or permit any use of the proceeds of the Notes or of

its other money at any time during the term of the Notes which would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code.

The City further covenants that it will calculate or cause to be calculated, and shall rebate to the United States, all earnings from the investment of Note proceeds that are in excess of the amount that would have been earned had the yield on such investments been equal to the yield on the Notes, plus income derived from such excess earnings, to the extent and in the manner required by Section 148 of the Code

The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the city is a bond issuer the arbitrage certifications of which may not be relied upon. The City will take no actions and will make no use of the proceeds of the Notes or any other funds held under this Ordinance which would cause any Note to be treated as a "private activity bond" (as defined in Section 141(b) of the Code) subject to treatment under said Section 141(b) as an obligation not described in Section 103(a) of the Code, unless the tax exemption thereof is not affected.

The City covenants that it will not issue more than \$10,000,000 of "qualified tax-exempt obligations," as defined in Section 265 of the Code (relating to the partial interest expense deduction authorized for banks, thrift institutions and certain other financial institutions) during calendar year 1999. The City hereby designates the Notes as "qualified tax-exempt obligations" for such purposes and authorizes and directs the proper city officials to execute and deliver all documents necessary to evidence such designation to any and all interested parties.

Section 16. Undertaking to Provide Continuing Disclosure. This section constitutes the City's written undertaking for the benefit of the Owners and Beneficial Owners of

the Notes required by subsection (b)(5)(i) of the Rule 15c2-12 (the “Rule”) of the United States Securities and Exchange Commission (the “SEC”).

The City hereby agrees to provide or cause to be provided to each then existing nationally recognized municipal securities information repository designated by the SEC (“NRMSIR”) and to the State Information Depository (“SID”), if one is created, the following annual financial information and operating data (collectively, the “Annual Financial Information”) for each prior fiscal year, commencing with the fiscal year ending December 31, 1999, on or before the last day of the seventh month following the end of such prior fiscal year:

(a) Annual financial statements prepared in accordance with the generally accepted accounting principles applicable to governmental units, as such principles may be changed from time to time and as permitted by State law; which statements will not be audited, except that if and when audited financial statements are otherwise prepared and available to the City, they will be provided (the “Annual Financial Statements”);

(b) The assessed valuation of taxable property in the City;

(c) Ad valorem taxes due and the percentages of taxes collected;

(d) Property tax levy rates per \$1,000 assessed valuation;

(e) A statement of authorized, issued and outstanding indebtedness of the City; and

(f) A narrative explanation of the reasons for any amendments to this Section 17 made during the previous fiscal year and the impact of such amendments on the Annual Financial Information being provided.

In its provision of such financial information and operating data, the City may cross-reference to any “final official statement” (as defined in the Rule) available from the

Municipal Securities Rulemaking Board (the “MSRB”), or any other documents theretofore provided to each then existing NRMSIR or the SID, if one is created.

If not submitted as part of the Annual Financial Information, then when and if available, the City shall provide its Annual Financial Statements, which shall have been audited by such auditor as shall be then required or permitted by the State law, to each then existing NRMSIR and to the SID, if one is created.

The City further agrees to provide or cause to be provided, in a timely manner, to the SID, if one is created, and to either the MSRB or each then existing NRMSIR, notice of any of the following events with respect to the Notes, if material:

1. Principal and interest payment delinquencies;
 2. Non-payment related defaults;
 3. Unscheduled difficulties;
 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 5. Substitution of credit or liquidity providers, or their failure to perform;
 6. Adverse tax opinions or events affecting the tax-exempt status of the Notes;
 7. Modification to rights of the Owners of the Notes;
 8. Optional redemptions of the Notes;
 9. Defeasances of the Notes;
 10. Release, substitution or sale of property securing repayment of the Notes;
- and
11. Rating changes.

The City also agrees to provide or cause to be provided, in a timely manner, to the SID, if one is created, and to either the MSRB or each then existing NRMSIR, notice of its

failure to provide the Annual Financial Information for the prior fiscal year on or before the last day of the seventh month following the end of such prior fiscal year.

After the issuance of the Notes, so long as the interests of the Owners of the Notes will not be materially impaired thereby, as determined by a party unaffiliated with the City (including, without limitation, a trustee for the Owners, nationally recognized bond counsel or other counsel familiar with the federal securities law), or pursuant to a favorable “no-action letter” issued by the SEC, this Section 16 may only be amended in connection with any change in legal requirements, change in law, or change in the identity, nature or status of the obligated person, or type of business conducted, and only in such a manner that the undertaking of the City, as so amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

The City’s obligations to provide Annual Financial Information and notices of certain events shall terminate without amendment upon the defeasance, prior redemption or payment in full of all of the then outstanding Notes. This Section 16 or any provision hereof, shall be null and void if the City (i) obtains an opinion of nationally recognized bond counsel or other counsel familiar with the federal securities laws to the effect that those portions of the Rule which require this Section 16 or any such provision are invalid, have been repealed retroactively or otherwise do not apply to the Notes; and (ii) notifies and provides the SID, if any, and either the MSRB or each then existing NRMSIR with copies of such opinion.

The right of each Owner of Notes to enforce the provisions of this Section 16 shall be limited to the right to obtain specific enforcement of the City’s obligations under this

Section 16, and any failure by the City to comply with the provisions of this undertaking shall not be a default with respect to the Notes under this Ordinance.

The City Finance Director is authorized and directed to take such further action on behalf of the City as may be necessary, appropriate or convenient to carry out the requirements of this Section 16.

Section 17. Contract; Severability. The covenants contained in this Ordinance shall constitute a contract between the City and the Owners of each and every Note. The City unconditionally covenants that it will keep and perform all of the covenants of the Notes and this ordinance. If any one or more of the provisions of this Ordinance shall be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining provisions of this Ordinance or the Notes, and this Ordinance and the Notes shall be construed and enforced as if such unconstitutional or invalid provision had not been contained herein.

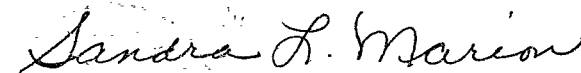
Section 18. Effective Date. This Ordinance shall take effect and be in full force five days after passage and publication of an approved summary, consisting of the title.

CITY OF REDMOND



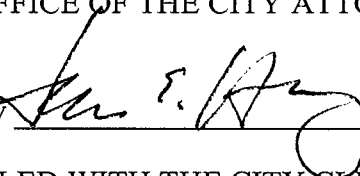
MAYOR, ROSEMARIE IVES

ATTEST/AUTHENTICATED:


DEPUTY CITY CLERK, SANDRA L. MARION for
CITY CLERK, BONNIE MATTSON

Ordinance No. 2018

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

By  _____

FILED WITH THE CITY CLERK:	March 31, 1999
PASSED BY THE CITY COUNCIL:	April 6, 1999
SIGNED BY THE MAYOR:	April 6, 1999
PUBLISHED:	April 10, 1999
EFFECTIVE DATE:	April 15, 1999
ORDINANCE NO. <u>2018</u>	