

ORDINANCE NO. 2020

ORIGINAL

AN ORDINANCE AMENDING ORDINANCE NO. 2018 OF THE CITY TO AMEND THE AGGREGATE PRINCIPAL AMOUNT OF THE CITY'S LIMITED TAX GENERAL OBLIGATION NOTES, 1999 TO \$1,330,000, AMENDING THE AUTHORIZED DENOMINATION OF SUCH NOTES; AND DECLARING AN EMERGENCY AND ESTABLISHING AN IMMEDIATE EFFECTIVE DATE OF THIS ORDINANCE

WHEREAS, pursuant to Ordinance No. 2018, passed by the City Council and approved by the Mayor on April 6, 1999, the City authorized the issuance and sale of its Limited Tax General Obligation Notes, 1999 (the "Notes") to refund on a current basis and defease the City's Limited Tax General Obligation Notes, 1997 (the "1997 Notes"); and

WHEREAS, it is in the best interests of the City to amend Ordinance No. 2018 to decrease the aggregate principal amount of the Notes to preserve the tax-exempt status of such Notes; and

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

Section 1. Section 1 of Ordinance No. 2018 is amended in its entirety as follows:

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 \$1,330,000; 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 \$130,000 or \$100,000 or any integral multiple thereof, plus \$30,000; 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 \$130,000 or \$100,000 or any

integral multiple thereof plus \$30,000. 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. Section 3 of Ordinance No. 2018 shall be amended in its entirety to read as follows:

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 \$130,000 or \$100,000 or any integral multiple thereof plus \$30,000. 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 3. In all other respects, Ordinance No. 2018 shall remain in full force and effect and shall not be amended or modified hereby.

Section 4. Declaration of Emergency - Effective Date. This ordinance, being the exercise of a power specifically delegated to the legislative body of the City, is not subject to referendum. The City Council hereby declares that an emergency exists necessitating that this ordinance take effect immediately in order to preserve the public health, safety, property, peace, and welfare. This declaration is based upon the following facts:


A. The Notes to be issued under Ordinance No. 2018 were intended to redeem the 1997 Notes. Sale of the Notes is scheduled to close tomorrow, April 21, 1999 and redemption of the 1997 Notes is scheduled to occur Monday, April 26, 1999.

B. Unless the amendments set forth in this Ordinance are in effect prior to the closing scheduled for April 21, that closing cannot take place. If the closing does not take place as scheduled, the City will be unable to redeem the outstanding 1997 Notes, potentially subjecting the City to liabilities to the Note purchaser and the 1997 Note holders.

C. There is insufficient time for this Ordinance to become effective in the ordinary course of business prior to the closing and the only way for this ordinance to become effective prior to such closing is through the declaration of this emergency. The declaration of an emergency is therefore justified.

Based upon the foregoing declaration of emergency, this Ordinance shall become effective immediately upon passage by a majority plus one of the entire membership of the City Council.

CITY OF REDMOND



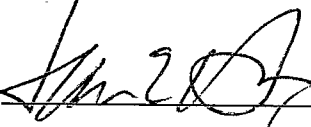
MAYOR, ROSEMARIE IVES

ATTEST/AUTHENTICATED:

Sandra S. Marion
CITY CLERK, BONNIE MATTSON

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

By 

FILED WITH THE CITY CLERK:	April 20, 1999
PASSED BY THE CITY COUNCIL:	April 20, 1999
SIGNED BY THE MAYOR:	April 20, 1999
PUBLISHED:	April 24, 1999
EFFECTIVE DATE:	April 20, 1999
ORDINANCE NO. <u>2020</u>	