

ORIGINAL

CITY OF REDMOND, WASHINGTON

ORDINANCE NO. 1137

AN ORDINANCE adopting a system of registration for obligations of the City.

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

Section 1. Pursuant to Chapter 167, Laws of 1983, a system of registering the ownership of bonds and other interest bearing obligations of the City is adopted. The terms "bond" and "obligation" as used in this ordinance shall have the meanings defined in Section 2, Chapter 167, Laws of 1983, as the same may be from time to time amended. The term "registrar" shall be the person or persons designated by the City to register the ownership of bonds and other obligations under this ordinance. The term "fiscal agencies" shall mean the duly appointed fiscal agencies of the State of Washington serving as such at any given time.

Section 2. All bonds and other obligations issued or entered into by the City which bear or require the City to pay interest, which interest is intended by the City to be exempt from federal income taxation, shall be registered as to both principal and interest as provided in this ordinance. Such registration may be carried out by a book entry system of recording the ownership of a bond or other obligation whether or not a physical instrument is issued on the books of the City or the fiscal agency of the State of Washington, or by recording the ownership of a bond or other obligation together with requiring that any transfer of ownership may be effected only by the surrender of the old bond or other obligation and either the reissuance of the old bond or other obligation or the issuance of a new bond or other obligation to the new owner. No transfer of any such bonds or other obligations shall be effective until

the name of the new owner and the new owner's mailing address, together with such other information deemed appropriate by the registrar, shall be recorded on the books of the registrar of the City.

Section 3. Except as may be otherwise provided by the ordinance authorizing the issuance of bonds or other obligations, registered bonds or other registered obligations may be issued in any denomination to represent several registered bonds or other obligations of smaller denominations and the City may permit the issuance of bonds or other obligations in denominations smaller than a larger denomination bond or obligations requested to be transferred. The ordinance authorizing the issuance of the bonds or other obligations shall provide for an authenticating trustee, transfer agent, registrar and paying agent, which shall be one or more of the fiscal agencies of the State of Washington appointed in accordance with Chapter 43.80 RCW, except that with respect to interest-bearing warrants, installment contracts, interest-bearing leases and other instruments or obligations not usually subject to trading, assignment or transfer the Treasurer of the City may serve as the transfer agent, registrar and paying officer. Any transfer agent, registrar and paying agent or officer shall comply with all applicable federal and state laws and regulations respecting the carrying out of such duties. Unless provided for in the contract between the City and the fiscal agencies or between the State Finance Committee of the State of Washington and the fiscal agencies, each such ordinance authorizing the issuance of such bonds or other obligations shall specify the terms and conditions of making payments of principal and interest, for the provision of printing any physical instruments including the use of identifying numbers or other designations, the specifying of record and payment dates, the determination of denominations,

the manner of communicating to the owners of such bonds or other obligations, the receipt of the physical instruments for payment of principal, the destruction of such instruments and the certification of such destruction, the registration and release of securing interests and for such other matters pertaining to the registration of such bonds or other obligations authorized by such ordinance as the City may deem to be necessary or appropriate.

Section 4. *The Treasurer of the City is authorized to enter into a contract with the fiscal agency or agencies of the State of Washington in connection with the establishment and maintenance by such fiscal agency or agencies of a central depository system for the transfer or pledge of bonds or other obligations and for the services as authenticating trustee, transfer agent, registrar and paying agent for such bonds and other obligations. Such contract shall define the rights and duties of such fiscal agency so acting and the means and amount of compensation thereof. In addition, in lieu of making provisions in each ordinance authorizing the issuance of bonds or other obligations, such contract may make specific provision for the procedures for payment, identification by numbers or other designations, the manner of issuance or reissuance of certificates, the manner of transfer, the manner of communication to owners of bonds or other obligations for accounting to the City and for cancelled certificate of destruction, registration and release of securing interest and for such other matters as may be appropriate.*

Until such contract is entered into, the City incorporates by reference all the terms of the contract respecting registration of bonds and other obligations entered into between the State Finance Committee of the State of Washington and the fiscal agencies.

Section 5. Any physical instrument issued or executed by the City subject to registration under this ordinance shall state on its face that the principal thereof and interest thereon shall be paid only to the owner thereof registered as such on the books of the registrar as of the record date defined in the instrument and to no other person, and that such instrument, either principal or interest, may not be assigned except on the books of the registrar.

Section 6. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum and shall take effect five (5) days after its passage and publication by posting as provided by law.

CITY OF REDMOND, WASHINGTON


MAYOR, CHRISTINE T. HIMES

ATTEST/AUTHENTICATED:


CITY CLERK, PAUL F. KUSAKABE

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

By 

FILED WITH THE CITY CLERK:	July 19, 1983
PASSED BY THE CITY COUNCIL:	July 19, 1983
SIGNED BY THE MAYOR:	July 19, 1983
POSTED:	July 21, 1983
EFFECTIVE DATE:	July 26, 1983

0371r

WASHINGTON STATE FISCAL AGENCY CONTRACT

1. Definitions & References
2. Sale of Bonds (Original Issue [O/I])
3. Re-registration, Re-issue and Transfer
4. Payment of Interest
5. Redemption & Call
6. Services by Chemical
7. Cremation
8. Fees and Costs
9. Regulations of Rainier Bank
10. Signatures and Date

1. This contract is entered into by and between the State of Washington and Chemical and Rainier as defined below:

a. Definitions

Unless the context clearly requires otherwise, the definitions in this section apply throughout this contract.

- (1) "Bonds" means any agreement which may or may not be represented by a physical instrument, including notes, warrants, or certificates of indebtedness, that evidences an indebtedness of the State or Local Government or a fund thereof, where the State or Local Government agrees to pay a specified amount of money, with or without interest, at a designated time or times to either registered owners or bearers.
- (2) "Chemical" means Chemical Bank, New York, the appointed Registrar, located in New York, New York.
- (3) "Issuer" means the State or Local Government issuing the Bonds.
- (4) "Local Government" means any county, city, town, special purpose district, political subdivision, municipal corporation, or quasi municipal corporation, including any public corporation created by such an entity, when opting to use the State's selected Fiscal Agents.
- (5) "Rainier" means Rainier National Bank, Seattle, Washington, the appointed Registrar, located in Seattle, Washington.
- (6) "Registrar" means Rainier and/or Chemical.
- (7) "State" includes the state, agencies of the state, and public corporations created by the state or agencies of the state.

1. b. This contract is to be governed by and comply with the terms and conditions of the following:
 - (1) RCW 43.80;
 - (2) State Finance Committee Resolution No. 319 dated April 19, 1979;
 - (3) State Finance Committee Letter of Agreement dated May 16, 1979;
 - (4) State Finance Committee Resolution No. 552, dated June 16, 1983;
 - (5) Regulations of Rainier National Bank as Registrar, Transfer Agent and Paying Agent for Bonds. (See Section 9);
 - (6) Securities & Exchange Commission and other regulatory agencies governing the securities and security transfer industry;
2. Sale of Bonds (Original Issue [O/I])
 - a. The Issuer is to provide to the Registrar
 - (1) Copies of authorizing resolutions and offering circular, if any, a minimum of three weeks prior to closing;
 - (2) Copies of specimen certificate forms two weeks prior to closing;
 - (3) An adequate supply of printed certificates one week prior to closing;
 - (4) A list of registered holders, with addresses and tax identification numbers, five business days prior to closing;
 - (5) Resolution or letter of instructions directing the authentication and delivery of Bonds by the Registrar;
 - (6) Final approving legal opinion.
 - b. The Registrar is to provide
 - (1) Imprinting of the names, amounts, rates and maturity dates on the certificates;
 - (2) Authenticate and deliver the certificates to the underwriter or purchaser against receipt;

and to

- (3) Maintain accurate records of all certificates received, issued and delivered;
- (4) Maintain unissued inventory control and safekeeping;
- (5) Maintain listings of registered holders and certificate numbers.

3. Re-registration, Re-issue and Transfer

a. The Issuer is to provide to the Registrar

- (1) A working supply of certificates to allow compliance with S.E.C. turn around regulations;
- (2) Legal opinion or directions on questionable transfers.

b. The Registrar is to

- (1) Maintain bondholder accounts including changes of address;
- (2) Maintain routine bondholder correspondence, replacement of lost certificates and checks;
- (3) Provide periodic transfer journals if requested in writing by Issuer;
- (4) Provide for examination of old certificate(s) for proper endorsement and supporting documentation;
- (5) Provide for issuance of new certificate(s) of like rate, amount(s), and maturity and update of the bondholder account records;
- (6) Provide for cancellation of old certificate(s);
- (7) Provide for delivery of new certificate(s).

4. Payment of Interest

a. The Issuer is to provide to the Registrar

- (1) An appropriate record date as determined by the issue documentation;
- (2) That collected or federal funds are on deposit with the Registrar on the interest payable date;
- (3) Authority as to the time of mailing of interest checks.

4. b. The Registrar is to provide for
 - (1) Preparation of the interest checks as of the predetermined record date;
 - (2) Audit of interest payment amounts;
 - (3) Envelopes, stuffing of checks, affixing of postage, mailing of checks on predetermined payable date.
5. Redemption & Call
 - a. The Issuer is to provide to the Registrar
 - (1) Information as to call dates and amounts for any bond called prior to scheduled maturity date;
 - (2) Instructions as to notification of registered bond holders;
 - (3) Evidence of proper call publication notices;
 - (4) That collected or federal funds are on deposit with the Registrar on the principal redemption date.
 - b. The Registrar is to provide for
 - (1) Payment of principal to registered owner or assignee, upon presentation of certificates properly endorsed;
 - (2) Cancellation of redeemed certificates;
 - (3) Audit of payment amounts.
6. Services by Chemical (effective July 1, 1983 and subject to change by mutual agreement of the State and Rainier):
 - a. Handle Original Issue (O/I) for all State Issues and all Local Government issues of \$10,000,000 and more;
 - b. Handle re-registration of certificates for all State issues and all Local Government issues of \$10,000,000 and more;
 - c. Act as the New York drop for all other certificates which are transferable at Rainier. Chemical will:
 - (1) Receipt for certificates;
 - (2) Send certificates to Rainier for re-registration;
 - (3) Re-deliver new certificates upon return from Rainier;

6. d. Make payment of matured and called bonds upon presentation, provided they are properly endorsed with signature guaranteed, and that any other required documentation is attached thereto;
- e. Provide daily transaction journals to Rainier covering all original issues, transfers and redeemed certificates processed by Chemical;
- f. Chemical fees will be billed to and paid by Rainier;
- g. Maintain inventory, safekeeping, and proper audit controls over unissued certificates under their control;
- h. Ship cancelled certificates to Rainier monthly.

7. Cremation

The subject of cremation is covered in RCW 43.80.130. However, at the time of this contract an industry standard has not been determined for the cremation of registered bonds. The responsibilities of the parties under this section will be determined by agreement at some later date since RCW 43.80.130 does not permit the cremation of paid or cancelled items until after one year.

8. Fees

The following two pages contain the fees and charges of Rainier for providing the services outlined by this contract.

Fee schedule approved by State Finance Committee Resolution No. 552, dated June 16, 1983.

RAINIER BANK & CHEMICAL BANK
FEE PROPOSAL AS REGISTRATION AGENT AND
INTEREST DISBURSING AGENT

This schedule represents fees for the registration agency services relative to State and Local Government issues. Charges for services not specifically identified in the schedule will be based on appraisal. All charges will be billed semi-annually by Rainier at each interest payable date. Fees of Chemical Bank (if any) will be paid by Rainier.

A. BONDHOLDER ACCOUNT MAINTENANCE

Schedule 1:

An annual fee of \$5.00 for each bondholder account maintained with a minimum of \$500.00

OR Schedule 2:

An annual fee of \$10.00 for each bondholder account maintained with a minimum of \$100.00

NOTE: For smaller issues with less than 50 bondholder accounts schedule #2 will be less. Rainier will bill which ever schedule is less.

This fee includes:

- Maintaining account records
- Establishing new accounts
- Termination of old accounts
- Processing changes of addresses
- Routine correspondence
- Correspondence on lost securities and checks
- Bondholder and interest payment lists, if requested
- Supplies and standard envelopes
- Preparation and issuance of interest checks
- Stuffing and mailing of interest checks
- Research, maintenance and escheatment of returned checks

B. CERTIFICATE ISSUANCE

1. Original Issue (O/I):

per certificate issued	\$ 1.25 each
minimum	\$100.00

2. Transfer of Certificates (re-registration):

per certificate issued in Seattle	\$ 1.50 each
per certificate issued in New York	\$ 4.50 each

This fee includes:

Checking stop transfer restrictions
Examining adequacy of transfer instructions
Daily posting of all certificates issued and cancelled
Daily transfer reports, if requested*
Preparation, issuance and delivery of new certificates*
Controlling supply of unissued certificates
Filing, storage and cremation of cancelled certificates

*See paragraph D below for mailing and postage charges.

C. DOCUMENTARY TRANSFERS AND STOP PAYMENTS

\$10.00 per transaction

This fee will be charged for each legal transfer and for each replacement of a lost check or security. It includes the review, correspondence, processing and filing of required certificates, court orders, wills, letters of administration, affidavit, indemnity, surety or other required documentation.

D. ADDITIONAL SERVICES AND CHARGES (Billed at Actual Cost)

Mail insurance
Registered Mail
Regular First Class Postage
Delivery service
Shipping costs
Special computer system and program changes, if requested
by State
Travel expenses, if required

9. Regulations

The following six pages contain the Regulations of Rainier National Bank as Registrar, Transfer Agent and Paying Agent for Bonds.

REGULATIONS OF
RAINIER NATIONAL BANK AS REGISTRAR, TRANSFER
AGENT AND PAYING AGENT FOR BONDS

GENERAL

1. Documents to be filed in connection with the appointment of RAINIER NATIONAL BANK, Seattle, (hereinafter called the "Bank") as Registrar, Transfer Agent and Paying Agent.
 - (a) A certified copy of the Bond Resolution and all amendments thereto appointing the Bank as Registrar, Transfer Agent and Paying Agent.
 - (b) A certified copy of the legal opinion.
 - (c) A certificate as to the amount of authorized bonds, the address of the Issuer, the names and specimen signatures of the officers of the Issuer and the name and address of legal counsel for the bond issue.
 - (d) Specimen copies of all bonds, with a certificate of approval signed by the appropriate official.
2. Limit of Authority:

Unless otherwise expressly limited by the resolution of appointment or by subsequent action, the appointment of the Bank as Registrar, Transfer Agent and Paying Agent will be construed to cover the full amount of authorized issuance for which the Bank is appointed.
3. Bond Certificates:

The Issuer shall furnish the Transfer Agent with a sufficient supply of blank bond certificates and from time to time will renew such supply as required. Such blank bond certificates shall be properly signed by officers of the Issuer authorized to sign bond certificates and, if required, shall bear the seal or facsimile thereof.
4. Death, Resignation or Removal of Signing Officer:

The Issuer shall file promptly with the Bank written notice of any change in the officers authorized to sign bond

certificates, written instructions, or requests, together with specimen signatures of each newly authorized officer. In case any officer of the Issuer who shall have properly signed blank bond certificates shall die, resign or be removed prior to the issuance of such certificates, the Bank as Transfer Agent may issue or register such bond certificates as the bond certificates of the Issuer notwithstanding such death, resignation or removal; and the Issuer shall file promptly with the Bank such approval, adoption or ratification as may be required by law.

5. Future Amendments of Bond Resolution:

The Issuer shall file with the Bank certified copies of all amendments to resolution made after the date of creation of the agency.

6. Instructions, Opinion of Counsel and Signatures:

At any time the Bank may apply to an officer of the Issuer for instructions and may consult counsel for the Issuer or its own counsel in respect of any matter arising in connection with the agency and it shall not be liable for any action taken or omitted by it in good faith in accordance with such instructions or with the advice or opinion of such counsel. The Bank shall be protected in acting upon any paper or document believed by it to be genuine and to have been signed by the proper person or persons and shall not be held to have notice of any change of authority of any person until receipt by it of written notice thereof from the Issuer. It shall also be protected in recognizing certificates which it reasonably believes to bear the proper manual or facsimile signatures of the officers of the Issuer and the proper counter-signature of a Transfer Agent or of a Co-Transfer Agent.

7. Papers Subject to Approval of Bank Counsel:

The acceptance by the Bank of its appointment as Agent and all documents filed in connection with such appointment and thereafter in connection with the agency may be subject to the approval of counsel for the Bank.

8. Certification of Documents:

The copy of the bond resolution and copies of all amendments thereto shall be certified by the Counsel/Commissioners (or other proper officer) of the Issuer, and if such bond resolutions and amendments are required by law to be filed also with the State or other Officer or Official Body, a certificate of such filing shall appear on the certified copy submitted to the Bank.

9. Responsibility:

The Issuer assumes full responsibility and will indemnify the Bank and save it harmless from and against any and all actions or suits, whether groundless or otherwise, and from and against any and all losses, damages, costs, charges, counsel fees, payments, expenses and liabilities arising out of the agency relationship where the Bank has acted in good faith and with due diligence and without negligence. The Bank shall not be under any obligation to prosecute any action or suit in respect of the agency relationship which, in its sole judgement, may involve it in expense or liability. In any action or suit the Issuer shall, as often as requested, furnish the Bank with satisfactory indemnity against any expense or liability growing out of such action or suit by or against the Bank in its agency capacity.

10. Records:

The Bank will maintain appropriate records in connection with its agency.

11. Disposition of Books, Records and Cancelled Certificates:

The Bank will periodically micro-film said books, documents and records no longer deemed needed for current purposes and bond certificates which have been cancelled in transfer or in exchange and destroy the original documents.

12. Resignation or Removal:

The Bank may resign as Agent at any time by giving 90 days written notice of such resignation to the Issuer at its last known address, and thereupon its duties as Agent shall cease. The Bank may be removed as Agent at any time by resolution of the Issuer, giving 90 days written notice to the Bank. The Bank shall be furnished with a certified copy of such resolution. Upon resignation or removal the Bank may, to the extent permitted by law, deliver to its successor or to the Issuer its records as Agent.

AS TRANSFER AGENT

13. Original Issue of Bonds:

The Bank will make original issues of bonds upon the written request of an officer of the Issuer and upon being furnished with a certified copy of a resolution of the Issuer authorizing such original issue and an opinion of counsel as outlined in paragraph 1 (b), supra.

14. Transfer of Bonds:

Bonds will be transferred and new certificates issued in transfer upon the surrender of the old certificates in form

deemed by the Bank to be properly endorsed for transfer and accompanied by such documents as the Bank may deem necessary to evidence the authority of the person making the transfer. In the case of small estates, where no administration is contemplated, the Bank may, under a surety company bond of indemnity acceptable to it and without further approval of the Issuer, transfer bonds registered in the name of a decedent. The bank reserves the right to refuse to transfer bonds until it is satisfied that the endorsement on the certificate is valid and genuine and for that purpose it may require a guaranty of signature by a member firm of an acceptable Stock Exchange or by a Bank or Trust Company acceptable to the Bank. The Bank also reserves the right to refuse to transfer bonds until it is satisfied that the requested transfer is legally authorized and it shall incur no liability for the refusal in good faith to make transfers which it, in its judgement, deems improper or unauthorized. The Bank may, in effecting transfers, rely upon Simplification Acts or the Uniform Commercial Code which in the opinion of counsel protects it and the Issuer in not requiring complete documentation. In cases in which the Bank is not directed or otherwise required to maintain the consolidated records of bondholder accounts, the Bank shall not be liable for any loss which may arise by reason of not having such records where it has exercised ordinary diligence. The Bank shall be under no duty to use a greater degree of diligence by reason of not having such records.

15. Delivery of Bond Certificates by Mail:

The Bank will forward bond certificates in "non-negotiable" form by first class mail and bond certificates in "negotiable" form by registered mail. All such mail deliveries shall be covered, while in transit to the addressees, by insurance arranged for by the Bank.

16. Replacement of Bond Certificates:

The Bank may issue new certificates in place of certificates represented to have been lost, stolen, seized or destroyed upon receiving instructions from the Issuer and indemnity satisfactory to the Bank. It may issue a new certificate in exchange for, and upon surrender of, an identifiable mutilated certificate. Instructions shall be signed by an officer of the Issuer.

17. Unclaimed and Undelivered Bond Certificates:

When a bond certificate, for any reason, is left in the possession of the Bank and has not been claimed by the registered owner or cannot be delivered to the registered owner through usual channels, the Bank may after the expiration of three years from the date said certificate was issued, forward said certificate to the Issuer for disposition in accordance with applicable laws.

18. Bondholder Lists:

The Bank will supply bondholder lists to the Issuer upon receiving written instructions from an officer of the Issuer.

19. Bond Call Notifications to Bondholders:

Upon the written instructions of an officer of the Issuer, the Bank will address and mail appropriate bond call notifications to bondholders.

20. Inspection of Bond Register:

In case of any request or demand for the inspection of the bond register books of the Issuer, the Bank will endeavor to notify the Issuer and secure instructions prior to permitting or refusing such inspection. The Bank reserves the right however, to exhibit the bond register books to any person in case it is advised by its counsel that it may be held liable for the failure to exhibit the bond register books to such person.

21. Co-Issuing and Co-Transfer Agent:

These Regulations shall be applicable to the Bank as Transfer Agent and Co-Transfer Agent. In respect of original issues, transfers and retirements of bonds, the Bank may rely on any notifications received by it from another agent as evidence at the time of such issues or transfers or retirements of the amount of bonds theretofore issued and transferred or retired by such other agent.

CO-TRANSFER AGENTS

22. Registration of Original Issue of Bonds by Co-Agent:

The Bank will maintain records of original issues of bonds upon presentation of appropriate reports signed by the Co-Agent.

23. Transfer by Co-Agent:

The Bank will maintain records of transferred bonds upon presentation of appropriate reports signed by the Co-Agent. The Bank will not be responsible for the validity of the transfer, the genuineness of the endorsement, or the authority of the transferor.

AS PAYING AGENT

24. Interest:

The Bank will prepare and mail interest checks to bondholders. Collected or federal funds must be on deposit with Bank on the payable date.

25. Unclaimed Interest and/or Principal:

Any interest or principal which shall remain unclaimed by the person or persons entitled thereto at the end of four years from the payment date shall be returned to the Issuer to be held by the Issuer for the same purpose as if held by the Bank. Thereafter any person entitled to such payment shall look only to the Issuer for payment thereof even though such person may have in his possession an uncashed check.

10. Signatures and Date

The following agree to the terms and conditions of this contract and the attachments thereto.

Signed this _____ day of July, 1983.

STATE FINANCE COMMITTEE, ON BEHALF
OF THE STATE OF WASHINGTON

By: /s/ Robert S. O'Brien

RAINIER NATIONAL BANK

By: /s/ Jack P. VanLeuven

CHEMICAL BANK

By: /s/ Barry P. Johnson