CITY OF SAMMAMISH
WASHINGTON
ORDINANCE NO.02002-104

AN ORDINANCE OF THE CITY OF SAMMAMISH, WASHINGTON, RELATING TO CONTRACTING INDEBTEDNESS; PROVIDING FOR THE ISSUANCE OF $4,060,000 PAR VALUE OF LIMITED TAX GENERAL OBLIGATION BONDS, 2002, OF THE CITY FOR GENERAL CITY PURPOSES TO PROVIDE FUNDS WITH WHICH TO PAY A PART OF THE COST OF ACQUIRING AND DEVELOPING LAND FOR THE CENTRAL PARK PROPERTY; FIXING THE DATE, FORM, MATURITIES, INTEREST RATES, TERMS AND COVENANTS OF THE BONDS; ESTABLISHING A BOND REDEMPTION FUND; PROVIDING FOR BOND INSURANCE, AND APPROVING THE SALE AND PROVIDING FOR THE DELIVERY OF THE BONDS TO BANC OF AMERICA SECURITIES LLC OF SEATTLE, WASHINGTON.

Passed June 18, 2002

This document prepared by:

Foster Pepper & Shefelman PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98101
(206) 447-4400
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ORDINANCE NO. 2002-104

WASHINGTON
CITY OF SAMMAMISH

ORDINANCE

THE CITY COUNCIL OF THE CITY OF SAMMAMISH, WASHINGTON, DO

Iems and conditions hereinafter set forth: NOW, THEREFORE,

WHEREAS, Bank of America Securities LLC has offered to purchase the Bonds under the

the City,

Council deems that the purchase of the Municipal Bond Insurance Policy is in the best interest of

payment when due of the principal and interest on the Bonds as provided herein, and the City

commitment to issue an insurance policy (the "Municipal Bond Insurance Policy," insuring the

WHEREAS, Financial Security Assurance Inc. (the "Bond Insurer," has made a

the City does not have available sufficient funds to pay the cost and

developing land for the central park property, the estimated cost of which is at least $4,900,000, and

WHEREAS, the City of Sammamish, Washington (the "City") is in need of acquiring and

America Securities LLC, of Seattle, Washington

providing for the delivery of the Bonds to Bank of

providing for the Bond Insurance Fund; providing

Municipalities, interest rates, terms and conditions of the

Central Park Property; fixing the date, form, and

city purposes to provide funds with which to pay a part

General Obligation Bonds, 2002, of the City for General

relating to contracting indebtedness; providing for

AN ORDINANCE OF THE CITY OF SAMMAMISH, WASHINGTON.
bear interest at the rates per annum as follows:
or earlier redemption of the Bonds; and shall mature on December 1, 2021, and shall mature on December 1, 2002, to the majority
semiannually on each June 1 and December 1, commencing December 1, 2002, to the maturity
interest (computed on the basis of a 360-day year or twelve 30-day months) payable
agent of the State of Washington (collectively, the Fiscal Agent and co-fiscal
any additional designation as the Bond Registrar (collectively, the Fiscal Agent and co-fiscal
multiple interest within a single maturity; shall be numbered separately in the manner and with
$4,060,000, shall be dated July 1, 2002; shall be in the denomination of $5,000 or any integral
Obligation Bonds, 2002, of the City (the "Bonds") shall be in the aggregate principal amount of
Section 2. Authorization of Bonds. The Bonds shall be called Limited Tax General
permittable for general municipal purposes without a vote of the qualified voters hereinafter
shall be within the limit of up to 1-1/2% of the value of the taxable property within the City
issue and sale of the Bonds (the "cost of issuance"). The GeneralIndebtedness to be incurred
acquiring and developing land for the central park property (the "Project") and to pay the costs of
the amount of $4,060,000 for General City purposes to provide the funds to pay part of the cost of
City and issue refundable limited tax General Obligation Bonds evidenced by Indebtedness in
Section 3. Description of Bonds. The Bonds shall be called Limited Tax General
authorized hereinafter to be issued is $4,060,000.
without a vote of the qualified voters hereinafter, and the amount of indebtedness for which Bonds
the value of the taxable property within the City permitted for General municipal purposes
trust fund loan in the principal amount of $9,500,000 incurred within the limit of up to 1-1/2% of
$5,002,720.281, and the City has outstanding General Indebtedness evidenced by a public works
as calculated by the last proceeding assessment for City purposes for the calendar year 2002 is
Section 1. Debt Capacity. The assessed valuation of the taxable property within the City


The Bonds so registered shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company, New York, New York ("DTCC"). The Bonds initially shall be registered in the name of Cede & Co., as the nominee of The Bond Register, in accordance with the procedures of DTCC. Any exchange of transfer shall be without cost to the owner or transferee.

The Bond Register shall not be obligated to exchange or transfer any Bond during the 15 days proceeding any principal payment or redemption date. The Bond Register may not be transferred only if endorsed in the manner provided herein and surrendered to the Bond Register in the same indorsement and mutilated form as to both principal and interest and shall be recorded on books or records maintained by the Bond Register (the "Bond Register"). The Bond Register shall maintain the register of Bonds as to both principal and interest and shall be issued only in denominations of an equal aggregate principal amount of the same interest rate and maturity.

The Bonds shall be issued only in denominations of an equal aggregate principal amount of the same interest rate and maturity.

### Section 4. Registration and Transfer of Bonds

Each of the Bonds held by each owner shall bear the name and mailing address of the owner of each Bond and the principal amount and number of Bonds accompanied by the Bond Register. The Bond Register shall keep the register of Bonds as to both principal and interest and shall be recorded on books or records maintained by the Bond Register (the "Bond Register"). The Bond Register shall maintain the register of Bonds as to both principal and interest and shall be issued only in denominations of an equal aggregate principal amount of the same interest rate and maturity.

### Table

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Bonds are no longer held in immobiilized form.

appointed by the City or such substitute depositary's successor, or (iii) to any person if the
laws in such successor's solicitor of the City or if the City or if any substitute depositary
any successor of DTC or any successor, if that successor shall be required under any applicable
law to provide the services proposed to be provided by it; (ii) to any substitute depositary
owners of such Bonds, or any portion thereof, may not thereafter be transferred except to
nominee and shall not mean the owners of any beneficial interest in the Bonds. Registered
all references to registered owners, bondholders or the like shall mean DTC or its
successor depositary shall be deemed to be the registered owner for all purposes hereunder and
for as long as any Bonds are held in fully immobiilized form, DTC, its nominee or its
owners hereunder (except such notice as is required to be given by the Bond Registrar to DTC)
interest on the Bonds, or any notice which is permitted or required to be given to registered
records maintained by DTC or DTC participants for any amount in respect of principal or
persons for whom they act as nominees with respect to the Bonds, relating to any
not the Bond Registrar shall have any responsibility or obligation to DTC participants or the
Evidence (including the approval of the Letter of Representation by the City, neither the City
the best interest of the City, and the execution and delivery of the Letter of Representation shall
payment thereof, with such changes as the Mayor or Finance Director of the City deems to be in
City) to DTC on or before the date of delivery of the Bonds to the purchaser therefor and the
authorized and directed to execute and deliver the Letter of Representation on behalf of the
the City approves the Letter of Representation. The Mayor or Finance Director of the City is
Letter of Representation”). To induce DTC to accept the Bonds as eligible for deposit at DTC,
Bancker issued Letter of Representation with DTC substantially in the form on file with the City
heded in fully immobiilized form by DTC as depositary in accordance with the provisions of a
to redeem those Bonds prior to their stated maturity dates. The City reserves the right and option in the years 2003 through 2012, inclusive, shall be issued without the right or option of the City

Section 6. Redemption Provisions and Open Market Purchase of Bonds. Bonds maturing

made in the manner set forth in the Letter of Representation.

the name of DTC or its nominee, payment of principal or interest on the Bonds shall be
option of the owners. Notwithstanding the foregoing, for as long as the Bonds are registered in
registration at the Bonds by the registered owners at either of the principal offices of the Bond Register at the
principal date, Principal of the Bonds shall be payable upon presentation and surrender of the
principal amount of Bonds prior to the applicable record date, by the transferee on the interest
interest payment date, or, if requested in written by a registered owner of $1,000 or more
owners at the address appearing on the Bond Register on the 15th day of the month preceding
checks or drafts of the Bond Register mailed to the interest payment date to the registered
payable in lawful money of the United States of America. Interest on the Bonds shall be paid by

Section 5. Payment of Bonds. Both principal of and interest on the Bonds shall be
person as provided herein and the Bonds no longer shall be held in fully immaterialized form.

If (i) DTC or its successor (or subsilute depository or its successor) resides from its

proposed to be provided by it

subsitute depository shall be qualified under any applicable laws to provide the services
subsitute depository or its successor, the City may appoint a subsitute depository. Any such
wishes to continue the system of book entry transfers through DTC or its successor (or any
subsitute) from its functions as depository, or a determination by the City that it no longer

Upon the resignation of DTC or its successor (or any subsitute depository or its
notice has been mailed as so provided, whether or not it is actually received by the owner of any
the notice, and the requirements of this sentence shall be deemed to have been fulfilled when
reached at the address appearing on the Bond Register at the time the Bond Register prepares
for redemption by first-class mail, postage prepaid, to the registered owner of any Bond to be
redeemed of Bonds to be given not less than 30 nor more than 60 days prior to the date fixed
redeemed of Bonds purchased or redeemed under this section shall be canceled.

Section 7. Notice of Redemption. The City shall cause notice of any intended

Redemption.

Detr or its nominee, selection of Bonds for redemption shall be in accordance with the Letter of
Nomenclature corresponding for as long as the Bonds are registered in the name of

All Bonds purchased or redeemed under this section shall be canceled.

purchase,

open market at any time at any price acceptable to the City plus accrued interest to the date of

The City further reserves the right and option to purchase any or all of the Bonds in the

unredeemed.

denominations authorized by this ordinance in the aggregate principal amount remaining

the option of the registered owner of the same maturity and interest rate in any of the

where shall be issued to the registered owner, without charge, interest, a new Bond (or Bonds) at
redeemed, upon surrender of the Bond at either the Principal Office of the Bond Register,

redeemed, upon surrender of that Bond at either the Principal Office of the Bond Register,

multiple thereof, may be redeemed. If less than all of the principal amount of any Bond is
portions of the principal amount of any Bond, in installments of $5,000 or any integral

determine, at par plus accrued interest to the date fixed for redemption.

selected by the City and randomly within a majority in such manner as the Bond Register shall

at any time on or after December 1, 2012, as a whole or in part (within one or more multiples

to redeem the Bonds maturing on or after December 1, 2013, prior to their stated maturity dates.
Taxable property within the City in an amount sufficient, together with other money legally
statutory law limitations provided by law without a vote of the electorate of the City on all of the
intercessory pledges to include in its budget and levy taxes annually within the constitutional and
Section 9. Pledge of Taxes. For as long as any of the Bonds are outstanding, the City

Giving notice of that call to the registered owner of each of those unpaid Bonds,
in the bond redemption fund hereinafter created and the Bond has been called for payment by
principal and interest, is paid in full or until sufficient money for its payment is full in deposit
the same rate provided in the Bond from and after its maturity or call date until that Bond, both
presented at the registered office of Bond, the City shall be obligated to pay interest on that Bond at
Section 8. Failure to Redeem Bonds. If any Bond is not redeemed when property
Letter of Representations,
the name of DTC or its nominee, notice of redemption shall be given in accordance with the
redemption of Bonds. Notwithstanding the foregoing, for as long as the Bonds are registered in
Director shall determine, all those additional maturities shall not be a condition precedent to the
registered securities depositories, and with such additional information as the City Finance
New York, or its successor, to each NRMSR or the MBS and to such other persons, including
Secretary, Washington, or its successor, to the Bond Insurer at its principal office in New York,
New York, or their successors, to Bank of America Securities LLC, as its principal office in
Ford’s Investors Service, Inc. and Standard & Poor’s at their offices in New York,
call. In addition, the redemption notice shall be mailed within the same period, postpaid prepaid,
redemption unless the Bond or Bonds called are not redeemed when presented pursuant to the
Bond. Interest on Bonds called for redemption shall cease to accrue on the date fixed for


may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall
be authenticated, issued and delivered by the Bond Register or issued by the City, those bonds nevertheless
authenticated or delivered by the Bond Register or issued by the City authorized to sign bonds before the Bonds bearing his or her facsimile signature are
If any officer whose facsimile signature appears on the Bonds ceases to be an officer of
benefits of this ordinance:
Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the
The authenticated signature of a Certificate of Authentication shall be conclusive evidence that he

Authorized Signer

By

Bond Register
WASHINGTON STATE FISCAL AGENT

LIMITED TAX GENERAL OBLIGATION BONDS, 2002, DESCRIBED IN THE BOND ORDINANCE.

THIS BOND IS ONE OF THE HILLY REGISTERED CITY OF SAMMAMISH, WASHINGTON,

CERTIFICATE OF AUTHENTICATION

benefits of this ordinance:
signed by the Bond Register, shall be valid or obligatory for any purpose or entitled to the
Only Bonds bearing a Certificate of Authentications in the following form, manually

printed thereon:
or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or
shall be signed by the Mayor and City Clerk, either of both of whose signatures may be manual
on good bond paper in a form consistent with the provisions of this ordinance and state law and

Section 10. Form and Execution of Bonds. The Bonds shall be printed or lithographed

collection of those taxes and the prompt payment of that principal and interest.
the full faith, credit and resources of the City are pledged irrevocably for the annual levy and
available and to be used thereon, to pay when due the principal of and interest on the Bonds, and
included in gross income for federal income tax purposes. The City certifies that it has not been
Bonds at any time during the term of the Bonds which will cause interest on the Bonds to be
payable and any of the Bonds or other funds of the City received as proceeds of the
powers and authority under this ordinance and City
and to carry out all of the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds
behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with
which shall be open to inspection by the City at all times. The Bond Registrar is authorized, on
principal corporate trust office, sufficient books for the registration and transfer of the Bonds,
albeit the Regents or she did not hold the required office on the date of issuance of the Bonds,
who, on the actual date of signing of the Bond, is an officer of the City authorized to sign Bonds,
authorized to sign Bonds. Any Bond also may be signed on behalf of the City by any person
be as provided on the City as though that person had continued to be an officer of the City.
included in a refunding or defeasance plan, and to redeem and retire, refund or defease all such
source to pay when due the principal of and interest on the Bonds, or any portion thereof
pursuant to the laws of the State of Washington or any money available from any other lawful
Section 14. Refunding or Defeasance of the Bonds. The City may issue Refunding Bonds
Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(q)(3) of the Code.
for the purposes of Section 148(f)(4)(D) of the Code and designates the
are issued does not exceed $100,000,000. The City therefore certifies that the Bonds are eligible
are issued is not reasonably expected to exceed $15,000,000; (d) the amount of tax-exempt
Bonds, calculated by the City as "qualified tax-exempt obligations".
issued on behalf of the City and (e) the amount of tax-exempt
Bonds are issued by the City and all entities subordinating to the City including any entity that the City
private activity Bonds and other obligations not required to be included in such calculation
jurisdiction of the City); (d) the aggregate face amount of all tax-exempt obligations (other than
activities of the City or of a governmental unit or governmental entity within the
"Qualified Issuer Affidavit of Redemption of Refunding Obligations".
meaning of Section 141 of the United States Internal Revenue Code of 1986, as amended (the
power); (q) no Bond which is part of this issue of Bonds is a "private activity Bond" within the
organized and existing governmental unit of the State of Washington and has general taxing
Section 13. "Qualified Governmental Issuer Affidavit of Redemption of Refunding Obligations".
Bond issuer whose affirmative certifications may not be relied upon.
notified of any issuance of Proposed Issuing by the Internal Revenue Service to the effect that it is a

satisfied and shall not be considered paid by the City, and the covenants, agreements and other
the Bonds shall be treated as remaining outstanding for all purposes, not defeased or otherwise
due on the Bonds is paid by the Bond Issuer pursuant to the Municipal Bond Insurance Policy.

Notwithstanding anything in this Section to the contrary, if the principal of and/or interest
notices of redemption of Bonds,
of Bonds shall be given to DTC in the manner prescribed in the Letter of representations for
If the Bonds are registered in the name of DTC or its nominee, notice of any defeasance
defeased Bonds to any lawful purpose as it shall determine:
apply any money in any other Fund or account established for the payment of Redemtion of the
defeased Bonds. The defeased Bonds shall be deemed no longer outstanding, and the City may
persons as the City shall determine, and for any required replacement of Bond certificates for
for notice of the defeasance to be given to the owners of the defeased Bonds and to such other
selection of any defeased Bonds that constitutes less than 10% of a particular minority of the Bonds,
the refunding or defeasance plan such provisions as the City deems necessary for the random
the refunding or defeasance plan such provisions as the City deems necessary for the random
principal and interest on the defeased Bonds from the trust account. The City shall include in
become void. The owners of defeased Bonds shall have the right to receive payment of the
and in the Funds and accounts obligated to the payment of the defeased Bonds shall cease and
then all right and interests of the owners of the defeased Bonds in the covenants of this ordinance
redemption, repayment or defeasance of defeased Bonds (hereinafter called the „trust account“)
with their terms are set aside in a special trust fund or escrow account inter vivos or inter
necessary) sufficient to redeem and retire, refund or defease the defeased Bonds in accordance
America maturing at a time of times and bearing interest in amounts (together with money, if
costs of the refunding or defeasance. If money and/or direct obligations of the United States of
then-outstanding Bonds (hereinafter collectively called the „defeased Bonds“) and to pay the
and is incorporated herein by this reference. The City Council finds that enacting into the Bond Purchase Contract, which written Bond Purchase Contract is on file with the Finance Director of the City of Seattle, Washington. The Commission has presented a purchase contract (the "Bond Purchase Contract") to the

Section 16. Approval of Bond Purchase Contract. Bank of America Securities LLC or

those amounts may be applied to any other park acquisition or development purpose.

compensation and development of the central park property if there are funds in the acquisition fund. If upon the

be retained in the Acquisition Fund and be spent for the purposes of that fund. If upon the

invest principal proceeds temporarily in any legal investment, and the investment earnings may

limit needed to pay the costs of the project and costs of issuance of the Bonds, the City may

paid into the Acquisition Fund and used for the purposes specified in Section 2 of this ordinance.

principal proceeds and premium, if any, received from the sale and delivery of the Bonds shall be

Director a special fund designated as the Parks CIP Fund (the "Acquisition Fund").

The

There has previously been created and established in the office of the City Finance

payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund.

of the Bonds shall be paid into the Bond Fund. All interest collected for and allocated to the

interest on the Bonds, accrued interest on the Bonds, if any, received from the sale and delivery

Obligation Bond Fund, 2002 (the "Bond Fund"). For the purpose of paying principal of and

in the office of the City Finance Director a special fund designated as the Limited Tax General

Section 15. Bond Fund and Deposit of Bond Proceeds. There is created and established

Registered owners. To the extent of the Bond Issuer, and the Bond Issuer shall be subrogated to the rights of those

obligations of the City to the Registered owners of the Bonds shall continue to exist and shall run
directly or through a designated agent.

of Material Events. The City undertakes to provide or cause to be provided, either

Undertaking to Provide Annual Financial Information and Notice

undertaking (the "undertaking") for the benefit of holders of the Bonds:

as applicable to a participating underwriter for the Bonds, the City makes the following

the "Rule" as required to qualify for the limited exemption from paragraph (p)(5) of the Rule,

paragraph (p)(2) of United States Securities and Exchange Commission ("SEC") Rule 15c2-12

Section 18. Undertaking to Provide Continuing Disclosures. To meet the conditions of
doing business in the States of Oregon and Washington, the undersigned, the City, agrees to

Section 17. Preliminary Official Statement. The City Council has been

proceeds of the sale hereof.

promulgate delivery of the Bonds to the purchaser and for the proper application and use of the

The proper City officials are authorized and directed to do everything necessary for the

Bonds

Pepper & Shelton PLLC, municipal bond counsel of Seattle, Washington, regarding the

accordance with the Bond Purchase Contract, with the approval of the legal opinion of Foster

and authorized in execution by City officials.

Purchase Contract in the City's best interest and therefore accepts the offer contained herein
Provisions of the Rule which require the City to comply with this Undertaking shall be evidenced by this section shall be evidenced by the undertaking evidenced by this section.

The City will give notice to each NRSAMIR or the MSIR, and the SID of the

The circumstances and the manner permitted by the Rule, the registered underwriter, taking notice of the MSIR, the SID of the MSIR, under

The Annunment of Undertaking is subject to the circumstances and the manner permitted by the Rule.

The annual financial information and the bondholders' supplement to the annual financial information shall be the financial statements, the bondholders' supplement to the annual financial information shall be

The bondholders' supplement to the annual financial information shall be

The office and the address of the person who prepared the annual financial information shall be

The annual financial information shall be the financial statements, the bondholders' supplement to the annual financial information shall be

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THE 18TH DAY OF JUNE 2002

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON

from and after its passage and five days following its publication as required by law.

Section 20 Effective Date of Ordinance. This ordinance shall take effect and be in force

payment of the premium hereof.

interest on the Bonds and agrees to the conditions for obtaining the Bond, including the

insurer the Municipal Bond Insurance Policy insuring the principal and payment

insurer’s Municipal Bond Insurance Commitment. The City shall purchase from the Bond

Director are hereby authorized to execute the Bond

purchase, and that a savings will result from purchasing the Municipal Bond Insurance Policy

Section 19 Bond Insurance. The City Council finds that it is in the City’s best interest to

the Bonds set forth in this section and in accordance with the Rule.

support of or contrary to any of the bonded indebtedness of the City in respect of

directed in this or any other discretion to take such further actions as may be necessary;

future portion the duties of that office of this or her designation is authorized and

The Finance Director of the City (or such other officer of the City who may in the

Designation of Official Responsible to Administer Unsecured

City or other obligee person to comply with the Underwriting

sectioning an order of specific performance from an appropriate court, to compel the

bond shall constitute a default in respect of the Bonds. The sole remedy of any holder

not fail to be the City or other obligee person to comply with the Underwriting

City will proceed with due diligence to cause such noncompliance to be corrected.

practicable after the City learns of any failure to comply with the Underwriting.

(6) Remedy for Failure to Comply with Underwriting. As soon as

note of such noncompliance to each NRMSR or the MWSR and the SID.

with federal secured laws delivered to the City, and the City provides timely

By an opinion of nationally recognized bond counsel or other counsel familiar

become legally applicable in respect of the Bonds for any reason, as continued
APPROVED AS TO FORM:

Melanie Anderson, City Clerk

ATTEST:

Kenneth Kloey, City Mayor
IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of June, 2002.

City Clerk

CITY OF SAMMAMISH, WASHINGTON

Ordinance

2. A quorum of the members of the City Council was present throughout the meeting.

Publication of this summary in the City’s official newspaper, and publication of the ordinance in the City’s official newspaper, will be in full force and effect five days after the ordinance appears on the official website of the City of Sammamish, as set forth on June 18, 2002, at the regular meeting of the City Council of the City of Sammamish, held at the regular meeting place on June 18, 2002.

I, the undersigned City Clerk of the City of Sammamish, Washington (the “City”), hereby certify as follows:

I, the undersigned City Clerk of the City of Sammamish, Washington (the “City”),

CERTIFICATION