ORDINANCE No. 113244

COUNCIL BILL No. 105922

RDINANCE relating to the Low Income Elderly and
ndicapped Housing Program; authorizing the issuance
l sale of up to $55,000,000 principal amount of
neral obligation refunding bonds of the City for
e purpose of providing part of the funds necessary
refund all or a part of the City's outstanding
limited Tax General Obligation Bonds, 1982;
thorizing the purchase of certain obligations
h the proceeds of the sale of such refunding
nds and for the use and application of the funds
be derived from such obligation; providing for
e redemption of certain outstanding bonds to be
funded and for a refunding agent; etc.

PTROLLER FILE No.

duced: Dec. 8, 1986	By: City Comptroller
red: Dec. 8, 1986	To: FIN. & PERS.
red:	To:
red:	To:
ted: DEC 15 1986	Second Reading: DEC 15 1986
Reading: DEC 15 1986	Signed: DEC 15 1986
nted to Mayor: EC 16 1986	Approved: DEC 23 1986
ned to City Clerk: DEC 23 1986	Published:
ed by Mayor:	Veto Published:
d over Veto:	Veto Sustained:

RECD CMD DEC 16 1986

Law Dept

The City of Seattle--Leg

REPORT OF CO

Honorable President:

Your Committee on

to which was referred the within Council Bill No.
report that we have considered the same and respectfu

pass Finance 12/15/86

Committe

Law Department

The City of Seattle--Legislative Department

Date Reported and Adopted

REPORT OF COMMITTEE

Honorable President:

Your Committee on _____

to which was referred the within Council Bill No. _____
report that we have considered the same and respectfully recommend that the same:

Pass Finance 12/11/85

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Committee Chair

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ORDINANCE 113244

AN ORDINANCE relating to the Low Income Elderly and Handicapped Housing Program; authorizing the issuance and sale of up to $55,000,000 principal amount of general obligation refunding bonds of the City for the purpose of providing part of the funds necessary to refund all or a part of the City's outstanding Unlimited Tax General Obligation Bonds, 1982; authorizing the purchase of certain obligations with the proceeds of the sale of such refunding bonds and for the use and application of the funds to be derived from such obligation; providing for the redemption of certain outstanding bonds to be refunded and for a refunding agent; providing for the adoption of a resolution fixing the date, form, terms and covenants of said refunding bonds to be issued; providing for unlimited tax levies to pay the principal thereof and interest on the bonds authorized to be issued by such resolution; authorizing the City Comptroller to negotiate the sale and delivery of the Bonds and to recommend their principal amount, interest rates and other details consistent with this Ordinance; and the adopting of a resolution authorizing the sale.

WHEREAS, The City of Seattle, Washington (the "City"), now has outstanding its unlimited tax levy General Obligation Bonds, 1982 in the principal amount of Forty-seven Million One Hundred Twenty-five Thousand Dollars ($47,125,000) issued for the purpose of providing funds to develop, acquire, construct and rehabilitate additional housing as authorized by Ordinance 110124; and

WHEREAS, Ordinance 110791 of the City authorizing the issuance of its Unlimited Tax General Obligation Bonds, 1982 (the "Outstanding Bonds") provides that the City may call the Bonds maturing on or after December 1, 1993 for redemption on December 1, 1992, or any interest payment date thereafter in whole or in part at the option of the City at the redemption price of 103% of the par value thereof, plus accrued interest to the date of redemption; and

WHEREAS, after due consideration it appears to the City that the Outstanding Bonds maturing in the years beginning December 1, 1993 through December 1, 2007 in the aggregate principal amount of Forty-two Million Two Hundred Five Thousand Dollars ($42,205,000), (the "Refunded Bonds") may be redeemed by the issuance and sale of general obligation bonds of the City authorized herein (the "Bonds") and, if the City Council so determines, the application of certain funds on hand in the Bond Redemption Fund so that a substantial present value savings to the City and its taxpayers will be achieved; and

WHEREAS, the City Council will, by resolution, determine the terms and details of the Bonds, including the principal

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amount, the interest rates, redemption provisions, price and other details consistent with this Ordinance; and

WHEREAS, in order to accomplish such refunding and redemption in the manner that will be most advantageous to the City and its taxpayers, the City will purchase certain obligations from the proceeds of the Bonds and, if necessary from other available moneys of the City, which will bear interest and mature at such time or times as is necessary to pay the interest on Refunded Bonds through December 1, 1992 and on December 1, 1992 to pay all outstanding principal of and premium on the Refunded Bonds; Now, Therefore,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Findings. The City hereby finds and determines that the issuance and sale of the Bonds will effect a present value savings to the City and its taxpayers if accomplished in accordance with the present proposal for such issuance and sale. In making such finding and determination the City has given consideration to the interest to the fixed maturities of the Bonds and the Outstanding Bonds and Refunded Bonds, the costs of issuance of the Bonds, including the bond discount, the payment of the premiums on the redemption price of the bonds to be redeemed and the known earned income from the investment of the proceeds of sale of the Bonds pending redemption of the Refunded Bonds. The City will reconsider each of these matters at the time of the adoption of the Resolution.

Section 2. Definitions. As used in this ordinance, the following words shall have the following meanings:

"Bond Counsel" means Preston, Thorgrimson, Ellis and Holman, attorneys of Seattle, Washington, or such other firm of lawyers nationally recognized and accepted as bond counsel and so designated by the City.

"Bond Register" means the books or records maintained by the Bond Registrar containing the name and mailing address of the owner of each Bond and the principal amount and number of Bonds held by each owner.

"Bond Registrar" means the fiscal agency of the State of Washington, currently Seattle-First National Bank, Seattle, Washington, and/or J. Henry Schroder Bank & Trust Company, New York, New York, or any fiscal agency of the State that may hereafter be designated as successors to such banks.

"Bonds" means the Unlimited Tax Levy General Obligation Refunding Bonds, 1986, of the City authorized to be issued by this Ordinance.

"Bond Year" means the one year period beginning on the date of issue of the Bonds and ending one day prior to the anniversary date thereof.

"City" means The City of Seattle, Washington.

"City Council" means the City Council of The City of Seattle.

"Escrow Verification Agent" means the Escrow Verification Agent appointed by the Comptroller pursuant to Section 19 hereof.

"Government Obligations" means, subject to any restrictions set forth in the Resolution, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Ordinance" means this ordinance.

"Outstanding Bonds" means the outstanding Forty-two Million One Hundred Twenty-five Thousand Dollars ($42,125,000) aggregate principal amount of Unlimited Tax Levy General Obligation Bonds, 1982 of the City issued under the date of November 1, 1982 and scheduled to mature on each December 1 from the adoption date of this Ordinance through December 1, 2007.

"Permitted Investments" means any investments which are legal for investment of funds of the City and which have been designated as Permitted Investments in the Resolution.

"Refunded Bonds" means the Forty-two Million Two Hundred Five Thousand Dollars ($42,205,000) aggregate principal amount of City of Seattle General Obligation Bonds, 1982 issued under date of November 1, 1982 and scheduled to mature on December 1, 1993 and on each December 1 thereafter until and including December 1, 2007.

"Refunding Agent" means a financial institution appointed by the Comptroller as Refunding Agent pursuant to Section 9 hereof.

"Refunding Agreement" means the agreement between the City and the Refunding Agent in the form to be attached to the Resolution.

"Resolution" means a resolution of the City Council adopted pursuant to this ordinance and specifying and approving the exact amount of Outstandinb Bonds to be refunded, date or dates, maturities, interest rate or rates, interest payment dates, price, redemption provisions and certain other provisions of the Bonds or relating to the Bonds, in accordance with this Ordinance.

Section 3. Authorization of Bonds. For the purpose of providing part of the moneys required to pay the principal of and interest on the Outstanding Bonds or the interest, as the case may be, on the Refunded Bonds as the same fall due until and including December 1, 1992 and then redeem and retire on December 1, 1992 the Refunded Bonds, the City shall issue the Bonds in the aggregate principal amount of up to Fifty-five Million Dollars ($55,000,000).

Section 4. Terms of Bonds. The Bonds shall be designated "City of Seattle, Washington, Unlimited Tax General Obligation Refunding Bonds, 1986"; shall be dated December 1, 1986 or such other date as the City Council shall specify in the Resolution, shall be in the aggregate principal amount of up to $55,000,000, shall be issued for the purpose of refunding the Outstanding Bonds in advance of their stated maturities or refunding and redeeming the Refunding Bonds as the City Council shall determine, shall be issued in the denomination of $5,000 each or any integral multiple of $5,000 within a single maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall bear interest at such rate or rates not in excess of 10% as shall be specified by the City Council in the Resolution, computed on the basis of a 360-day year of twelve 30-day months and, beginning with a first interest payment date specified in the Resolution, payable semi-annually thereafter, and, if any Bonds are not redeemed upon proper presentment by their maturity or call dates, with full obligation on the part of the City to pay interest at the same rate or rates from and after the maturity or call date until the Bonds with interest are paid in full or sufficient money for such payment is on deposit in the Bond Redemption Fund (as hereinafter defined in Section 5 of this Ordinance) and such Bonds have been called for redemption in accordance with Section 4 of this Ordinance and the Resolution. The Bonds shall be serial or Term bonds as specified in the Resolution, and shall mature in the amounts and may be subject to mandatory and optional redemption on the dates specified in the Resolution.

The Bonds may be issued in fully immobilized form and issued and paid as described in the Resolution. The provisions of this section shall be applicable to Bonds not issued in fully immobilized form.

Upon surrender thereof to the Bond Registrar, Bonds are interchangeable for Bonds in any authorized denomination of an equal aggregate principal amount and of the same interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Such exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the fi[illegible]n days preceding any principal payment or redemption date. e Bonds shall be issued only in registered form as to both [illegible]n-cipal and interest on the Bond Register.

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by check or draft mailed to a Registered Owner of the Bonds at the addresses for such owners appearing on the Bond Register on the 15th day of the calendar month preceding the interest payment date, or by wire transfer to the registered owner appearing on the Bond Register at least fifteen (15) days prior to the interest payment date if so requested in writing and if the registered owner owns at least Five Hundred Thousand Dollars ($500,000) par value of the Bonds. Principal of the Bonds shall be payable at maturity or on such date as may be fixed for prior redemption upon presentation and surrender of the Bonds by the registered owners at either office of the Bond Registrar in

Seattle, Washington, or New York, New York, at the option of such registered owners. The Bonds shall be payable solely out of the Bond Redemption Fund and shall be general obligations of the City.

Section 5. Redemption provisions; Open Market Purchase. The City Council shall specify in the Resolution the terms for optional prior redemption of the Bonds, if any.

If subject to redemption prior to their stated maturity date, portions of the principal amount of any Bond in installments of Five Thousand Dollars ($5,000) or any integral multiple of Five Thousand Dollars ($5,000) may be redeemed in the manner specified in the Resolution. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the registered owner, without charge therefor, a new Bond or Bonds, at the option of the registered owner, in a principal amount representing the uncalled portion of such original principal amount, of like maturity and interest rate in any of the denominations authorized by this Ordinance.

Notice of any such intended redemption shall be given not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption, by first class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the address appearing on the Bond Register. In addition, such redemption notice shall be mailed within the same period, postage prepaid, to the Public Finance office of Prudential-Bache Securities in Seattle, Washington, and Shearson/Lehman Bros., Inc./Foster & Marshall Division, at their office in Seattle, Washington, and Moody's Investors

Service, Inc. and Standard & Poor's Corporation in New York, New York, or to their successors, but the mailing to any of those firms shall not be a condition precedent to the redemption of such Bonds. The requirements of this section shall be deemed to be complied with when notice is mailed as provided, whether or not it is actually received by the owner of any Bond. Interest on the Bonds so called for redemption shall cease on the date fixed for redemption unless such Bond or Bonds so called are not redeemed upon presentation made pursuant to such call.

The City reserves the right to purchase any of the Bonds on the open market at any time at any price plus accrued interest to the date of purchase. Bonds so purchased shall be retired and cancelled.

Section 6. Form, Execution and Authentication of the Bonds; Bond Register. The Bonds shall be printed or lithographed on good bond paper in a form consistent with the provisions of this ordinance and the Resolution, shall be signed on behalf of the City by the Mayor and the Comptroller and City Clerk of the City, both of whose signatures shall be in facsimile, and shall have a facsimile of the seal of the City reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the following form, dated and manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance:

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered Seattle, Washington, General Obligation Refunding Bonds, 1986, described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY

By _____
Authorized Officer

Such Certificate of Authentication when executed shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either or both of the officers whose facsimile signatures appear on the Bonds shall cease to be such officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds nevertheless may be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those whose facsimile signatures appear on the Bonds had continued to be such officers of the City. Any Bond also may be signed on behalf of the City by such persons as, at the actual date of execution of such Bond, shall be proper officers of the City authorized to execute bonds although on the original date of such Bond such persons were not such officers of the City.

The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times be open to inspection by the City. The Bond Registrar is authorized on behalf of the City to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bond and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance and SMC Chapter 5.10 (Ordinance 111724), which established a system of registration for the City's bonds and obligations.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become the owner of Bonds with the same rights it would have if it

were not the Bond Registrar and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Bond owners.

Section 7. Temporary Bond. Without unreasonable delay the City shall cause definitive Bonds to be prepared, executed and delivered, which Bonds shall be lithographed or printed with engraved or lithographed borders. Until the definitive Bonds are prepared, the City may execute a temporary bond which shall be typewritten, and which shall be delivered to the purchaser or purchasers of the Bonds in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions. The temporary Bond shall be dated as of the date of the Bonds, shall be fully registered, shall be in the denomination of the amount authorized by the City Council in the Resolution, shall be numbered T-1, shall be substantially of the tenor of such definitive Bonds, but with such omissions, insertions and variations as may be appropriate to temporary bonds and shall be signed by either the manual or facsimile signature of both the Mayor and City Comptroller and City Clerk.

Upon surrender to the City of any such temporary Bond, the City without charge to the registered owner shall execute and deliver to the registered owner of the temporary Bond in exchange therefor definitive Bonds of the same maturities, interest rates, redemption provisions and aggregate principal amount as the temporary Bond, if any, surrendered. Until so exchanged, the temporary Bond shall be in all respects entitled to the same benefit and security as definitive Bonds executed and issued pursuant to this Ordinance.

Section 8. Bond Redemption Fund. There has heretofore been created in the Treasury of the City a special fund of the City known as the "Low-Income Elderly and Handicapped Housing Development Bond Redemption Fund" (the "Bond Redemption Fund"), as required and in the manner provided in Section 6 of Ordinance 110124. The taxes hereafter levied shall be placed in a subaccount of the Bond Redemption Fund, or the same may be placed in a subaccount of a consolidated bond interest and redemption fund of the City, which subaccount shall be drawn upon for the sole purpose of paying the principal of and interest on the Bonds. The accrued interest received from the sale of the Bonds shall be deposited in the Bond Redemption Fund. Any proceeds resulting from authorized temporary investments of the Bond Redemption Fund or such investment proceeds of any of the taxes hereafter levied placed in a consolidated bond interest and redemption fund shall be used for the sole purpose of retiring the Bonds or paying the interest thereon.

As set forth in Section 6 of Ordinance 110124 and in Ordinance 110791, the City irrevocably covenants and agrees that from and after the date of delivery of the Bonds and for as long as any of the Bonds are outstanding and unpaid that each year it will levy taxes annually without limitation as to rate or amount upon all the property within the City subject to taxation in amounts which, with other monies of the City which may be legally used and which the City may specifically set aside for such purposes, will be sufficient to pay the principal of and interest on the Bonds as the same shall become due. All of such taxes so collected and any of such

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other monies shall for no other purpose than the payment of the principal of and interest on the Bonds.

The full faith, credit and resources of the City are hereby pledged for the annual levy and collection of such taxes and to the prompt payment of the principal of and interest on the Bonds as the same shall become due.

Section 9. 1986 Advance Refunding Account. There is hereby created in the Treasury of the City a special account within the Bond Redemption Fund to be known as the "General Obligation Bond, 1982 Advance Refunding Account" ("Refunding Account") which Refunding Account is to be drawn upon for the sole purpose of paying the principal of and interest on the Refunded Bonds and of paying costs related to the refunding thereof.

The proceeds of sale of the Bonds (exclusive of accrued interest thereon, if any, which shall be paid into the Bond Redemption Fund) shall be credited to such Refunding Account. The City may also pay into the Refunding Account monies from its own funds, if the Resolution so authorizes.

Monies in the Refunding Account shall be used immediately upon receipt thereof to defease the Outstanding Bonds or the Refunding Bonds authorized to be defeased by the Resolution and discharge the other obligations of the City relating to such bonds under Ordinance 110791 (authorizing the issuance of the Outstanding Bonds) by providing for the payment of interest on the Refunded Bonds until and including December 1, 1992 and to pay the outstanding principal of and premium on the Refunded Bonds on December 1, 1992. The City shall carry

out its plan of defeasance and discharge of its obligations by the use of monies in the Refunding Account to purchase certain "Government Obligations" as such obligations are defined herein (which obligations so purchased are herein called "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of the principal of, interest on and any premium to be paid for the bonds to be defeased.

Such beginning cash balance, if any, and Acquired Obligations shall be irrevocably deposited in a trust account with a financial institution to be selected by the Comptroller and appointed as the Refunding Agent to act in accordance with the terms of this Ordinance, the Resolution and the Refunding Agreement, a form of which is to be attached to the Resolution. Any amounts described in this section which are not provided for in full by such beginning cash balance and the purchase and deposit of the Acquired Obligations described in this section shall be provided for by the irrevocable deposit of the necessary amount out of the proceeds of sale of the Bonds or any other monies of the City legally available therefor with the Refunding Agent. The proceeds of the Bonds remaining in the Refunding Account after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the Refunding Bonds. The City may, from time to time, transfer or cause to be transferred from the Refunding Account any monies not thereafter required for the

purposes set forth herein or for the payment of expenses. The City reserves the right to substitute other securities for the Acquired Obligations; in the event it may do so, pursuant to Section 148 of the Internal Revenue Code of 1986 and applicable regulations thereunder, upon compliance with the following conditions:

(1) Such substitution is accomplished pursuant to resolution of the City Council, which may be adopted either prior to or subsequent to the delivery of the Bonds.

(2) The securities to be substituted are non-callable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

(3) Such securities bear such interest and mature at such times and in such amounts as to fully replace the Acquired Obligations for which they are substituted, and to provide, together with Acquired Obligations and cash remaining, for the payment of the amounts specified above.

(4) An opinion from Bond Counsel that such substitution (i) is permitted under this Ordinance, Ordinance 110791, and the Resolution and (ii) shall not cause any of the Bonds or Outstanding Bonds to lose their tax-exempt status under Section 103(a) of the Internal Revenue Code of 1986 and the applicable regulations promulgated thereunder.

When all of the Refunded Bonds shall have been redeemed and retired, the City may cause to be transferred from the

Refunding Account to the Bond Redemption Fund all moneys remaining therein.

The City irrevocably sets aside for and pledges to the Refunded Bonds the moneys and obligations to be deposited with the Refunding Agent pursuant to the Agreement to accomplish the plan of refunding set forth herein and in such Agreement.

Section 10. Redemption of Refunded Bonds. The City hereby calls for redemption on December 1, 1992, the Refunded Bonds at their redemption price of 103% of the par value thereof in accordance with the provisions of Section 7 of Ordinance 110791. Said call for redemption shall be irrevocable after the delivery of the Bonds to the initial purchasers thereof, and the final establishment of the trust account with and delivery of the Acquired Obligations to the Refunding Agent.

The Refunding Agent, acting in concert with the City Comptroller, is hereby authorized and directed to provide for the giving of the notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of Ordinance 110791.

Section 11. Findings Regarding Defeasance of Refunded Bonds. The City hereby finds and determines that the monies and Acquired Obligations when deposited with the Refunding Agent in accordance with Section 9 of this Ordinance will, on and after the adoption of this ordinance, discharge and satisfy the obligations of the City under Ordinance 110791 with respect to the Outstanding Bonds (if all are offered) and the Refunded Bonds and the pledges, charges, trusts, covenants and agreements of the City therein made or provided for with respect to said Bonds, and that, on and after the date when

the monies and Acquired Obligations are delivered to the Refunding Agent, said Bonds shall no longer be deemed to be outstanding under Ordinance 110791.

Section 12. Covenant Regarding Tax-Exemption. The City hereby covenants that it will not make any use of the proceeds from the sale of the Bonds or any other monies or obligations of the City which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Internal Revenue Code of 1986 and the applicable regulations thereunder which, if such use had been reasonably expected on the date of delivery of the Bonds to the initial purchasers thereof, would have caused the Bonds to be "arbitrage bonds" within the meaning of said Section and said regulations. The City will comply with such requirements and the applicable regulations thereunder throughout the term of the Bonds so long as necessary to maintain the exemption from federal income taxation of the interest on the Bonds.

Section 13. Covenant Regarding Rebate Requirements. The City covenants and agrees to calculate the Rebate Amount and to pay the Rebate Amount to the Internal Revenue Service in the manner and at the times required in this subsection unless Preston, Thorgrimson, Ellis & Holman or other nationally recognized bond counsel delivers to the City its opinion that the Rebate Amount must be calculated in another manner, in which case the City covenants and agrees to calculate and pay the Rebate Amount in the manner required by law.

A. There is hereby created and established a special fund of the City to be designated "The City of Seattle General Obligation Refunding Bonds 1986 Excess Earnings Fund" (the "Excess Earnings Fund") to be held separate from other funds and accounts of the City and administered by the City. The City

shall make deposits into and withdrawals and payments from the Excess Earnings Fund at such times and in such manner as provided herein.

B. The City shall calculate the Rebate Amount for each Bond Year and shall maintain the Rebate Amount in the Excess Earnings Fund for the next succeeding Bond Year, less the amounts, if any, previously paid to the United States as provided herein. Investment earnings on amounts in the Excess Earnings Fund shall be retained therein. The Rebate Amount shall be calculated as follows:

(1) The aggregate amount earned on the amounts allocable to the Bonds, if any deposited in the 1986 Advance Refunding Account and Bond Redemption Fund, for the Computation Period, minus

(2) The aggregate amount that would have been earned on the amounts allocable to the Bonds, if any, deposited in the 1986 Advance Refunding Account and Bond Redemption Fund, for the Computation Period of such amounts had been invested at a yield equal to the actuarial yield on the Bonds for the Computation Period, plus

(3) Any income (whether or not that income exceeds such yield on the Bonds) attributable to the amounts in the Excess Earnings Fund.

If the gross earnings on the amounts in the Bond Redemption Fund allocable to the Bonds for any Bond Year during the Computation Period were less than $100,000, the amount of earnings on such Fund for each such Bond Year must be subtracted from the amounts used in computing subparagraph (1) above, and shall not be taken into account in computing subparagraph (2) above.

C. The City shall make deposits into the Excess Earnings Fund to maintain it at the Rebate Amount, less the amounts, if any, previously paid to the United States as provided herein. Such deposits shall be made from the Bond Redemption Fund, or from other available monies of the City but may not be made from the 1986 Advance Refunding Account. Any amounts that are withdrawn from the Excess Earnings Fund as a result of a decrease in the Rebate Amount may be deposited in the Bond Redemption Fund. Earnings on amounts in the Rebate Account must remain therein and may not be taken into account in determining a decrease in the Rebate Amount.

D. The City shall make installment payments from the Excess Earnings Fund to the United States. The first payment shall be made not later than thirty (30) days after the end of the fifth Bond Year. Each subsequent installment payment shall be made not later than five (5) years after the preceding payment was due. Each installment payment shall be such that at least ninety percent (90%) of the Rebate Amount for the Computation Period ending immediately prior to such installment payment will have been paid to the United States. Not later than sixty (60) days after retirement of the last obligation of the Bonds, the final installment payment shall be made such that 100% of the Rebate Amount for the final Computation Period is paid to the Internal Revenue Service.

E. The Rebate Amount shall be calculated within thirty (30) days of the end of the first Bond Year, within thirty (30) days of the end of each subsequent Bond Year, and within sixty (60) days of the retirement of the last obligation of the Bonds. Any required deposits into the Excess Earnings Fund shall be made within the thirty (30) or sixty (60) day period, as the case may be.

F. If, during any Computation Period, the Rebate Amount is less than the amounts previously paid to the United States, such a deficit may not be recovered from amounts previously paid to the United States.

G. The aggregate amount earned on any fund must include all income realized under federal income tax accounting principles (whether or not the entity earning the income is subject to federal income taxation) with respect to any obligation and with respect to the reinvestment of investment receipts from such obligations. Transaction costs incurred in acquiring, carrying, selling or redeeming such obligations may not be offset in determining the aggregate amount earned. If any investments are retained after retirement of the last obligation of the Bonds, any unrealized gain or loss as of such retirement date must be taken into account in determining aggregate earnings. Gain or loss must be computed with reference to the fair market value of an obligation or security on the date that it is deposited into any fund or account created hereunder.

H. The City covenants and agrees to make payments of the Rebate Amount to the U.S. Treasury in a manner other than as described in this section if necessary to comply with the Internal Revenue Code of 1986.

Section 134 Dispositon of Bond Proceeds; Application of Moneys. The proceeds of sale of the Bonds shall be applied as follows:

A. Accrued interest, if any, received at the time of delivery of the Bonds to the initial purchaser shall be paid into the Bond Redemption Fund.

b. The amount necessary to pay for costs of issuance of the Bonds and to purchase Acquired Obligations shall be credited to the Refunding Account in accordance with Section 9 of this Ordinance.

The balance of the proceeds of the Bonds, if any, after making provisions for the above payments, shall be deposited in the Bond Redemption Fund.

Section 15. Lost, Stolen, Destroyed or Mutilated Bonds. In case any of the Bonds shall be lost, stolen, destroyed or mutilated, the Bond Registrar may authenticate and deliver a new bond or bonds of like amount, date, number and tenor to the registered owner thereof upon the owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon filing with the City and the Bond Registrar evidence satisfactory to the City, and the Bond Registrar that such bond or bonds were actually lost, stolen, destroyed or mutilated, and of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to each.

Section 16. Defeasance of Bonds. In the event that money and/or "Government Obligations," as such obligations are now or may hereafter be defined in RCW Chapter 39.53, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire the Bonds or any of them in accordance with their terms are set aside in a special account to effect such redemption or retirement and such money and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Redemption Fund for the payment of the principal of and interest on the Bonds

so provided for and such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the funds so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

Section 17. Amendatory and Supplemental Ordinances.

(a) This ordinance shall not be modified or amended in any respect subsequent to the initial issuance of the Bonds, except in accordance with and subject to the provisions of this section.

(b) The City may from time to time, and at any time, without the consent of or notice to the registered owners of the Bonds, pass supplemental or amendatory ordinances as follows:

(1) To cure any formal defect, omission, inconsistency or ambiguity in this ordinance in manner not adverse to the owner of any Bonds;

(2) To impose upon the Bond Registrar (with its consent) for the benefit of the registered owners of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this ordinance as theretofore in effect;

(3) To add to the covenants and agreements of, and limitations and restrictions upon, the City in this ordinance, other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary or inconsistent with this ordinance as theretofore in effect;

(4) To confirm, as further assurance, any pledge under, and the subjection to, any claim, lien or pledge

created by this ordinance of any other money, securities or funds;

(5) To authorize different denominations of the Bonds and to make amendments and modifications to this ordinance regarding exchange of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(6) Because of change in federal law or rulings, to maintain the exemption of the interest on the Bonds from federal income taxation; or

(7) To modify, alter, amend or supplement this ordinance in any other respect which is not materially adverse to the registered owners of the Bonds.

Before the City shall adopt any such supplemental ordinance pursuant to this subsection, there shall have been delivered to the City and the Bond Registrar an opinion of Bond Counsel stating that such supplemental ordinance is authorized or permitted by this ordinance and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Bonds.

Section 18. Sale of Bonds. The sale of the Bonds shall be negotiated with Shearson/Lehman Brothers, Foster & Marshall Division in accordance with a managing underwriting agreement between the City and such firm, or, if such negotiations are unsuccessful, the sale of the Bonds shall be negotiated by the City Comptroller with another underwriter or underwriters of

his choice. The City Comptroller shall recommend and the City Council may adopt in the Resolution provisions approving the sale and provisions consistent with this Ordinance and specifying the exact amount, date or dates, maturities, interest rate or rates, interest payment dates, price redemption provisions, and any other provisions relating to the Bonds and consistent with this ordinance. The City Comptroller also shall recommend, and the City Council may approve in the Resolution, the form and substance of a purchase contract with the underwriter for the Bonds, which contract shall be signed by the City Comptroller on behalf of the City prior to the adoption of the Resolution by the City Council.

Upon the sale of the Bonds, the proper City officials are authorized and directed to do everything necessary for the prompt issuance, authentication and delivery thereof and for the proper application and use of proceeds of such sale.

Section 19. Miscellaneous Sale and Delivery Provisions. The Bonds will be delivered to the purchaser upon payment of the purchase price plus accrued interest to the date of delivery in Seattle, Washington, at the City's expense, or at such other place upon which the City Comptroller and the purchaser may mutually agree at the purchaser's expense. Settlement shall be made in immediately available funds at the time of delivery of the Bonds. A no-litigation certificate in the usual form will be included in the closing papers.

CUSIP numbers will be printed on the Bonds, but neither failure to print such numbers on any bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract.

_____, a firm of independent Certified Public Accountants to be appointed by the Comptroller upon delivery of the Bonds, will deliver a report on the mathematical accuracy of certain computations contained in schedules provided for them by Prudential-Bache Securities, Inc. on behalf of the City, which computations relate to (a) the sufficiency of the anticipated receipts from the Acquired Obligations, together with the initial cash deposit, if any, to pay, when due, the principal, whether at maturity or upon prior redemption, interest and call premium requirements of the Bonds redeemed and (b) the "yield" on the Escrow Obligations and on the Bonds considered by Bond Counsel in connection with the opinion rendered by such firm that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986.

The report of _____ will include the statement that the scope of their engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to them and that it has no obligation to update its report because of events occurring, or data or information coming to its attention, subsequent to the date of such report.

The City will cause the Bonds to be printed or lithographed, and will furnish the approving legal opinion of Preston, Thorgrimson, Ellis & Holman of Seattle, Washington, or other Bond Counsel concerning the Bonds, without cost to the purchaser, the opinion also being printed on each bond. Bond Counsel has not been retained for the purpose of and shall not be required to review or express any opinion concerning the completeness or accuracy of any official statement, offering circular or other sales material issued or used

in connection with the Bonds other than the description of the Bonds in the official statement, and Bond Counsel's opinion shall so state.

Section 20. Negotiability. The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 21. Headings of Sections. The headings of the sections of this Ordinance are for convenience of reference only and shall not affect the meaning, construction or interpretation of this Ordinance.

Section 22. Ratification. Any act performed consistent with the provisions of this ordinance and prior to its effective date is ratified and confirmed.

(To be used for all Ordinances except Emergency.)

Section 23. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 15th day of December, 19 86,

and signed by me in open session in authentication of its passage this 15th day of December, 1986.

President of the City Council.

Approved by me this 23rd day of December, 19 86

Mayor.

Filed by me this 23rd day of December, 19 86

Attest: Norward J. Brooks
City Comptroller and City Clerk.

(SEAL)

Published

By Michael A Humphreys
Deputy Clerk.

☐ PUBLISH ☐ DO NOT PUBLISH

CITY ATTORNEY _____

cs 8.1.6

C-657-X

Affidavit of Publication

STATE OF WASHINGTON
KING COUNTY--SS.

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter refered to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

Ordinance No. 113244

was published on December 26, 1986

[signature]

Subscribed and sworn to before me on

December 26, 1986

[signature]

Notary Public for the State of Washington,
residing in Seattle.

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

ORD.# 113244
35MM
2 SHEETS

City of Seattle

ORDINANCE 111244

AN ORDINANCE relating to the Low Income Elderly and Handicapped Housing Program; authorizing the issuance and sale of up to $55,000,000 principal amount of general obligation refunding bonds of the City for the purpose of providing part of the funds necessary to refund all or a part of the City's outstanding Unlimited Tax General Obligation Bonds, 1982; authorizing the purchase of certain obligations with the proceeds of the sale of such refunding bonds and for the use and application of the funds to be derived from such obligations; providing for the redemption of certain outstanding bonds to be refunded and for a refunding agent; providing for the adoption of a resolution fixing the date, form, terms and covenants of said refunding bonds to be issued; providing for unlimited tax levies to pay the principal thereof and interest on the bonds authorized to be issued by such resolution; authorizing the City Comptroller to negotiate the sale and delivery of the Bonds and to recommend their principal amount, interest rates and other details consistent with this Ordinance; and the adopting of a resolution authorizing the sale.

WHEREAS, The City of Seattle, Washington (the "City"), now has outstanding its unlimited tax levy General Obligation Bonds, 1982 in the principal amount of Forty-seven Million One Hundred Twenty-five Thousand Dollars ($47,125,000) issued for the purpose of providing funds to develop, acquire, construct and rehabilitate additional housing as authorized by Ordinance 110124; and

WHEREAS, Ordinance 110791 of the City authorizing the issuance of its Unlimited Tax General Obligation Bonds, 1982 (the "Outstanding Bonds") provides that the City may call the Bonds maturing on or after December 1, 1993 for redemption on December 1, 1992, or any interest payment date thereafter in whole or in part at the option of the City, at the redemption price of 103% of the par value thereof, plus accrued interest to the date of redemption; and

WHEREAS, after due consideration it appears to the City that the Outstanding Bonds maturing in the years beginning December 1, 1993 through December 1, 2007 in the aggregate principal amount of Forty-two Million Two Hundred Five Thousand Dollars ($42,205,000), (the "Refunded Bonds") may be redeemed by the issuance and sale of general obligation bonds of the City authorized herein (the "Bonds"), and, if the City Council so determines, by the application of certain funds on hand in the Bond Redemption Fund so that a substantial present value savings to the City and its taxpayers will be achieved; and

WHEREAS, the City Council will, by resolution, determine the terms and details of the Bonds, including the principal amount, the interest rates, redemption provisions, price and other details consistent with this Ordinance; and

WHEREAS, in order to accomplish such refunding and redemption in the manner that will be most advantageous to the City and its taxpayers, the City will purchase certain obligations from the proceeds of the Bonds and, if necessary from other available moneys of the City, which will bear interest and mature at such time or times as is necessary to pay the interest on Refunded Bonds through December 1, 1992 and on December 1, 1992 to pay all outstanding principal of and premium on the Refunded Bonds; Now, Therefore,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Findings. The City hereby finds and determines that the issuance and sale of the Bonds will effect a present value savings to the City and its taxpayers if accomplished in accordance with the present proposal for such issuance and sale. In making such finding and determination the City has given consideration to the interest to the fixed maturities of the Bonds and the Outstanding Bonds and Refunded Bonds, the costs of issuance of the Bonds, including the bond discount, the payment of the premiums on the redemption price of the bonds to be redeemed and the known earned income from the investment of the proceeds of sale of the Bonds pending redemption of the Refunded Bonds. The City will reconsider each of these matters at the time of the adoption of the Resolution.

Section 2. Definitions. As used in this ordinance, the following words shall have the following meanings:

"Bond Counsel" means Preston, Thorgrimson, Ellis and Holman, attorneys of Seattle, Washington, or such other firm of lawyers nationally recognized and accepted as bond counsel and so designated by the City.

"Bond Register" means the books or records maintained by the Bond Registrar containing the name and mailing address of the owner of each Bond and the principal amount and number of Bonds held by each owner.

"Bond Registrar" means the fiscal agency of the State of Washington, currently Seattle-First National Bank, Seattle, Washington, and/or J. Henry Schroder Bank & Trust Company, New York, New York, or any fiscal agency of the State that may hereafter be designated as successors to such banks.

"Bonds" means the Unlimited Tax Levy General Obligation Refunding Bonds, 1986, of the City authorized to be issued by this Ordinance.

"Bond Year" means the one year period beginning on the date of issue of the Bonds and ending one day prior to the anniversary date thereof.

"City" means The City of Seattle, Washington.

"City Council" means the City Council of The City of Seattle.

"Escrow Verification Agent" means the Escrow Verification Agent appointed by the Comptroller pursuant to Section 19 hereof.

"Government Obligations" means, subject to any restrictions set forth in the Resolution, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Ordinance" means this ordinance.

"Outstanding Bonds" means the outstanding Forty-two Million One Hundred Twenty-five Thousand Dollars ($42,125,000) aggregate principal amount of Unlimited Tax Levy General Obligation Bonds, 1982 of the City issued under the date of November 1, 1982 and scheduled to mature on each December 1 from the Adoption date of this Ordinance through December 1, 2007.

"Permitted Investments" means any investments which are legal for investment of funds of the City and which have been designated as Permitted Investments in the Resolution.

"Refunded Bonds" means the Forty-two Million Two Hundred Five Thousand Dollars ($42,205,000) aggregate principal amount of City of Seattle General Obligation Bonds, 1982 issued under date of November 1, 1982 and scheduled to mature on December 1, 1993 and on each December 1 thereafter until and including December 1, 2007.

"Refunding Agent" means a financial institution appointed by the Comptroller as Refunding Agent pursuant to Section 9 hereof.

"Refunding Agreement" means the agreement between the City and the Refunding Agent in the form to be attached to the Resolution.

"Resolution" means a resolution of the City Council adopted pursuant to this ordinance and specifying and approving the exact amount of Outstandinb Bonds to be refunded, date or dates, maturities, interest rate or rates, interest payment dates, price, redemption provisions and certain other provisions of the Bonds or relating to the Bonds, in accordance with this Ordinance.

Section 3. Authorization of Bonds. For the purpose of providing part of the moneys required to pay the principal of and interest on the Outstanding Bonds or the interest, as the case may be, on the Refunded Bonds as the same fall due until and including December 1, 1992 and then redeem and retire on December 1, 1992 the Refunded Bonds, the City shall issue the Bonds in the aggregate principal amount of up to Fifty-five Million Dollars ($55,000,000).

Section 4. Terms of Bonds. The Bonds shall be designated "City of Seattle, Washington, Unlimited Tax General Obligation Refunding Bonds, 1986"; shall be dated December 1, 1986 or such other date as the City Council shall specify in the Resolution, shall be in the aggregate principal amount of up to $55,000,000, shall be issued for the purpose of refunding the Outstanding Bonds in advance of their stated maturities or refunding and redeeming the Refunding Bonds as the City Council shall determine, shall be issued in the denomination of $5,000 each or any integral multiple of $5,000 within a single maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall bear interest at such rate or rates not in excess of 10% as shall be specified by the City Council in the Resolution, computed on the basis of a 360-day year of twelve 30-day months and, beginning with a first interest payment date specified in the Resolution, payable semi-annually thereafter, and, if any Bonds are not redeemed upon proper presentment by their maturity or call dates, with full obligation on the part of the City to pay interest at the same rate or rates from and after the maturity or call date until the Bonds with interest are paid in full or sufficient money for such payment is on deposit in the Bond Redemption Fund (as hereinafter defined in Section 5 of this Ordinance) and such Bonds have been called for redemption in accordance with Section 4 of this Ordinance and the Resolution. The Bonds shall be serial or Term bonds as specified in the Resolution, and shall mature in the amounts and may be subject to mandatory and optional redemption on the dates specified in the Resolution.

The Bonds may be issued in fully immobilized form and issued and paid as described in the Resolution. The provisions of this section shall be applicable to Bonds not issued in fully immobilized form.

Upon surrender thereof to the Bond Registrar, Bonds are interchangeable for Bonds in any authorized denomination of an equal aggregate principal amount and of the same interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Such exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the fifteen days preceding any principal payment or redemption date. The Bonds shall be issued only in registered form as to both principal and interest on the Bond Register.

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by check or draft mailed to a Registered Owner of the Bonds at the addresses for such owners appearing on the Bond Register on the 15th day of the calendar month preceding the interest payment date, or by wire transfer to the registered owner appearing on the Bond Registor at least fifteen (15) days prior to the interest payment date if so requested in writing and if the registered owner owns at least Five Hundred Thousand Dollars ($500,000) par value of the Bonds. Principal of the Bonds shall be payable at maturity or on such date as may be fixed for prior redemption upon presentation and surrender of the Bonds by the registered owners at either office of the Bond Registrar in Seattle, Washington, or New York, New York, at the option of such registered owners. The Bonds shall be payable solely out of the Bond Redemption Fund and shall be general obligations of the City.

Section 5. Redemption provisions; Open Market Purchase. The City Council shall specify in the Resolution the terms for optional prior redemption of the Bonds, if any.

If subject to redemption prior to their stated maturity date, portions of the principal amount of any Bond in installments of Five Thousand Dollars ($5,000) or any integral multiple of Five Thousand Dollars ($5,000) may be redeemed in the manner specified in the Resolution. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the registered owner, without charge therefor, a new Bond or Bonds, at the option of the registered owner, in a principal amount representing the uncalled portion of such original principal amount, of like maturity and interest rate in any of the denominations authorized by this Ordinance.

Notice of any such intended redemption shall be given not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption, by first class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the address appearing on the Bond Register. In addition, such redemption notice shall be mailed within the same period, postage prepaid, to the Public Finance office of Prudential-Bache Securities in Seattle, Washington, and Shearson/Lehman Bros., Inc./Foster & Marshall Division, at their office in Seattle, Washington, and Moody's Investors Service, Inc. and Standard & Poor's Corporation in New York, New York; or to their successors, but the mailing to any of those firms shall not be a condition precedent to the redemption of such Bonds. The requirements of this section shall be deemed to be complied with when notice is mailed as provided, whether or not it is actually received by the owner of any Bond. Interest on the Bonds so called for redemption shall cease on the date fixed for redemption unless such Bond or Bonds so called are not redeemed upon presentation made pursuant to such call.

The City reserves the right to purchase any of the Bonds on the open market at any time at any price plus accrued interest to the date of purchase. Bonds so purchased shall be retired and cancelled.

Section 6. Form; Execution and Authentication of the Bonds; Bond Register. The Bonds shall be printed or lithographed on good bond paper in a form consistent with the provisions of this ordinance and the Resolution, shall be signed on behalf of the City by the Mayor and the Comptroller and City Clerk of the City, both of whose signatures shall be in facsimile, and shall have a facsimile of the seal of the City reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the following form, dated and manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance:

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered Seattle, Washington, General Obligation Refunding Bonds, 1986, described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY

By _____ Authorized Officer

Such Certificate of Authentication when executed shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either or both of the officers whose facsimile signatures appear on the Bonds shall cease to be such officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds nevertheless may be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those whose facsimile signatures appear on the Bonds had continued to be such officers of the City. Any Bond also may be signed on behalf of the City by such persons as, at the actual date of execution of such Bond, shall be proper officers of the City authorized to execute bonds although on the original date of such Bond such persons were not such officers of the City.

The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times be open to inspection by the City. The Bond Registrar is authorized on behalf of the City to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bond and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance and R.C. Chapter 5.10 (Ordinance 111724), which established a system of registration for the City's bonds and obligations.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become the owner of Bonds with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Bond owners.

Section 7. Temporary Bond. Without unreasonable delay the City shall cause definitive Bonds to be prepared, executed and delivered, which Bonds shall be lithographed or printed with engraved or lithographed borders. Until the definitive Bonds are prepared, the City may execute a temporary bond which shall be typewritten, and which shall be delivered to the purchaser or purchasers of the Bonds in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions. The temporary Bond shall be dated as of the date of the Bonds, shall be fully registered, shall be in the denomination of the amount authorized by the City Council in the Resolution, shall be numbered T-1, shall be substantially of the tenor of such definitive Bonds, but with such omissions, insertions and variations as may be appropriate to temporary bonds and shall be signed by either the manual or facsimile signature of both the Mayor and City Comptroller and City Clerk.

Upon surrender to the City of any such temporary Bond, the City without charge to the registered owner shall execute and deliver to the registered owner of the temporary Bond in exchange therefor definitive Bonds of the same maturities, interest rates, redemption provisions and aggregate principal amount as the temporary Bond, if any, surrendered. Until so exchanged, the temporary Bond shall be in all respects entitled to the same benefit and security as definitive Bonds executed and issued pursuant to this Ordinance.

Section 8. Bond Redemption Fund. There has heretofore been created in the Treasury of the City a special fund of the City known as the "Low-Income Elderly and Handicapped Housing Development Bond Redemption Fund" (the "Bond Redemption Fund"), as required and in the manner provided in Section 6 of Ordinance 110124. The taxes hereafter levied shall be placed in a subaccount of the Bond Redemption Fund, or the same may be placed in a subaccount of a consolidated bond interest and redemption fund of the City, which subaccount shall be drawn upon for the sole purpose of paying the principal of and interest on the Bonds. The accrued interest received from the sale of the Bonds shall be deposited in the Bond Redemption Fund. Any proceeds resulting from authorized temporary investments of the Bond Redemption Fund or such investment proceeds of any of the taxes hereafter levied placed in a consolidated bond interest and redemption fund shall be used for the sole purpose of retiring the Bonds or paying the interest thereon.

As set forth in Section 6 of Ordinance 110124 and in Ordinance 110791, the City irrevocably covenants and agrees that from and after the date of delivery of the Bonds and for as long as any of the Bonds are outstanding and unpaid that each year it will levy taxes annually without limitation as to rate or amount upon all the property within the City subject to taxation in amounts which, with other monies of the City which may be legally used and which the City may specifically set aside for such purposes, will be sufficient to pay the principal of and interest on the Bonds as the same shall become due. All of such taxes so collected and any of such other monies shall for no o
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Section 6. Form, Execution And Authentication of the Bonds; Bond Register. The Bonds shall be printed or lithographed on good bond paper in a form consistent with the provisions of this ordinance and the Resolution, shall be signed on behalf of the City by the Mayor and the Comptroller and City Clerk of the City, both of whose signatures shall be in facsimile, and shall have a facsimile of the seal of the City reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the following form, dated and manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance:

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered Seattle, Washington, General Obligation Refunding Bonds, 1986, described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY

By _____
Authorized Officer

Such Certificate of Authentication when executed shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either or both of the officers whose facsimile signatures appear on the Bonds shall cease to be such officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds nevertheless may be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those whose facsimile signatures appear on the Bonds had continued to be such officers of the City. Any Bond also may be signed on behalf of the City by such persons as, at the actual date of execution of such Bond, shall be proper officers of the City authorized to execute bonds although on the original date of such Bond such persons were not such officers of the City.

The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times be open to inspection by the City. The Bond Registrar is authorized on behalf of the City to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bond and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance and SMC Chapter 5.10 (Ordinance 111724), which established a system of registration for the City's bonds and obligations.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become the owner of Bonds with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Bond owners.

Section 7. Temporary Bond. Without unreasonable delay the City shall cause definitive Bonds to be prepared, executed and delivered, which Bonds shall be lithographed or printed with engraved or lithographed borders. Until the definitive Bonds are prepared, the City may execute a temporary bond which shall be typewritten, and which shall be delivered to the purchaser or purchasers of the Bonds in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions. The temporary Bond shall be dated as of the date of the Bonds, shall be fully registered, shall be in the denomination of the amount authorized by the City Council in the Resolution, shall be numbered T-1, shall be substantially of the tenor of such definitive Bonds, but with such omissions, insertions and variations as may be appropriate to temporary bonds and shall be signed by either the manual or facsimile signature of both the Mayor and City Comptroller and City Clerk.

Upon surrender to the City of any such temporary Bond, the City without charge to the registered owner shall execute and deliver to the registered owner of the temporary Bond in exchange therefor definitive Bonds of the same maturities, interest rates, redemption provisions and aggregate principal amount as the temporary Bond, if any, surrendered. Until so exchanged, the temporary Bond shall be in all respects entitled to the same benefit and security as definitive Bonds executed and issued pursuant to this Ordinance.

Section 8. Bond Redemption Fund. There has heretofore been created in the Treasury of the City a special fund of the City known as the "Low-Income Elderly and Handicapped Housing Development Bond Redemption Fund" (the "Bond Redemption Fund"), as required and in the manner provided in Section 6 of Ordinance 110124. The taxes hereafter levied shall be placed in a subaccount of the Bond Redemption Fund, or the same may be placed in a subaccount of a consolidated bond interest and redemption fund of the City, which subaccount shall be drawn upon for the sole purpose of paying the principal of and interest on the Bonds. The accrued interest received from the sale of the Bonds shall be deposited in the Bond Redemption Fund. Any proceeds resulting from authorized temporary investments of the Bond Redemption Fund or such investment proceeds of any of the taxes hereafter levied placed in a consolidated bond interest and redemption fund shall be used for the sole purpose of retiring the Bonds or paying the interest thereon.

As set forth in Section 6 of Ordinance 110124 and in Ordinance 110791, the City irrevocably covenants and agrees that from and after the date of delivery of the Bonds and for as long as any of the Bonds are outstanding and unpaid that each year it will levy taxes annually without limitation as to rate or amount upon all the property within the City subject to taxation in amounts which, with other monies of the City which may be legally used and which the City may specifically set aside for such purposes, will be sufficient to pay the principal of and interest on the Bonds as the same shall become due. All of such taxes so collected and any of such other monies shall for no other purpose than the payment of the principal of and interest on the Bonds.

The full faith, credit and resources of the City are hereby pledged for the annual levy and collection of such taxes and to the prompt payment of the principal of and interest on the Bonds as the same shall become due.

Section 9. 1986 Advance Refunding Account. There is hereby created in the Treasury of the City a special account within the Bond Redemption Fund to be known as the "General Obligation Bond, 1982 Advance Refunding Account" ("Refunding Account") which Refunding Account is to be drawn upon for the sole purpose of paying the principal of and interest on the Refunded Bonds and of paying costs related to the refunding thereof.

The proceeds of sale of the Bonds (exclusive of accrued interest thereon, if any, which shall be paid into the Bond Redemption Fund) shall be credited to such Refunding Account. The City may also pay into the Refunding Account monies from its own funds, if the Resolution so authorizes.

Monies in the Refunding Account shall be used immediately upon receipt thereof to defease the Outstanding Bonds or the Refunding Bonds authorized to be defeased by the Resolution and discharge the other obligations of the City relating to such bonds under Ordinance 110791 (authorizing the issuance of the Outstanding Bonds) by providing for the payment of interest on the Refunded Bonds until and including December 1, 1992 and to pay the outstanding principal of and premium on the Refunded Bonds on December 1, 1992. The City shall carry out its plan of defeasance and discharge of its obligations by the use of monies in the Refunding Account to purchase certain "Government Obligations" as such obligations are defined herein (which obligations so purchased are herein called "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of the principal of, interest on and any premium to be paid for the bonds to be defeased.

Such beginning cash balance, if any, and Acquired Obligations shall be irrevocably deposited in a trust account with a financial institution to be selected by the Comptroller and appointed as the Refunding Agent to act in accordance with the terms of this Ordinance, the Resolution and the Refunding Agreement, a form of which is to be attached to the Resolution. Any amounts described in this section which are not provided for in full by such beginning cash balance and the purchase and deposit of the Acquired Obligations described in this section shall be provided for by the irrevocable deposit of the necessary amount out of the proceeds of sale of the Bonds or any other monies of the City legally available therefor with the Refunding Agent. The proceeds of the Bonds remaining in the Refunding Account after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the Refunding Bonds. The City may, from time to time, transfer or cause to be transferred from the Refunding Account any monies not thereafter required for the purposes set forth herein or for the payment of expenses. The City reserves the right to substitute other securities for the Acquired Obligations; in the event it may do so, pursuant to Section 148 of the Internal Revenue Code of 1986 and applicable regulations thereunder, upon compliance with the following conditions:

(1) Such substitution is accomplished pursuant to resolution of the City Council, which may be adopted either prior to or subsequent to the delivery of the Bonds.

(2) The securities to be substituted are non-callable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

(3) Such securities bear such interest and mature at such times and in such amounts as to fully replace the Acquired Obligations for which they are substituted, and to provide, together with Acquired Obligations and cash remaining, for the payment of the amounts specified above.

(4) An opinion from Bond Counsel that such substitution (i) is permitted under this Ordinance, Ordinance 110791, and the Resolution and (ii) shall not cause any of the Bonds or Outstanding Bonds to lose their tax-exempt status under Section 103(a) of the Internal Revenue Code of 1986 and the applicable regulations promulgated thereunder.

When all of the Refunded Bonds shall have been redeemed and retired, the City may cause to be transferred from the Refunding Account to the Bond Redemption Fund all moneys remaining therein.

The City irrevocably sets aside for and pledges to the Refunded Bonds the moneys and obligations to be deposited with the Refunding Agent pursuant to the Agreement to accomplish the plan of refunding set forth herein and in such Agreement.

Section 10. Redemption of Refunded Bonds. The City hereby calls for redemption on December 1, 1992, the Refunded Bonds at their redemption price of 103% of the par value thereof in accordance with the provisions of Section 7 of Ordinance 110791. Said call for redemption shall be irrevocable after the delivery of the Bonds to the initial purchasers thereof, and the final establishment of the trust account with and delivery of the Acquired Obligations to the Refunding Agent.

The Refunding Agent, acting in concert with the City Comptroller, is hereby authorized and directed to provide for the giving of the notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of Ordinance 110791.

Section 11. Findings Regarding Defeasance of Refunded Bonds. The City hereby finds and determines that the monies and Acquired Obligations when deposited with the Refunding Agent in accordance with Section 9 of this Ordinance will, on and after the adoption of this ordinance, discharge and satisfy the obligations of the City under Ordinance 110791

with respect to the Outstanding Bonds (if all are refunded) and the Refunded Bonds and the pledges, charges, trusts, covenants and agreements of the City therein made or provided for with respect to said Bonds, and that, on and after the date when the monies and Acquired Obligations are delivered to the Refunding Agent, said Bonds shall no longer be deemed to be outstanding under Ordinance 110791.

Section 12. Covenant Regarding Tax-Exemption. The City hereby covenants that it will not make any use of the proceeds from the sale of the Bonds or any other moneys or obligations of the City which may be deemed to be proceeds of said Bonds pursuant to Section 148 of the Internal Revenue Code of 1986 and the applicable regulations thereunder which, if such use had been reasonably expected on the date of delivery of the Bonds to the initial purchasers thereof, would have caused the Bonds to be "arbitrage bonds" within the meaning of said Section and said regulations. The City will comply with such requirements and the applicable regulations thereunder throughout the term of the Bonds so long as necessary to maintain the exemption from federal income taxation of the interest on the Bonds.

Section 13. Covenant Regarding Rebate Requirements. The City covenants and agrees to calculate the Rebate Amount and to pay the Rebate Amount to the Internal Revenue Service in the manner and at the times required in this subsection unless Preston, Thorgrimson, Ellis & Holman or other nationally recognized bond counsel delivers to the City its opinion that the Rebate Amount must be calculated in another manner, in which case the City covenants and agrees to calculate and pay the Rebate Amount in the manner required by law.

A. There is hereby created and established a special fund of the City to be designated "The City of Seattle General Obligation Refunding Bonds 1986 Excess Earnings Fund" (the "Excess Earnings Fund") to be held separate from other funds and accounts of the City and administered by the City. The City shall make deposits into and withdrawals and payments from the Excess Earnings Fund at such times and in such manner as provided herein.

B. The City shall calculate the Rebate Amount for each Bond Year and shall maintain the Rebate Amount in the Excess Earnings Fund for the next succeeding Bond Year, less the amounts, if any, previously paid to the United States as provided herein. Investment earnings on amounts in the Excess Earnings Fund shall be retained therein. The Rebate Amount shall be calculated as follows:

(1) The aggregate amount earned on the amounts allocable to the Bonds, if any deposited in the 1986 Advance Refunding Account and Bond Redemption Fund, for the Computation Period, minus

(2) The aggregate amount that would have been earned on the amounts allocable to the Bonds, if any, deposited in the 1986 Advance Refunding Account and Bond Redemption Fund, for the Computation Period of such amounts had been invested at a yield equal to the actuarial yield on the Bonds for the Computation Period, plus

(3) Any income (whether or not that income exceeds such yield on the Bonds) attributable to the amounts in the Excess Earnings Fund.

If the gross earnings on the amounts in the Bond Redemption Fund allocable to the Bonds for any Bond Year during the Computation Period were less than $100,000, the amount of earnings on such Fund for each such Bond Year must be subtracted from the amounts used in computing subparagraph (1) above, and shall not be taken into account in computing subparagraph (2) above.

C. The City shall make deposits into the Excess Earnings Fund to maintain it at the Rebate Amount, less the amounts, if any, previously paid to the United States as provided herein. Such deposits shall be made from the Bond Redemption Fund, or from other available monies of the City but may not be made from the 1986 Advance Refunding Account. Any amounts that are withdrawn from the Excess Earnings Fund as a result of a decrease in the Rebate Amount may be deposited in the Bond Redemption Fund. Earnings on amounts in the Rebate Account must remain therein and may not be taken into account in determining a decrease in the Rebate Amount.

D. The City shall make installment payments from the Excess Earnings Fund to the United States. The first payment shall be made not later than thirty (30) days after the end of the fifth Bond Year. Each subsequent installment payment shall be made not later than five (5) years after the preceding payment was due. Each installment payment shall be such that at least ninety percent (90%) of the Rebate Amount for the Computation Period ending immediately prior to such installment payment will have been paid to the United States. Not later than sixty (60) days after retirement of the last obligation of the Bonds, the final installment payment shall be made such that 100% of the Rebate Amount for the final Computation Period is paid to the Internal Revenue Service.

E. The Rebate Amount shall be calculated within thirty (30) days of the end of the first Bond Year, within thirty (30) days of the end of each subsequent Bond Year, and within sixty (60) days of the retirement of the last obligation of the Bonds. Any required deposits into the Excess Earnings Fund shall be made within the thirty (30) or sixty (60) day period, as the case may be.

F. If, during any Computation Period, the Rebate Amount is less than the amounts previously paid to the United States, such a deficit may not be recovered from amounts previously paid to the United States.

G. The aggregate amount earned on any fund must include all income realized under federal income tax accounting principles (whether or not the entity earning the income is subject to federal income taxation) with respect to any obligation and with respect to the reinvestment of investment receipts from such obligations. Transaction costs incurred in acquiring, carrying, selling or redeeming such obligations may not be offset in determining the aggregate amount earned. If any investments are retained after retirement of the last obligation of the Bonds, any unrealized gain or loss as of such retirement date must be taken it to account in determining aggregate earnings. Gain or loss must be computed with reference to the fair market value of an obligation or security on the date that it is deposited into any fund or account created hereunder.

H. The City covenants and agrees to make payments of the Rebate Amount to the U.S. Treasury in a manner other than as described in this section if necessary to comply with the Internal Revenue Code of 1986.

Section 14. Disposition of Bond Proceeds; Application of Moneys. The proceeds of sale of the Bonds shall be applied as follows:

A. Accrued interest, if any, received at the time of delivery of the Bonds to the initial purchaser shall be paid into the Bond Redemption Fund.

B. The amount necessary to pay for costs of issuance of the Bonds and to purchase Acquired Obligations shall be credited to the Refunding Account in accordance with Section 9 of this Ordinance.

The balance of the proceeds of the Bonds, if any, after making provisions for the above payments, shall be deposited in the Bond Redemption Fund.

Section 15. Lost, Stolen, Destroyed or Mutilated Bonds. In case any of the Bonds shall be lost, stolen, destroyed or mutilated, the Bond Registrar may authenticate and deliver a new bond or bonds of like amount, date, number and tenor to the registered owner thereof upon the owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon filing with the City and the Bond Registrar evidence satisfactory to the City, and the Bond Registrar that such bond or bonds were actually lost, stolen, destroyed or mutilated, and of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to each.

Section 16. Defeasance of Bonds. In the event that money and/or "Government Obligations," as such obligations are now or may hereafter be defined in RCW Chapter 39.53, maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire the Bonds or any of them in accordance with their terms are set aside in a special account to effect such redemption or retirement and such money and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Redemption Fund for the payment of the principal of and interest on the Bonds so provided for and such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the funds so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

Section 17. Amendatory and Supplemental Ordinances.

(a) This ordinance shall not be modified or amended in any respect subsequent to the initial issuance of the Bonds, except in accordance with and subject to the provisions of this section.

(b) The City may from time to time, and at any time, without the consent of or notice to the registered owners of the Bonds, pass supplemental or amendatory ordinances as follows:

(1) To cure any formal defect, omission, inconsistency or ambiguity in this ordinance in manner not adverse to the owner of any Bonds;

(2) To impose upon the Bond Registrar (with its consent) for the benefit of the registered owners of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this ordinance as theretofore in effect;

(3) To add to the covenants and agreements of, and limitations and restrictions upon, the City in this ordinance, other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary or inconsistent with this ordinance as theretofore in effect;

(4) To confirm, as further assurance, any pledge under, and the subjection to, any claim, lien or pledge created by this ordinance of any other money, securities or funds;

(5) To authorize different denominations of the Bonds and to make amendments and modifications to this ordinance regarding exchange of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(6) Because of change in federal law or rulings, to maintain the exemption of the interest on the Bonds from federal income taxation; or

(7) To modify, alter, amend or supplement this ordinance in any other respect which is not materially adverse to the registered owners of the Bonds.

Before the City shall adopt any such supplemental ordinance pursuant to this subsection, there shall have been delivered to the City and the Bond Registrar an opinion of Bond Counsel stating that such supplemental ordinance is authorized or permitted by this ordinance and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Bonds.

Section 18. Sale of Bonds. The sale of the Bonds shall be negotiated with Shearson/Lehman Brothers, Foster & Marshall Division in accordance with a managing underwriting agreement between the City and such firm, or, if such negotiations are unsuccessful, the sale of the Bonds shall be negotiated by the City Comptroller with another underwriter or underwriters of his choice. The City Comptroller shall recommend and the City Council may adopt in the Resolution provisions approving the sale and provisions consistent with this Ordinance and specifying the exact amount, date or dates, maturities, interest rate or rates, interest payment dates, price redemption provisions, and any other provisions relating to the Bonds and consistent with this ordinance. The City Comptroller also shall recommend, and the City Council may approve in the Resolution, the form and substance of a purchase contract with the underwriter for the Bonds, which contract shall be signed by the City Comptroller on behalf of the City prior to the adoption of the Resolution by the City Council.

Upon the sale of the Bonds, the proper City officials are authorized and directed to do everything necessary for the prompt issuance, authentication and delivery thereof and for the proper application and use of proceeds of such sale.

Section 19. Miscellaneous Sale and Delivery Provisions. The Bonds will be delivered to the purchaser upon payment of the purchase price plus accrued interest to the date of delivery in Seattle, Washington, at the City's expense, or at another place upon which the City Comptroller and the purchaser may mutually agree at the purchaser's expense. Settlement shall be made in immediately available funds at the time of delivery of the Bonds. A no-litigation certificate in the usual form will be included in the closing papers.

CUSIP numbers will be printed on the Bonds, but neither failure to print such numbers on any bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract.

_____, a firm of independent Certified Public Accountants to be appointed by the Comptroller upon delivery of the Bonds, will deliver a report on the mathematical accuracy of certain computations contained in schedules provided for them by Prudential-Bache Securities, Inc. on behalf of the City, which computations relate to (a) the sufficiency of the anticipated receipts from the Acquired Obligations, together with the initial cash deposit, if any, to pay, when due, the principal, whether at maturity or upon prior redemption, interest and all premium requirements of the Bonds redeemed and (b) the "yield" on the Escrow Obligations and on the Bonds considered by Bond Counsel in connection with the opinion rendered by such firm that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986.

The report of _____ will include a statement that the scope of their engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to them and that it has no obligation to update its report because of events occurring or data or information coming to its attention, subsequent to the date of such report.

The City will cause the Bonds to be printed or lithographed, and will furnish the approving legal opinion of Preston, Thorgrimson, Ellis & Holman of Seattle, Washington or other Bond Counsel concerning the Bonds, without cost to the purchaser, the opinion also being printed on each bond. Bond Counsel has not been retained for the purpose of and shall not be required to review or express any opinion concerning the completeness or accuracy of any official statement, offering circular or other sales material issued or used in connection with the Bonds other than the description of the Bonds in the official statement, and Bond Counsel's opinion shall so state.

Section 20. Negotiability. The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 21. Headings of Sections. The headings of the sections of this Ordinance are for convenience of reference only and shall not affect the meaning, construction or interpretation of this Ordinance.

Section 22. Ratification. Any act performed consistent with the provisions of this ordinance and prior to its effective date is ratified and confirmed.

Section 23. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become law under the provisions of the city charter.

Passed by the City Council the 15th day of December, 1986, and signed by me in open session in authentication of its passage this 15th day of December, 1986.

SAM SMITH,
President of the City Council.

Approved by me this 22nd day of December, 1986.

CHARLES ROYER,
Mayor.

Filed by me this 23rd day of December, 1986.

Attest: NORWARD J. BROOKS,
City Comptroller and City Clerk.

(Seal) By MICHAEL S. SAUNDERS,
Deputy Clerk.

Publication ordered by NORWARD J. BROOKS, Comptroller and City Clerk.

Date of official publication in Daily Journal of Commerce, Seattle, December 26, 1986.

(C-65)