

CITY OF KIRKLAND, WASHINGTON  
LIMITED TAX GENERAL OBLIGATION BOND, 2015

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ORDINANCE NO. 4490

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE ISSUANCE AND SALE OF A LIMITED TAX GENERAL OBLIGATION BOND OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,000,000 TO PROVIDE FUNDS FOR A PORTION OF THE REMODEL OF CITY HALL AND PAY FOR COSTS OF ISSUANCE OF THE BOND; AUTHORIZING THE SALE OF THE BOND; AND AUTHORIZING THE DESIGNATED REPRESENTATIVE TO MAKE CERTAIN DETERMINATIONS AND APPOINTMENTS WITH RESPECT TO THE BOND UNDER THE TERMS AND CONDITIONS SET FORTH HEREIN.

APPROVED ON SEPTEMBER 1, 2015

PREPARED BY:

K&L GATES LLP  
Seattle, Washington

CITY OF KIRKLAND  
ORDINANCE NO. 4490  
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\* This Table of Contents and the cover page are not a part of the following ordinance and are included only for the convenience of the reader.

ORDINANCE NO. 4490

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE ISSUANCE AND SALE OF A LIMITED TAX GENERAL OBLIGATION BOND OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,000,000 TO PROVIDE FUNDS FOR A PORTION OF THE REMODEL OF CITY HALL AND PAY FOR COSTS OF ISSUANCE OF THE BOND; AUTHORIZING THE SALE OF THE BOND; AND AUTHORIZING THE DESIGNATED REPRESENTATIVE TO MAKE CERTAIN DETERMINATIONS AND APPOINTMENTS WITH RESPECT TO THE BOND UNDER THE TERMS AND CONDITIONS SET FORTH HEREIN.

WHEREAS, the City Council (the "Council") of the City of Kirkland, Washington (the "City"), has deemed it in the best interest of the City and its citizens that the City undertake to remodel its City Hall (the "Project"); and

WHEREAS, the City is authorized, pursuant to RCW 35.37.040 and Chapter 39.36, to incur indebtedness and issue a limited tax general obligation bond for capital purposes; and

WHEREAS, it is deemed necessary and advisable that the City now issue and sell its limited tax general obligation bond in the principal amount of not to exceed \$6,000,000 (the "Bond") to pay the costs of the Project and the costs of issuance of the Bond; and

WHEREAS, the Council wishes to delegate authority to the Designated Representative to solicit proposals for purchase of the Bond and to select the purchasing entity or bank from those proposals, to approve the final principal amount of the Bond, interest rate, principal maturities and prepayment provisions of the Bond to be fixed under such terms and conditions as are approved by this ordinance;

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. Definitions and Interpretation of Terms.

(a) *Definitions.* As used in this ordinance, the following words shall have the following meanings:

**Bond** means the City of Kirkland, Washington Limited Tax General Obligation Bond, 2015, to be issued in the aggregate principal amount of not to exceed \$6,000,000 pursuant to this ordinance.

**Bond Fund** means the City of Kirkland Limited Tax General Obligation Bond Redemption Fund maintained pursuant to Section 10 of this ordinance.

**Bond Purchase Offer** means the offer letter of the Purchaser.

**Bond Register** means the registration records maintained by the Bond Registrar for the purpose of identifying ownership of the Bond.

**Bond Registrar** means the Director of Finance and Administration of the City or in his or her discretion, the fiscal agency of the state of Washington, whose duties include registering and authenticating the Bond, maintaining the Bond Register, transferring ownership of the Bond and paying the principal of and interest on the Bond.

**Bond Year** means each one-year period that ends on the date selected by the City. The first and last Bond Years may be short periods. If no day is selected by the City before the earlier of the final maturity date of the Bond or the date that is five years after the date of issuance of the Bond, Bond Years end on each anniversary of the date of issue and on the final maturity date of the Bond.

**City** means the City of Kirkland, Washington, a municipal corporation of the State of Washington.

**Code** means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

**Council** means the City Council as the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

**Designated Representative** means the City Manager or the Director of Finance and Administration of the City and shall include any successor in function to either of them and any additional employee or officer of the City appointed in writing by either of them.

**Net Proceeds**, when used with reference to the Bond, means the principal amount of the Bond, plus accrued interest and original issue premium, if any, and less original issue discount, if any.

**Private Person** means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

**Private Person Use** means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

**Project** means the remodel of City Hall, as provided in Section 2.

**Project Fund** means the special fund of the City designated pursuant to Section 8 of this ordinance.

**Purchaser** means the initial purchasing entity or bank purchaser of the Bond.

**Registered Owner** means the person named as the registered owner of a Bond in the Bond Register.

**Tax Certificate** means the certificate with respect to federal tax matters relating to the Bond to be executed by a Designated Representative on the date of issuance of the Bond.

(b) *Interpretation.* In this ordinance, unless the context otherwise requires:

(1) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this ordinance;

(2) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(3) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and

(5) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

**Section 2. Authorization of Project and Authorization of Bond.** The Bond is being issued to provide a portion of the funds for remodeling City Hall (the "Project"). The City is hereby authorized to issue a limited tax general obligation bond (the "Bond") in the principal amount of not to exceed \$6,000,000, and sell the Bond to the Purchaser, for the purpose of providing the funding for the Project and for costs of issuance of the Bond. If there are funds remaining following completion of the Project, the City may utilize remaining balances for other approved capital purposes.

**Section 3. Description of Bond.** The Bond shall be designated "City of Kirkland, Washington Limited Tax General Obligation Bond, 2015," shall be dated as of the date of its delivery to the Purchaser, shall be fully registered as to both principal and interest, shall be issued as a single fully registered bond, and shall be numbered in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification. The Bond shall be dated and bear interest at the per annum rate or rates, payable on the dates and maturing in

principal amounts approved by the Designated Representative, as may be set forth in the Bond Purchase Offer, pursuant to Section 11 of this ordinance.

Section 4. Registration, Transfer and Payments.

(a) *Appointment of Bond Registrar.* The Director of Finance and Administration shall act as the Bond Registrar or, in his or her discretion, may specify and adopt the system of registration and transfer for the Bond approved by the Washington State Finance Committee from time to time through the appointment of a state fiscal agency. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Bond 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.

(b) *Bond Register.* The Bond shall be in registered form as to both principal and interest.

(c) *Registered Ownership.* The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of the Bond as the absolute owner thereof for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of the Bond shall be made only as described in this section and Section 3 hereof. All such payments made as described in this section and Section 3 shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

The Bond shall not be transferable, except in whole to another financial institution or otherwise as may be approved by the Designated Representative.

Principal of and interest on the Bond shall be payable in lawful money of the United States of America. Installments of principal of and interest on the Bond shall be paid by check, wire, or electronic transfer on the date due to the Purchaser; *provided, however,* the final installment of principal on the Bond shall be payable only upon presentation and surrender of the Bond by the Registered Owner at the principal office of the Bond Registrar.

Section 5. Prepayment. The Bond may include provision for prepayment on the dates, at the prices and under the terms set forth in the Bond Purchase Offer approved by the Designated Representative pursuant to Section 11.

Section 6. Form of Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1

\$ \_\_\_\_\_

STATE OF WASHINGTON

CITY OF KIRKLAND

LIMITED TAX GENERAL OBLIGATION BOND, 2015

INTEREST RATE: \_\_\_\_\_%

MATURITY DATE: \_\_\_\_\_

REGISTERED OWNER: \_\_\_\_\_

TAX IDENTIFICATION #: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_ MILLION AND NO/100 DOLLARS

The City of Kirkland, Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount specified above, together with interest thereon, at the Interest Rate specified above. Interest shall be payable [monthly][semiannually][annually] on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1, commencing \_\_\_\_\_ 1, 20\_\_ to the Maturity Date as set forth above. Principal shall be payable annually on each \_\_\_\_\_ 1, commencing on \_\_\_\_\_ 1, 20\_\_ to the Maturity Date set forth above, as shown below.

<u>Payment</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Amount</u>	<u>Installment</u> <u>Total</u>
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Interest on this bond shall be calculated on the basis of \_\_\_\_\_.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Regular payments of principal and interest shall be made by the [City][fiscal agency of the State of Washington, as the registrar, paying agent and authentication agent] (the "Bond Registrar") mailed on the date such principal and interest is due or by electronic funds transfer made on the date such interest is due to the registered owner or nominee at the address

appearing on the Bond Register. The final payment of principal and interest shall be paid only upon presentation and surrender of this bond to the Bond Registrar.

This bond is subject to prepayment as stated in the Bond Purchase Offer.

This bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. 4490 duly passed by the City Council on September 1, 2015 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is issued pursuant to the Bond Ordinance for providing funds to remodel City Hall and to pay costs of issuance.

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and taxing power of the City are hereby irrevocably pledged for the prompt payment of such principal and interest.

This bond has been designated by the City as a "qualified tax-exempt obligation" for investment by financial institutions under Section 265(b) of the Code.

The pledge of tax levies for payment of principal of and interest on this bond may be discharged prior to maturity of the bond by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Kirkland, Washington has caused this bond to be executed by the manual or facsimile signatures of the Mayor and City Clerk and the seal of the City imprinted, impressed or otherwise reproduced hereon as of this 1st day of September, 2015.

CITY OF KIRKLAND, WASHINGTON

By           /s/ manual or facsimile            
Mayor

ATTEST:

          /s/ manual or facsimile            
City Clerk

[SEAL]

The Bond Registrar's Certificate of Authentication on the Bond shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_, 2015

This is the Limited Tax General Obligation Bond, 2015, of City of Kirkland, Washington, as described in the within mentioned Bond Ordinance and dated this \_\_\_\_ day of \_\_\_\_\_, 2015.

[DIRECTOR OF FINANCE AND  
ADMINISTRATION OF THE CITY OF  
KIRKLAND][WASHINGTON STATE FISCAL  
AGENCY], as Bond Registrar

By \_\_\_\_\_

Section 7. Execution of Bond; Default Remedies. The Bond shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon. The Bond shall not be valid or obligatory for any purpose or entitled to the benefits of this ordinance unless and until a Certificate of Authentication, in the form hereinbefore recited, has been manually executed by or on behalf of the Bond Registrar or its duly designated agent.

In case either of the officers who shall have executed the Bond shall cease to be an officer or officers of the City before the Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, the Bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. The Bond may be signed and attested on behalf of the City by such persons who at the date of the actual

execution of the Bond are the proper officers of the City, although at the original date of the Bond any such person shall not have been such officer of the City.

Section 8. Application of Bond Proceeds.

The Director of Finance and Administration is hereby authorized and directed to establish an account or fund for the purpose of accounting for the expenditure of Bond proceeds (the "Project Fund"). The proceeds of sale of the Bond shall be deposited in the City's Project Fund and shall be expended solely to pay the costs of the Project and the costs of issuing and selling the Bond, as authorized herein. If there are funds remaining following completion of the Project, the City may utilize remaining balances for other approved capital purposes.

Section 9. Tax Covenants.

(a) *Arbitrage Covenant.* The City hereby covenants that it will not make any use of the proceeds of sale of the Bond or any other funds of the City which may be deemed to be proceeds of the Bond pursuant to Section 148 of the Code which will cause the Bond to be "arbitrage bonds" within the meaning of said section and said regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bond) and the applicable regulations thereunder throughout the term of the Bond.

(b) *Private Person Use Limitation for the Bond.* The City covenants that for as long as the Bond is outstanding, it will not permit:

(1) More than ten percent of the Net Proceeds of the Bond to be used for any Private Person Use; and

(2) More than ten percent of the principal or interest payments on the Bond in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The City further covenants that, if:

(3) More than five percent of the Net Proceeds of the Bond are to be used for any Private Person Use; and

(4) More than five percent of the principal or interest payments on the Bond in a Bond Year are (under the terms of this ordinance or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the City) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the projects described in subsection (3) hereof or Private Person Use payments described in subsection (4) hereof that is in excess of the five percent limitations described in such subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the project financed or refinanced with Bond proceeds, and (ii) any Private

Person Use will not exceed the amount of Net Proceeds of the Bond used for the state or local governmental use portion of the projects to which the Private Person Use of such portion of such project relates. The City further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to comply with the requirements of the Code. The covenants of this section are specified solely to assure compliance with the Code.

(c) *Designation under Section 265(b) of the Code.* The City hereby designates the Bond as a "qualified tax-exempt obligation" for purchase by financial institutions pursuant to Section 265(b) of the Code. The City does not anticipate that it will issue more than \$10,000,000 in qualified tax-exempt obligations during the year 2015.

(d) *Compliance with Tax Certificate.* The City covenants to comply with all representations, covenants and assurances contained in the Tax Certificate, which Tax Certificate shall constitute a part of the contract between the City and the Registered Owner of the Bond.

Section 10. Bond Fund and Provision for Tax Levy Payments. A special fund of the City known as the "City of Kirkland Limited Tax General Obligation Bond Redemption Fund" (the "Bond Fund"), is maintained in the office of the Director of Finance and Administration of the City. The Bond Fund shall be drawn upon for the purpose of paying the principal of and interest on the Bond. Money in the Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in legal investments for City funds.

To pay principal of and interest on the Bond as the same shall become due, the City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and taxing power of the City are hereby irrevocably pledged for the prompt payment of such principal and interest.

Section 11. Sale of Bond. The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative the authority to solicit proposals for the purchase of the Bond and select a Purchaser, approve the Bond Purchase Offer, approve the final interest rate or rates, maturity date or dates, aggregate principal amount, principal amounts of each maturity, if applicable, prepayment provisions and other terms and conditions of the Bond. The Designated Representative is hereby authorized to solicit proposals for the purchase of the Bond and select a Purchaser, approve the Bond Purchase Offer, approve the final interest rate or rates, maturity date or dates, aggregate principal amount, principal amounts of each maturity, if applicable, prepayment provisions and other terms and conditions of the Bond so long as (i) the aggregate principal amount of the Bond does not exceed \$6,000,000; (ii) the Bond is prepayable no later than ten years from date of issue and (iii) the true interest cost for the Bond does not exceed 4.50%.

In determining the interest rate or rates, maturity date or dates, aggregate principal amount, principal amounts of each maturity, if applicable, prepayment provisions and other terms and conditions of the Bond, the Designated Representative, in consultation with City staff and the City's financial advisor, shall take into account those factors that, in his/her judgment, will result

in the most favorable result to the City taking into consideration all proposed terms. The City specifically reserves the right to make the decision based on all factors.

The Designated Representative shall select the purchasing entity or bank to purchase the Bond through a process of soliciting proposals for purchase. Upon the selection of a Purchaser, the Designated Representative shall negotiate the terms of sale for the Bond, including the terms described in this section, in a Bond Purchase Offer.

Subject to the terms and conditions set forth in this Section 11, the Designated Representative is hereby authorized to execute the final form of a Bond Purchase Offer upon his/her approval of the final interest rate or rates, maturity date or dates, aggregate principal amount, principal amounts of each maturity, if applicable, prepayment provisions and other terms and conditions of the Bond set forth therein. Following the sale of the Bond, the Designated Representative shall provide a report to the Council, describing the final terms of the Bond approved pursuant to the authority delegated in this section.

The authority granted to the Designated Representative by this section shall remain in effect until December 1, 2015. If the sale for the Bond has not been completed by December 1, 2015, the authorization for the issuance of the Bond shall be rescinded, and the Bond shall not be issued nor its sale approved unless the Bond shall have been re-authorized by ordinance of the City. The ordinance reauthorizing the issuance and sale of the Bond may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance establishing terms and conditions for the authority delegated under this section.

Upon the adoption of this ordinance, the proper officials of the City including the Designated Representative, are authorized and directed to undertake all other actions necessary for the prompt sale, execution and delivery of the Bond and further to execute all closing certificates and documents required to effect the closing and delivery of the Bond in accordance with the terms of the Bond Purchase Offer. In furtherance of the foregoing, the Designated Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including the fees and expenses specified in the Bond Purchase Offer, including fees and expenses of the Purchaser and other retained services, including Bond Counsel, financial advisor, fiscal agency, and other expenses customarily incurred in connection with issuance and sale of bonds.

Section 12. Undertaking to Provide Ongoing Disclosure. The City is exempt from the ongoing disclosure requirements of Securities and Exchange Commission Rule 15c2-12 by reason of the exemption set forth in subsection (d)(i) of that rule with respect to the issuance of securities in authorized denominations of \$100,000 or more.

Section 13. Lost, Stolen or Destroyed Bond. In case the Bond shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the City evidence satisfactory to the City that the Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City and/or the Bond Registrar with indemnity satisfactory to the City and the Bond Registrar.

CERTIFICATE

I, the undersigned, City Clerk of the City of Kirkland, Washington (the "City") and keeper of the records of the City Council (the "City Council"), DO HEREBY CERTIFY:

1. That the attached Ordinance is a true and correct copy of Ordinance No. 4490 of the City Council (the "Ordinance"), duly passed at a regular meeting thereof held on the 1st day of September, 2015.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of September, 2015.

  
\_\_\_\_\_  
City Clerk

CITY OF KIRKLAND

Summary of Ordinance No. 4490 passed September 1, 2015

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE ISSUANCE AND SALE OF A LIMITED TAX GENERAL OBLIGATION BOND OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,000,000 TO PROVIDE FUNDS FOR A PORTION OF THE REMODEL OF CITY HALL AND PAY FOR COSTS OF ISSUANCE OF THE BOND; AUTHORIZING THE SALE OF THE BOND; AND AUTHORIZING THE DESIGNATED REPRESENTATIVE TO MAKE CERTAIN DETERMINATIONS AND APPOINTMENTS WITH RESPECT TO THE BOND UNDER THE TERMS AND CONDITIONS SET FORTH HEREIN.

Section 1 (Definitions) defines certain capitalized terms used in the Ordinance.

Section 2 (Authorization of Bond) authorizes the City's Limited Tax General Obligation Bond, 2015" in the amount of \$6,000,000 (the "Bond") to provide a portion of the funding for the remodel of City Hall, and pay costs of issuance.

Section 3 (Description of Bond) describes the bond.

Section 4 (Registration, Exchange and Payments) adopts a system of registration and exchange for the Bond and describes the arrangements for paying principal of and interest on the Bond.

Section 5 (Prepayment) provides information regarding prepayment of the Bond.

Section 6 (Form of Bond) describes the form of the Bond.

Section 7 (Execution of Bond; Default Remedies) authorizes procedures for execution and authentication of the Bond.

Section 8 (Application of Bond Proceeds) authorizes the application of the Bond proceeds.

Section 9 (Tax Covenants) covenants that the City will not cause interest on the Bond to become taxable.

Section 10 (Bond Fund and Provision for Tax Levy Payments) provides for the Bond Fund for the payment of debt service on the Bond and provides for funds as required to pay such debt service.

Section 11 (Sale of Bond) delegates the authorization of the sale of the Bond pursuant to the ordinance and the bond purchase offer.

Section 12 (Undertaking to Provide Ongoing Disclosure) provides an undertaking for disclosure as required by the Securities and Exchange Commission.

Section 13 (Lost, Stolen or Destroyed Bond) makes provision in case the Bond is lost, stolen or destroyed.

Section 14 (Severability) provides that other covenants and agreements in the ordinance are not affected if one is made invalid.

Section 15 (Effective Date) provides that the ordinance shall become effective five days after adoption and publication.

The full text of Ordinance No. 4490 will be mailed without cost to any party requesting it from:

Ms. Kathi Anderson  
City Clerk  
City of Kirkland  
123 Fifth Avenue  
Kirkland, WA 98033-6189  
Phone: 425-587-3197  
Fax: 425-587-3198

Section 14. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bond.

Section 15. Effective Date. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, pursuant to Kirkland Municipal Code 1.08.017.

Passed by a majority vote of the Kirkland City Council in regular, open meeting this 1st day of September, 2015 and approved by the City Council as required by law.

Signed in authentication thereof this 1st day of September, 2015.

  
MAYOR

ATTEST:

  
City Clerk

Approved as to Form:

  
Cynthia M. Weed, Bond Counsel  
K&L Gates LLP