

CITY OF KIRKLAND, WASHINGTON

ORDINANCE NO. 2118

AN ORDINANCE of the City of Kirkland, Washington, amending Ordinance No. 1124, as amended and supplemented by Ordinance No. 1151 and as further amended by Ordinance No. 2112; ordering the repayment to various City funds of amounts heretofore temporarily loaned to carry out certain portions of the system or plan to additions to the betterments and extensions of the waterworks utility of the City, including the sewerage system as a part thereof, as adopted by Ordinance No. 1124, as amended and supplemented by Ordinance No. 1151 and as further amended by Ordinance No. 2112 and herein amended; providing for the issuance of \$400,000.00 par value of "Water and Sewer Revenue Bonds, 1970," of the City for the purpose of providing the funds with which to repay the various City funds of the amounts heretofore temporarily loaned to carry out such portions of the system or plan of additions to and betterments and extensions of the waterworks utility of the City, including the sewerage system as a part thereof, and the funds with which to carry out the portions of such system or plan applicable to Utility Local Improvement Districts Nos. 106 and 107 ordered to be carried out by Ordinance No. 2116; fixing the date, form, maturities, interest rates, terms and covenants to such bonds; creating a special bond redemption fund; and confirming the sale of such bonds to Foster & Marshall Inc. of Seattle, Washington.

WHEREAS, the City of Kirkland heretofore combined its municipal water system and system of sewerage, including all additions thereto and betterments and extensions thereof at any time made, pursuant to RCW 35.67.320, by Ordinance No. 576 of the City, passed and approved July 18, 1949, and such combined systems, including the separate waterworks system and separate system of sewerage of the former City of Houghton, Washington, which has now been consolidated with the City of Kirkland, if the same shall hereafter be combined with and made a part of the waterworks utility of the City, shall hereinafter be referred to as the "waterworks utility of the City"; and

WHEREAS, pursuant to the provisions of Ordinance No. 630, passed September 2, 1952, the City of Kirkland heretofore issued its "Water and Sewer Revenue Bonds, 1952," dated September 1, 1952, to carry out a system or plan of additions to and betterments and exten-

sions of the waterworks utility of the City, and by Section 7 of said Ordinance No. 630, the City reserved the right for the purpose of

" (1) Redeeming or purchasing and retiring prior to their maturity any outstanding water and sewer revenue bonds of the City, or

" (2) Acquiring, constructing, and installing additions and improvements to and extensions of or making necessary replacements or other capital improvements to said combined system

to issue refunding or additional revenue bonds for such purposes and to create a special fund or funds for the payment thereof into which fund or funds payments may be made out of the gross revenue of said combined system sufficient to pay the principal and interest on such refunding or additional bonds and to maintain an adequate reserve therefore if the same is required, which such payments may rank equally with the payments to be made out of such gross revenue into the bond redemption fund and the reserve account created therein in this ordinance upon compliance with the following conditions:

" (1) That at the time of the issuance of such refunding or additional revenue bonds there is no deficiency in the bond redemption fund and the reserve account created herein or in any bond redemption fund and reserve account which may have been created for the payment of the principal and interest of any parity revenue bonds issued subsequent to the issuance of the bonds authorized herein and prior to the issuance of such refunding or additional revenue bonds;

" (2) That at the time of the delivery of such refunding or additional revenue bonds the City shall have on file a certificate from an independent licensed professional engineer or engineering firm showing that in his or its opinion he or it is reasonably certain that the income of the combined water and sewerage system as added to, improved, extended, after expenses of maintenance and operation of said combined system, will equal at least 1.4 times the average annual amount required to be paid for interest and principal due and payable on the heretofore issued and outstanding water bonds authorized herein, on any revenue bonds which may later be issued on a parity therewith, and upon such refunding or additional revenue bonds."

WHEREAS, the City thereafter issued on a parity of lien with said "Water and Sewer Revenue Bonds, 1952," pursuant to the provisions of Section 7 of said Ordinance No. 630, its "Water and Sewer Revenue Bonds, 1953," dated May 1, 1953, its "Water and Sewer Revenue Bonds, 1955," dated July 1, 1955, its "Water and Sewer Revenue Bonds, 1960," dated April 1, 1960, and its "Water and Sewer Revenue

Bonds, 1968," dated June 1, 1968, the charge or lien upon the gross revenues of the waterworks utility of the City for said bonds being junior and inferior to the prior charge or lien upon such gross revenues for the outstanding "Water and Sewer Revenue Bonds, Series A," dated September 1, 1949, and the outstanding "Water and Sewer Revenue Bonds, Series b," dated July 1, 1950; and

WHEREAS, said "Water and Meter Revenue Bonds, 1952," and "Water and Sewer Revenue Bonds, Series A," have now been paid and redeemed; and

WHEREAS, the City by Ordinance No. 1124, passed by the City Council and approved by the Mayor on the 17th day of January, 1968, as amended and supplemented by Ordinance No. 1151, passed by the City Council and approved by the Mayor on the 17th day of June 1968, specified and adopted a system or plan of additions to and betterments and extensions of the waterworks utility of the City and authorized the issuance and sale of not to exceed \$2,000,000.00 par value of water and sewer revenue bonds to provide the funds necessary to pay the cost of carrying out the acquisition, construction and installation of such additions to and betterments and extensions of the waterworks utility of the City; and

WHEREAS, the City Council by Ordinance No. 2116, passed August 17, 1970, ordered the carrying out of that portion of such system or plan for making additions to and betterments and extensions of the waterworks utility of the City, including the system of sewerage as a part thereof, applicable to a certain area commonly known as the Bridle Trails area lying within and without the corporate limits of the City, by the construction and installation of sanitary sewers, and that portion of the said system or plan for making additions to and betterments and extensions of the waterworks utility of the City, including the system or sewerage as a part thereof, applicable to a certain area commonly known as the N.E. 60th Street area lying within the corporate limits of the City, by the construction and installation of sanitary sewers, all as applicable to Utility Local Improvement Districts Nos. 106 and 107 credited by such ordinance; estimated the cost and expense of the portion of the system or plan applicable to Utility Local Improvement District No. 106 to be \$146,295.00 and of which \$131,215.00 was allocated to the Bridle Trails area lying within the corporate limits of the City and \$15,080.00 was allocated to the Benjamin Franklin school site owned by the Lake Washington School District No. 414, King County, Washington, lying outside the corporate limits of the City, of which not to exceed \$62,000.00 of such estimated cost and expense is to be borne by and assessed against the Bridle Trails area property lying within the corporate limits of the City and within Utility Local Improvement District No. 106 and not to exceed \$13,600.00 of such estimated cost and expense is to be borne by and assessed against the property owned by the school district lying outside the corporate limits of the City and within Utility Local Improvement District No. 106; estimated the cost and expense of the portion of the system or plan applicable to Utility Local Improvement District No. 107 to be \$46,000.00 and not to exceed \$30,000.00 of such estimated cost and expense to be borne by and assessed against the property included within Utility Local Improvement District No. 107; and fixed the public hearings upon the

final assessment rolls of said utility local improvement districts to be held before the City Council on September 21, 1970; and

WHEREAS, the City Council heretofore temporarily loaned various City funds in the approximate amount of \$200,000.00 to pay the cost to carrying out certain portions of the system or plan of additions to the betterments and extensions of the waterworks utility of the City, including the system of sewerage as a part thereof, as adopted by Ordinance No. 1124, as amended and supplemented by Ordinance No. 1151, and the descriptions of such portions of said system or plan were inadvertently omitted from the descriptions contained in Ordinance No. 2112 further amending Ordinance No. 1124, and said Ordinance No. 1124, as amended and supplemented, should be further amended to correct such deletions and the amounts of such temporary loans should be repaid to the funds from which such temporary loans were heretofore made; and

WHEREAS, in order to repay the various City funds as aforesaid and to pay the cost of acquiring the constructing and installing the additions to and betterments and extensions of the waterworks utility of the City heretofore ordered to be carried out and applicable to Utility Local Improvement Districts Nos. 106 and 107, it is necessary to issue and sell \$400,000.00 par value of water and sewer revenue bonds as an additional series of the total not to exceed \$2,000,000.00 par value of water and sewer revenue bonds of the City authorized by Ordinance No. 2112; and

WHEREAS, the City Council hereby finds and declares that there is no deficiency in the bond redemption funds and reserve accounts created for the payment of the outstanding "Water and sewer Revenue bonds, 1955," dated July 1, 1955, the outstanding "Water and Sewer Revenue Bonds, 1960," dated April 1, 1960, and the outstanding "Water and Sewer Revenue Bonds, 1968," dated June 1, 1968, issued on a parity with each other and that Stevens, Thompson, Runyan & Ries, Inc., Consulting Engineers, have certified that said revenues are sufficient to meet the 1.4 coverage requirement above set forth, as evidence by their certificate to such effect on file with the City Clerk, NOW, THEREFORE,

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

Section 1. Section 1 of Ordinance No. 1124, passed by the City Council and approved by the Mayor on January 15, 1968 as supplemented and amended by Ordinance No. 1151, passed by the City Council and approved by the Mayor on June 17, 1968, as further amended by Ordinance No. 2112, passed by the City Council and approved by the Mayor on July 6, 1970, is hereby amended to read as follows:

Section 1. The City of Kirkland hereby specifies and adopts a system or plan for making additions to and betterments and extensions of the waterworks utility of the City which shall consist of the acquisitions, construction and installation of the following described pump stations, meters, waterlines and sewer mains on, along and under the following described streets, avenues, easements and right-of-ways:

A. Water Projects

<u>No.</u>	<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>
1.	1st Street	Central Way	N.E. 106th	12"	7100'
2.	2nd Street W.	Waverly Way	7th Avenue W.	8"	600'
3.	3rd Street	Kirkland Way	Central Way	8"	700'
4.	4th Street S.	2nd Avenue S.	7th Ave. S.	8"	1350'
5.	6th Street	9th Avenue	20th Avenue	12"	4100'
6.	Area of Marina Park	Central Way	Kirkland Avenue	12"	800'
7.	Lake Street	Kirkland Avenue	S.City Limits	8"	3400'
8.	Lk. Wash. Blvd.	S. City Limits	N.E. 40th	8"	7800'
9.	Waverly Way	Market	6th Street W.	8"	3400'
10.	Kirkland Ave.	Lake Street	East	10"	1800'
11.	2nd Ave. S.	State Street	5th Street S.	8"	950'
12.	3rd Ave. S.	Lake Street	4th Street S.	8"	1250'
13.	4th Ave. S.	State Street	5th Street S.	8"	950'
14.	5th Ave. S.	Lake Street	State Street	8"	750'
15.	5th Ave. S.	State Street	5th Street S.	8"	900'
16.	8th Ave. W.	Market	5th Street W.	8"	1650'
17.	9th Avenue	6th Street	8th Street	8"	1000'
18.	9th Avenue S.	8th Street S.	10th Street S.	8"	650'
19.	10th Avenue S.	Lake Street	State Street	10"	1200'
20.	N.E. 45th	112th Ave. N.E.	N.E. Lake Wn. Blvd.	12"	3350'
21.	N.E. 55th	106th Ave. N.E.	108th Ave. N.E.	8"	450'
22.	N.E. 58th	106th Ave. N.E.	108th Ave. N.E.	8"	450'
23.	N.E. 60th	102nd Ave. N.E.	111th Ave. N.E.	14"	2950'
24.	N.E. 60th	111th Pl. N.E.	116th Ave. N.E.	16"	1600'
25.	N.E. 60th	116th Ave. N.E.	Seattle Main	20"	7700'
26.	N.E. 60th	Lk. Wn. Blvd.	102nd Ave. N.E.	12"	500'
27.	N.E. 106th	100th Ave. N.E.	105th Ave. N.E.	12"	2800'
28.	N.E. 106th Pl.	108th Ave. N.E.	N.E. 108th	12"	1450'
29.	N.E. 108th	N.E. 106th Pl.	East	12"	1200'
30.	N.E. 108th	100th Ave. N.E.	108th Ave. N.E.	8"	2700'
31.	N.E. 112th	100th Ave. N.E.	104th Ave. N.E.	8"	1300'
32.	N.E. 112th	106th Ave. N.E.	East	8"	1250'
33.	N.E. 116th	120th Ave. N.E.	124th Ave. N.E.	20"	1200'
34.	102nd Ave. N.E.	N.E. 60th	N.E. Lk.Wn.Blvd.	14"	1500'
35.	104th Ave. N.E.	N.E. 108th	N.E. 113th	8"	1800'
36.	108th Ave. N.E.	N.E. 45th	North	8"	150'
37.	108th Ave. N.E.	N.E. 104th	N.E. 116th	12"	3800'
38.	112th Ave. N.E.	N.E. 45th	North	12"	225'
39.	Lake View Dr.	N.E. 65th	State Street	8"	1500'

B. Sewer Projects - January 1966 Study

<u>No.</u>	<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>
1. (a)	112th Ave. N.E.	N.E. 92nd St.	N.E. 87th St.	8"	1200'
(b)	114th Ave. N.E.	N.E. 87th St.	N.E. 86th St.	8"	300'
(c)	116th Ave. N.E.	N.E. 95th St.	N.E. 90th St.	8"	1400'
(d)	State Hwy. Right-of-Way	N.E. 97th Pl.	N.E. 90th St.	8"	2250'
(e)	N.E. 86th St.	116th Ave. N.E.	114th Ave. N.E.	8"	550'

<u>No.</u>	<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>
1. (f)	N.E. 87th St.	116th Ave. N.E.	112th Ave. N.E.	8"	1150'
(g)	N.E. 88th St.	116th Ave. N.E.	112th Ave. N.E.	8"	1150'
(h)	N.E. 90th St.	State Hwy.	112th Ave. N.E.	8"	1350'
		Right-of-Way			
(i)	N.E. 91st St.	116th Ave. N.E.	West	8"	250'
(j)	N.E. 91st St.	112th Ave. N.E.	East	8"	850'
(k)	N.E. 92nd St.	State Hwy.	West	8"	500'
		Right-of-Way			
(l)	N.E. 92nd St.	116th Ave. N.E.	West	8"	250'
(m)	N.E. 92nd St.	112th Ave. N.E.	East	8"	850'
(n)	N.E. 94th St.	116th Ave. N.E.	West	8"	250'
(o)	N.E. 95th St.	State Hwy.	North-West	8"	850'
		Right-of-Way			
(p)	N.E. 97th St.	State Hwy.	North-West	8"	850'
(q)	Manhole connection and connection to METRO - \$2,500.				
2. (a)	Central Ave. N.E.	N.E. 94th St.	South-East	8"	700'
(b)	112th Ave. N.E.	N.E. 94th St.	North	8"	150'
(c)	114th Ave. N.E.	N.E. 95th St.	N.E. 94th St.	8"	800'
(d)	116th Ave. N.E.	N.E. 95th St.	North	8"	1500'
(e)	N.E. 94th St.	Central Ave. N.E.	114th Ave. N.E.	8"	950'
(f)	N.E. 94th St.	114th Ave. N.E.	East	8"	250'
(g)	N.E. 95th St.	116th Ave. N.E.	114th Ave. N.E.	8"	400'
(h)	Manhole connection				
3. (a)	110th Ave. N.E.	N.E. 95th St.	North	8"	1200'
(b)	112th Ave. N.E.	N.E. 95th St.	North-East	8"	400'
(c)	112th Ave. N.E.	N.E. 97th	North	8"	600'
(d)	N.E. 95th St.	110th Ave. N.E.	112th Ave. N.E.	8"	550'
(e)	N.E. 95th St.	N.E. 97th St.	South-East	8"	600'
(f)	N.E. 96th St.	110th Ave. N.E.	East	8"	450'
(g)	N.E. 97th St.	110th Ave. N.E.	Observation Dr.	8"	1500'
(h)	N.E. 98th St.	110th Ave. N.E.	East	8"	400'
(i)	N.E. 99th St.	110th Ave. N.E.	East	8"	400'
(j)	Observation Dr.	N.E. 97th St.	South-West	8"	200'

C. Sewer Projects - December 1967 Study

<u>No.</u>	<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>
1. (a)	Market Street Manhole Connection				
2. (a)	2nd Street	N.E. 104th St.	South	8"	550'
(b)	3rd Street	N.E. 104th St.	South	8"	550'
(c)	N.E. 104th St.	3rd Street	100th Ave. N.E.	8"	880'
(d)	N.E. 106th St.	Market St.	100th Ave. N.E.	8"	500'
(e)	N.E. 106th St.	100th Ave. N.E.	East	8"	1250'
(f)	100th Ave. N.E.	N.E. 104th St.	N.E. 108th St.	8"	1320'
3. (a)	4th Street	N.E. 104th St.	South	8"	550'
(b)	5th Street	N.E. 104th St.	18th Ave.	8"	1300'
(c)	N.E. 104th St.	4th St.	5th St.	8"	650'
(d)	N.E. 106th St.	108th Ave. N.E.	West	8"	1250'

Ordinance No. 2118

<u>No.</u>	<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>
3. (e)	N.E. 106th Pl.	108th Ave. N.E.	East	8"	850'
(f)	Alley	108th Ave. N.E.	N.E. 106th St.	8"	950'
(g)	Private Right-of-Way	N.E. 104th St.	N.E. 108th St.	8"	650'
(h)	18th Avenue	5th Street	East and West	8"	400'
(i)	108th Ave. N.E.	N.E. 108th St.	19th Ave.	8"	1900'
4. (a)	108th Ave. N.E.	19th Ave.	18th Ave.	8"	550'
(b)	18th Ave.	6th Street	R.R. Right-of-Way	8"	700'
(c)	17th Ave.	6th Street	R.R. Right-of-Way	8"	700'
(d)	16th Ave.	6th Street	R.R. Right-of-Way	8"	700'
(e)	15th Ave.	6th Street	R.R. Right-of-Way	8"	700'
(f)	14th Ave.	6th Street	East	8"	350'
(g)	14th Ave.	R.R. Right- of-Way	West	8"	350'
(h)	13th Ave.	6th Street	East	8"	150'
(i)	13th Ave.	R.R. Right- of-Way	West	8"	550'
(j)	6th Place	15th Ave.	18th Ave.	8"	700'
(k)	R.R. Right- of-Way	18th Ave.	12th Ave.	8"	1150'
(l)	12th Ave.	8th Street	Alley	8"	150'
(m)	8th Street	11th Avenue	12th Avenue	8"	300'
5. (a)	100th Ave. N.E.	N.E. 108th St.	N.E. 116th St.	8"	2650'
(b)	101st Ave. N.E.	N.E. 108th St.	North	8"	600'
(c)	103rd Ave. N.E.	N.E. 112th Pl.	North	8"	200'
(d)	104th Ave. N.E.	N.E. 108th St.	North	8"	400'
(e)	104th Ave. N.E.	N.E. 110th St.	North	8"	1000'
(f)	105th Ave. N.E.	N.E. 110th St.	North	8"	600'
(g)	101st Pl. N.E.	N.E. 116th St.	South	8"	350'
(h)	N.E. 108th St.	104th Ave. N.E.	108th Ave. N.E.	8"	1300'
(i)	N.E. 108th St.	100th Ave. N.E.	104th Ave. N.E.	10"	1350'
(j)	N.E. 109th St.	104th Ave. N.E.	East	8"	550'
(k)	N.E. 110th St.	100th Ave. N.E.	105th Ave. N.E.	8"	1800'
(l)	N.E. 112th St.	100th Ave. N.E.	East	8"	1150'
(m)	N.E. 112th St.	104th Ave. N.E.	East	8"	750'
(n)	N.E. 112th Pl.	100th Ave. N.E.	103rd Ave. N.E.	8"	900'
(o)	N.E. 113th Pl.	100th Ave. N.E.	East	8"	2200'
(p)	N.E. 116th St.	100th Ave. N.E.	East	8"	2550'
6. (a)	N.E. 116th St.	120th Ave. N.E.	West	8"	3500'
(b)	N.E. 116th St.	120th Ave. N.E.	124th Ave. N.E.	18"	1200'
(c)	N.E. 118th St.	110th Ave. N.E.	West	8"	300'
(d)	N.E. 119th St.	110th Ave. N.E.	West	8"	200'
(e)	N.E. 120th St.	110th Ave. N.E.	West	8"	200'
(f)	N.E. 116th Pl.	110th Ave. N.E.	West	8"	200'
(g)	N.E. 117th Pl.	110th Ave. N.E.	West	8"	200'
(h)	N.E. 116th Street	Manhole Connection to METRO			
7. (a)	110th Ave. N.E.	N.E. 112th St.	North	8"	550'
(b)	115th Pl. N.E.	N.E. 112th St.	North	8"	550'
(c)	N.E. 112th st.	116th Ave. N.E.	East	8"	500'
(d)	N.E. 112th St.	116th Ave. N.E.	West	8"	1200'

<u>No.</u>	<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>
8. (a)	N.E. 112th St.	120th Ave. N.E.	West	8"	700'
(b)	120th Ave. N.E.	N.E. 108th St.	N.E. 116th St.	8"	2600'
(c)	Private Right-of-Way	120th Ave. N.E.	R.R. Right-of-Way	8"	700'
(d)	Private Right-of-Way	N.E. 108th St.	R.R. Right-of-Way	8"	500'
9. (a)	116th Ave. N.E.	N.E. 109th St.	N.E. 112th St.	8"	1050'
(b)	112th Ave. N.E.	N.E. 108th St.	N.E. 112th St.	8"	1200'
(c)	111th Ave. N.E.	N.E. 112th St.	South	8"	450'
(d)	N.E. 108th St.	116th Ave. N.E.	West	10"	1200'
(e)	Private Right-of-Way	111th Ave. N.E.	N.E. 108th St.	8"	800'
(f)	Private Right-of-Way	116th Ave. N.E.	R.R. Right-of-Way	10"	750'
(g)	N.E. 108th St. Manhole and connection to METRO				
10. (a)	N.E. 110th St.	106th Ave. N.E.	108th Ave. N.E.	8"	500'
(b)	N.E. 112th St.	106th Ave. N.E.	East	8"	750'
(c)	N.E. 116th St.	108th Ave. N.E.	East	8"	400'
(d)	106th Ave. N.E.	N.E. 110th St.	N.E. 112th St.	8"	650'
(e)	106th Ave. N.E.	N.E. 112th St.	North	8"	650'
(f)	108th Ave. N.E.	N.E. 108th St.	N.E. 110th St.	8"	450'
(g)	108th Ave. N.E.	N.E. 112th St.	North	8"	1200'
(h)	109th Ave. N.E.	N.E. 116th St.	South	8"	800'
(i)	108th Pl. N.E.	N.E. 112th St.	N.E. 110th St.	8"	650'
(j)	Private Right-of-Way	108th Ave. N.E.	109th Ave. N.E.	8"	350'
(k)	Private Right-of-Way	N.E. 110th St.	North-East	8"	700'
11. (a)	N.E. 100th St.	I-405	West	8"	850'
(b)	N.E. 104th St.	116th Ave. N.E.	West	8"	500'
(c)	N.E. 104th St.	111th Ave. N.E.	East	8"	5500'
(d)	N.E. 104th St.	111th Ave. N.E.	R.R. Right-of-Way	8"	400'
(e)	111th Ave. N.E.	N.E. 104th St.	South	8"	400'
(f)	116th Ave. N.E.	N.E. 104th St.	North	8"	1100'
(g)	116th Ave. N.E.	N.E. 104th St.	South	8"	600'
(h)	120th Ave. N.E.	N.E. 108th St.	South	8"	600'
(i)	Private Right-of-Way	N.E. 108th St.	116th Ave. N.E.	8"	500'
(j)	Private Right-of-Way	N.E. 100th St.	120th Ave. N.E.	8"	2000'

D. Sewer Projects - 1970 Study

<u>No.</u>	<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>
11. (a)	120th Ave. N.E.	N.E. 61st St.	N.E. 67th St.	8"	1500'
(b)	123rd Ave. N.E.	N.E. 66th St.	N.E. 67th St.	8"	300'
(c)	124th Ave. N.E.	N.E. 61st St.	N.E. 64th St.	8"	1000'
(d)	N.E. 61st St.	120th Pl. N.E.	123rd Ave. N.E.	8"	800'
(e)	N.E. 62nd St.	120th Ave. N.E.	123rd Ave. N.E.	8"	850'
(f)	N.E. 64th St.	120th Ave. N.E.	123rd Ave. N.E.	8"	850'
(g)	N.E. 65th St.	120th Ave. N.E.	124th Ave. N.E.	8"	1180'



<u>No.</u>	<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>
1. (h)	N.E. 66th St.	120th Ave. N.E.	123rd Ave. N.E.	8"	850'
(i)	N.E. 67th St.	122nd Ave. N.E.	123rd Ave. N.E.	8"	400'
(j)	116th Ave. N.E.	N.E. 60th St.	N.E. 70th St.	8"	2600'
(k)	N.E. 53rd St.	111th Ave. N.E.	114th Ave. N.E.	8"	1100'
(l)	N.E. 60th St.	111th Ave. N.E.	114th Ave. N.E.	8"	1100'
(m)	111th Ave. N.E.	N.E. 60th St.	N.E. 62nd St.	8"	550'
(n)	111th Pl. N.E.	N.E. 60th St.	North	8"	200'
(o)	112th Ave. N.E.	N.E. 60th St.	N.E. 62nd St.	8"	550'
(p)	112th Ave. N.E.	N.E. 45th St.	N.E. 60th St.	8"	2000'
(q)	114th Ave. N.E.	N.E. 53rd St.	N.E. 60th St.	8"	2000'
(r)	108th Ave. N.E.	N.E. 45th St.	North	8"	120'
(s)	N.E. 45th St.	108th Ave. N.E.	100th Ave. N.E.	8"	600'
(t)	N.E. 47th St.	108th Ave. N.E.	110th Ave. N.E.	8"	600'
(u)	N.E. 52nd St.	R/W	108th Ave. N.E.	8"	1400'
(v)	N.E. 53rd St.	R/W	108th Ave. N.E.	8"	1400'
(w)	N.E. 55th St.	R/W	108th Ave. N.E.	8"	1600'
(x)	N.E. 58th St.	104th Ave. N.E.	108th Ave. N.E.	8"	1400'
(y)	N.E. 60th St.	R/W	108th Ave. N.E.	8"	1400'
(z)	N.E. 55th St.	N.E. 58th St.	N.E. 58th St.	8"	600'
	105th Ave. N.E.	N.E. 55th St.	N.E. 58th St.	8"	600'
	106th Ave. N.E.	N.E. 53rd St.	N.E. 60th St.	8"	2000'

Said improvements shall be completed with all necessary and proper facilities and appurtenances.

The City shall acquire all real and personal property, rights-of-way, franchises and easements necessary to carry out said plan.

The City Council may make such changes in the details of said plan, either prior to or in the actual course of construction, which may be found necessary and desirable as long as the same do not substantially affect or change the general parts of said plan as above set forth.

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

(a) "City" shall mean the City of Kirkland, Washington, a duly organized city of the first class, together with the former City of Houghton, Washington, which has been consolidated into the City of Kirkland, Washington.

(b) "Bonds" shall mean the "Water and Sewer Revenue Bonds, 1970" authorized to be issued by this ordinance.

(c) "Bond Fund" shall mean the "Kirkland Water and Sewer Revenue Bond Fund, 1970," created by this ordinance in the office of the City Treasurer.

(d) "1950 Bonds" shall mean the outstanding "Water and Sewer Revenue Bonds, Series B," dated July 1, 1950.

(e) "1953 Bonds" shall mean the outstanding "Water and Sewer Revenue Bonds, 1953," dated May 1, 1953.

(f) "1955 Bonds" shall mean the outstanding "Water and Sewer Revenue Bonds, 1955" dated July 1, 1955.

(g) "1960 Bonds" shall mean the outstanding "Water and Sewer Revenue Bonds, 1960" dated April 1, 1960.

Ordinance No. 2118

(h) "1968 Bonds" shall mean the outstanding "Water and Sewer Revenue Bonds, 1968," dated June 1, 1968.

(i) "Waterworks Utility of the City" shall mean the systems of water supply and distribution and sanitary sewage disposal, as combined pursuant to RCW 35.67.320, by Ordinance No. 576 of the City, passed and approved July 18, 1949, including all additions to and betterments and extensions of such waterworks utility of the City and also including the separate waterworks system and separate system of sewerage of the former City of Houghton, Washington, if the same shall hereafter be combined with and made a part of the Waterworks Utility of the City.

(j) "Houghton Sewer Revenue Bonds" shall mean the outstanding \$110,000.00 par value of "Sewer Revenue Bonds, 1967," dated August 1, 1967, issued by the City of Houghton, Washington, pursuant to Ordinances Nos. 213 and 218 of the City of Houghton, Washington.

(k) "Revenue of the Waterworks Utility of the City" shall mean all the earnings and revenue received by the Waterworks Utility of the City from any source whatsoever, except general ad valorem taxes, proceeds from the sale of City Property and bond proceeds.

(l) "Operating and Maintenance Expenses" shall mean all reasonable expenses incurred by the City in causing the Waterworks Utility of the City to be operated and maintained in good repair, working order and condition.

(m) "Parity Bonds" shall mean any and all water and sewer revenue bonds of the City issued after the date of the issuance of the Bonds, the payment of the principal of the interest on which constitutes a lien and charge upon Revenue of the Waterworks Utility of the City, and including the outstanding 1953 Bonds, 1955 Bonds, 1960 Bonds and 1968 Bonds

Section 3. The following portions of the system or plan of additions to and betterments and extensions of the Waterworks Utility of the City, as specified and adopted in Ordinance No. 1124, as amended and supplemented by Ordinances Nos. 1151 and 2112 and by Section 1 hereof, were heretofore ordered to be carried out and temporary loans from various City funds were heretofore made to carry out such portions, to-wit:

Water Projects

<u>No.</u>	<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>
24.	N.E. 60th	111th Pl. N.E.	116th Ave. N.E.	16"	1600'
25.	N.E. 116th	120th Ave. N.E.	124th Ave. N.E.	20"	1200'

Sewer Projects - December 1967 Study

<u>No.</u>	<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>
1.(a)	Market Street				
	Manhole Connection				

<u>No.</u>	<u>On</u>	<u>From</u>	<u>To</u>	<u>Size</u>	<u>Length</u>	
5. (c)	103rd Ave. N.E.	N.E. 112th Pl.	North	8"	200'	
(d)	104th Ave. N.E.	N.E. 108th St.	North	8"	400'	
(e)	104th Ave. N.E.	N.E. 110th St.	North	8"	1000'	
(f)	105th Ave. N.E.	N.E. 110th St.	North	8"	600'	
(i)	N.E. 108th St.	100th Ave. N.E.	104th Ave. N.E.	10"	1350'	
(m)	N.E. 112th St.	104th Ave. N.E.	East	8"	750'	
(n)	N.E. 112th Pl.	100th Ave. N.E.	103rd Ave. N.E.	8"	900'	
(o)	N.E. 113th Pl.	100th Ave. N.E.	East	8"	2200'	
6. (b)	N.E. 116th St.	120th Ave. N.E.	124th Ave. N.E.	18"	1200'	
7. (a)	110th Ave. N.E.	N.E. 112th St.	North	8"	550'	
9. (c)	111th Ave. N.E.	N.E. 112th St.	South	8"	450'	
(e)	Private Right-of-Way	111th Ave. N.E.	N.E. 108th St.	8"	800'	
(g)	N.E. 108th St.	Manhole and connection to METRO				
10. (a)	N.E. 110th St.	106th Ave. N.E.	108th Ave. N.E.	8"	500'	
(b)	N.E. 112th St.	106th Ave. N.E.	East	8"	750'	
(d)	106th Ave. N.E.	N.E. 110th St.	N.E. 112th St.	8"	650'	
(e)	106th Ave. N.E.	N.E. 112th St.	North	8"	650'	
(f)	108th Ave. N.E.	N.E. 108th St.	N.E. 110th St.	8"	450'	
(g)	108th Ave. N.E.	N.E. 112th St.	North	8"	1200'	
(h)	109th Ave. N.E.	N.E. 116th St.	South	8"	800'	
(i)	108th Pl. N.E.	N.E. 112th St.	N.E. 110th St.	8"	650'	
(j)	Private Right-of-Way	108th Ave. N.E.	109th Ave. N.E.	8"	350'	
(k)	Private Right-of-Way	N.E. 110th St.	North-East	8"	700'	
11. (g)	116th Ave. N.E.	N.E. 104th St.	South	8"	600'	

Section 4. For the purpose of providing the funds with which to repay the various City funds of amounts heretofore temporarily loaned to carry out the portions of the system of plan of additions to and betterments and extensions of the Waterworks Utility of the City referred to in Section 3 hereof and the funds with which to carry out the portions of such system or plan applicable to Utility Local Improvement Districts Nos. 106 and 107 and ordered to be carried out by Ordinance No. 2116, there shall be issued and sold \$400,000.00 par value of the Bonds (herein designated as "Water and Sewer Revenue Bonds, 1970"). The Bonds shall be dated September 1, 1970; shall bear interest at the rates hereinafter set forth, payable semiannually on March 1 and September 1 of each year, interest to maturity to be evidenced by coupons to be attached to the Bonds with full obligation on the part of the City to pay interest at the bond rates from and after the maturity dates until the Bonds with interest are paid in full; shall be in denominations of \$5,000.00 each; and shall be numbered from 1 to 80, inclusive. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the office of the Treasurer of the City solely out of the Bond Fund hereinafter created. The bonds shall be a valid obligation of the holder thereof only as against the Bond Fund and the amount of the Revenue of the Waterworks Utility of the City pledged to such fund, together with the collections of assessments on the assessment rolls of Utility Local Improvement

Districts Nos. 106 and 107 to be paid solely into such fund; and shall not be a general obligation of the City. The bonds shall mature and shall bear interest in accordance with the following schedule, to-wit:

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Interest Rates</u>	<u>Maturities</u>
1 to 2	\$10,000	7.00%	September 1, 1972
3 to 5	15,000	7.00%	September 1, 1973
6 to 9	20,000	7.00%	September 1, 1974
10 to 14	25,000	7.00%	September 1, 1975
15 to 20	30,000	7.00%	September 1, 1976
21 to 27	35,000	7.00%	September 1, 1977
28 to 34	35,000	7.00%	September 1, 1978
35 to 42	40,000	7.25%	September 1, 1979
43 to 51	45,000	7.25%	September 1, 1980
52 to 61	50,000	7.25%	September 1, 1981
62 to 71	50,000	7.25%	September 1, 1982
72 to 75	20,000	7.25%	September 1, 1983
76 to 80	25,000	7.25%	September 1, 1984

Section 5. Bonds numbered from 1 to 51, inclusive, maturing from September 1, 1972, to September 1, 1980, inclusive, shall be issued without the right or option of the City to call the Same for redemption prior to their stated maturity dated.

The City reserves the right to redeem outstanding Bonds numbered 52 to 80, inclusive, maturing September 1, 1981, to September 1, 1984, inclusive, as a whole, or in part in inverse numerical order, on September 1, 1980, or on any subsequent interest payment date at par plus accrued interest to date of redemption.

Notice of any call for redemption of the Bonds prior to their stated maturity dates shall be published once in the official newspaper of the City not less than 30 nor more than 45 days prior to the date of redemption. Notice of such call for redemption shall also be mailed to Foster & Marshall Inc. at its principal office in Seattle, Washington, or its successor, within the same period. Interest on any Bonds so called for redemption shall cease on the date fixed for such redemption upon payment of the redemption price into the Bond Fund.

Section 6. There is hereby created and established in the office of the Treasurer of the City a special fund to be known and designated as the "Kirkland Water and Sewer Revenue Bond Fund, 1970" (herein defined as the "Bond Fund"), which fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Bonds as the same shall become due. The Bond Fund is hereby divided into a "Principal and Interest Account" and a "Reserve Account." So long as Bonds are outstanding against the Bond Fund, the Treasurer of the City shall set aside and pay into the Bond Fund all assessments and installments thereof, including principal, interest and any penalties thereon, collected on the assessment rolls of Utility Local Improvement Districts Nos. 106 and 107 and out of the Revenue of the Waterworks Utility of the City a fixed amount without regard to any fixed proportion, namely:

- (a) Into the "Principal and Interest Account," on or before the 20th day of each month, beginning

with the month of September, 1970, and continuing thereafter, 1/6th of the next ensuing six months' requirements for interest on the Bonds and beginning with the month of September, 1983, and continuing thereafter, 1/12th of the next ensuing twelve months' requirements for principal on the Bonds; and

(b) Into the "Reserve Account," all assessments including principal, interest and penalties thereon, collected on the assessment rolls of Utility Local Improvement Districts Nos. 106 and 107 in excess of the amounts required to be paid into the "Principal and Interest Account" until a total reserve of \$46,755.00 shall be accumulated therein by no later than September 1, 1975. In the event that such assessment collections are inadequate to accumulate such reserve by September 1, 1975, any deficiency shall be made up from the Revenue of the Waterworks Utility of the City.

The "Reserve Account" may be accumulated from any other moneys which the City may have available for such purpose, in addition to using the Revenue of the Waterworks Utility of the City and said assessment collections therefor. The "Reserve Account" shall, except for withdrawals therefrom as authorized herein, after the total reserve amount has been accumulated therein be maintained in such amount at all times so long as any of the Bonds is outstanding, PROVIDED, HOWEVER, that when the total amount in the Bond Fund shall equal the total amount of the principal and interest on all outstanding Bonds to the last maturity thereof, no further payments need be made into the Bond Fund.

In the event that there shall be a deficiency in the "Principal and Interest Account" in the Bond Fund to meet maturing installments of either principal or interest as the case may be, such deficiency shall be made up from the "Reserve Account" by the withdrawal of cash therefrom for that purpose. Any deficiency created in the "Reserve Account" by reason of any such withdrawal shall then be made up from the Revenue of the Waterworks Utility of the City and said assessment collections first available after making necessary provisions for the required payment into the "Principal and Interest Account." The moneys in the "Reserve Account" shall otherwise be held intact, any may be applied against the last outstanding Bonds.

All moneys in the "Reserve Account" above provided for, may be kept on deposit in the official bank depository of the City or in any national bank or may be invested in United States obligations maturing not later than twelve years from date of issue and in no event later than August 1, 1984, Interest on any such investment or on such bank account shall be deposited in and become a part of the "Reserve Account" until the total reserve amount shall have been accumulated therein.

The Revenue of the Waterworks Utility of the City and said Utility Local Improvement Districts Nos. 106 and 107 assessment collections are hereby pledged to such payments and the Bonds shall constitute a charge and lien upon such revenue and assessments prior

and superior to all other charges and liens whatsoever, excluding charges for maintenance and operation of such utility, except that the charge and lien upon such revenue alone for the Bonds shall be on a parity with the charge and lien upon the same for the outstanding 1953 Bonds, 1955 Bonds, 1960 Bonds, 1968 Bonds and any Parity Bonds hereafter issued in accordance with the provisions of Section 7 of Ordinance No. 630, and except further that the charge and lien upon such revenue alone for the Bonds shall be junior and inferior to the prior charge and lien upon such revenue for the outstanding 1950 Bonds, and except further that in the event that the system of sewerage of the former City of Houghton, Washington, shall hereafter be combined with the Waterworks Utility of the City, the charge and lien upon the revenue from such City of Houghton system of sewerage alone for the Bonds shall be junior and inferior to the prior charge and lien upon the same for the outstanding Houghton Sewer Revenue Bonds.

Section 7. The City Council and corporate authorities of the City hereby declare that in creating the Bond Fund and in fixing the amounts to be paid into it as aforesaid they have considered and had due regard for the cost of operation and maintenance of the waterworks Utility of the City and have not set aside into the Bond Fund a greater amount or proportion of the Revenue of the Waterworks Utility of the City than in their judgement will be available over and above the cost of maintenance and operation of the Waterwork Utility of the City and the debt service requirements for the presently outstanding 1950 Bonds, 1953 Bonds, 1955 Bonds, 1960 Bonds and 1968 Bonds.

Section 8. The Bonds shall be in substantially the following form:

No. \_\_\_\_\_ \$5,000.00

UNITED STATES OF AMERICA  
STATE OF WASHINGTON  
CITY OF KIRKLAND  
WATER AND SEWER REVENUE BOND, 1970

\_\_\_\_\_ &

KNOW ALL MEN BY THESE PRESENTS: That the City of Kirkland, State of Washington, for value received, promises to pay to bearer on the 1ST DAY OF SEPTEMBER, 19\_\_, the principal sum of

FIVE THOUSAND DOLLARS

together with interest thereon at the rate of \_\_\_\_\_ PERCENT ( \_\_\_\_\_ %) per annum, payable semiannually on the 1st days of March and September of each year, upon presentation and surrender of the attached interest coupons as they severally mature up to the bond maturity date and with full obligation on the part of the City to pay interest at the same rate from and after the bond maturity date until this bond with interest is paid in full,

or funds are available in the "Kirkland Water and Sewer Revenue Bond Fund, 1970" (hereinafter called the "Bond Fund"), for payment in full. Both principal of and interest on this bond are payable in lawful money of the United States of America at the office of the Treasurer of the City of Kirkland, Washington, solely out of the special fund created by Ordinance No. 2118 and referred to herein as the Bond Fund, into which fund the City of Kirkland hereby irrevocably binds itself to pay certain fixed amounts out of the gross revenues of the waterworks utility of the City, including the sewerage system as a part thereof, now belonging to or which may hereafter belong to the City, including all additions, extensions and betterments thereof now or at any time made or constructed, as the same is defined in Ordinance No. 2118, without regard to any fixed proportion, namely, amounts sufficient to pay the principal of and interest on this issue of bonds as they respectively become due and to accumulate a reserve, all at the times and in the manner set forth in Ordinance No. 2118, upon which shall be credited any payments actually received from the collection of assessments in Utility Local Improvement Districts Nos. 106 and 107 heretofore created to be paid into the Bond Fund.

The gross revenues from the combined water and sewerage systems comprising the waterworks utility of the City and the said utility local improvement district assessments are hereby pledged to such payment, and the bonds of this issue constitute a charge and lien upon such revenues and assessments prior and superior to any other charges whatsoever, excluding charges for maintenance and operation, except that the charge and lien upon said revenues alone for this issue of bonds shall be on a parity with the charge and lien upon such gross revenues for the outstanding "Water and Sewer Revenue Bonds, 1953," dated May 1, 1953, the outstanding "Water and Sewer Revenue Bonds, 1955," dated July 1, 1955, the outstanding "Water and Sewer Revenue Bonds, 1960" dated April 1, 1960, the outstanding "Water and Sewer Revenue Bonds, 1968," dated June 1, 1968, and any additional water and sewer revenue bonds which may be hereafter issued on a parity with said bonds, in accordance with the provisions of Section 7 of Ordinance No. 630 as incorporated in Section 12 of Ordinance No. 2118, except further that the charge and lien upon such gross revenues alone for the bonds of this issue and such parity bonds shall be junior and inferior to the the prior charge and lien upon such gross revenues for the outstanding "Water and Sewer Revenue Bonds, Series B," dated July 1, 1950, and except further that in the event that the system

Ordinance No. 2118

of sewerage of the former City of Houghton, Washington shall hereafter be combined with the waterworks utility of the City, the charge and lien upon the revenues from such City of Houghton system of sewerage alone for the bonds of the issue and such parity bonds shall be junior and inferior to the prior charge and lien upon the same for the outstanding "Sewer Revenue Bonds, 1967," issued by the City of Houghton, Washington, under date of August 1, 1967.

This bond is one of a total issue of \$400,000.00 par value of bonds, all of like date, tenor and effect, except as to maturities, options of redemption and interest rates, all payable from the Bond Fund and all issued by the City under and in pursuance of the laws of the State of Washington and Ordinance No. 1124, as amended and supplemented by Ordinances Nos. 1151, 2112 and 2118 of the City, for the purpose of providing funds to pay the cost of making certain additions to and betterments and extensions of the waterworks utility of the City, including the sewerage system as a part thereof.

Bonds numbered 1 to 51, inclusive, maturing September 1, 1972, to September 1, 1980, inclusive, are issued without the right or option of the City to call the same for redemption prior to their stated maturity dates.

The City reserves the right to redeem outstanding bonds numbered 52 to 80, inclusive, maturing September 1, 1981, to September 1, 1984, inclusive, as a whole, or in part in inverse numerical order, on September 1, 1980, or on any subsequent interest payment date at par plus accrued interest to date of redemption.

Notice of any call for redemption of the bonds prior to their state maturity dates shall be published once in the official newspaper of the City not less than 30 nor more than 45 days prior to the date of redemption. Notice of such call for redemption shall also be mailed to Foster & Marshall Inc. at its principal office in Seattle, Washington, or its successor, within the same period. Interest on any bonds so called for redemption shall cease on the date fixed for such redemption upon payment of the redemption price into the Bond Fund.

The City of Kirkland hereby covenants and agrees with the holders of each and every one of the bonds of this issue to fully carry out all covenant and meet all obligations of the City, as set forth in Ordinance No. 2118, to which ordinance reference is hereby made as more fully describing the covenants with and rights of holders of bonds of this issue.

Ordinance No. 2118



It is hereby certified and declared that the bonds of this issue are issued pursuant to and in strict compliance with the constitution and laws of the State of Washington and the ordinances of the City of Kirkland, and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, have been done and have been performed as required by law.

IN WHITNESS WHEREOF, the City of Kirkland, Washington, has caused this bond to be signed by the facsimile signature of its Mayor and attested by the manual signature of its Director of Administration and Finance, ex officio City Clerk, and its corporate seal to be hereto affixed and the interest coupons to be signed with the facsimile signatures of said officials this 1st day of September, 1970.

CITY OF KIRKLAND, WASHINGTON

By (facsimile signature)  
Mayor

ATTEST:

Director of Administration  
and Finance, ex officio  
City Clerk

The interest coupons attached to the Bonds shall be in substantially the following form:

Coupon No. \_\_\_\_\_  
\$. \_\_\_\_\_

On the 1ST DAY OF (MARCH) (SEPTEMBER), 19\_\_, the CITY OF KIRKLAND, WASHINGTON, upon presentation and surrender of this coupon, will pay to bearer at the office of the City Treasurer the sum shown hereon in lawful money of the United States of America from the special fund of said City, known as the "Kirkland Water and Sewer Revenue Bond Fund, 1970" said sum being six months' interest then due on its "Water and Sewer Revenue Bond, 1970," dated September 1, 1970, and numbered \_\_\_\_\_.

CITY OF KIRKLAND, WASHINGTON

By (facsimile signature)  
Mayor

ATTEST:

(facsimile signature)  
Director of Administration  
and Finance, ex officio  
City Clerk

Ordinance No. 2118

Section 9. The Bonds shall be printed on lighographed forms, shall be signed by the facsimile signature of the Mayor and attested by the manual signature of the Director of Administration and Finance, ex officio City Clerk, and shall have the seal of the City of Kirkland affixed thereto, and the coupons shall bear the facsimile signatures of the Mayor and the Director of Administration and Finance, ex officio City Clerk.

Section 10. In the event the City shall issue advance refunding bonds pursuant to the laws of the State of Washington to pay the principal of the interest on the Bonds or such portion thereof included in the refunding plan as the same become due and payable and to refund all such then outstanding Bonds and to pay the costs of refunding, and shall have irrevocably set aside for and pledged to such payment and refunding, moneys and/or direct obligations of the United States of America sufficient in amount, together with known earned income from the investment thereof, to make such payments and to accomplish the refunding as scheduled, then in that case all right and interest of the owners or holders of the Bonds to be so retired or refunded and the appurtenant coupons in the covenants of this ordinance and in the Revenue of the Waterworks Utility of the City, funds and accounts obligated to the payment of such Bonds, except the right to receive the funds so set aside and pledged, shall thereupon cease and become void and the City may then supply any moneys in any fund or account established for the payment or redemption of such Bonds or coupons to any lawful purposes as it shall determine.

In the event that the refunding plan provides that the refunding bonds be secured by cash and/or direct obligations of the United States of America pending the prior redemption of those Bonds being refunded and if such refunding plan also provides that certain cash and/or direct obligations of the United States of America are irrevocably pledged for the prior redemption of those Bonds included in the refunding plan, then only the debt service on the Bonds and the refunding bonds payable from Revenue of the Waterworks Utility of the City shall be included in the computation of coverage for determining compliance with the rate covenants.

Section 11. The City hereby covenants and agrees with the owner and holder of each Bond at any time outstanding, as follows:

(a) That it will establish, maintain and collect such rates and charges for water and sanitary sewage disposal service so long as any Bonds are outstanding as will make available for the payment of the principal of and interest on such Bonds an amount equivalent to at least 1.4 times the average annual debt service requirements, both principal and interest, of the Bonds and the outstanding 1950 Bonds, 1953 Bonds, 1955 Bonds, 1960 Bonds and 1968 Bonds and any Parity Bonds hereafter issued after Operating and Maintenance Expenses have been paid, but before depreciation.

(b) That it will at all times maintain and

keep the Waterworks Utility of the City in good repair, working order and condition, and also will at all times operate such utility and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) That it will not sell, lease, mortgage or in any manner encumber or dispose of all the property of the Waterworks Utility of the City unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal of the interest on all Bonds at any time outstanding, and that it will not sell, lease, mortgage, or in any manner encumber or dispose of any part of the property of said Waterworks Utility of the City that is used, useful and material to the operation thereof, unless provision is made for replacement thereof, or for payment into the Bond Fund of the total amount of revenue received which shall not be less than an amount which shall bear the same ratio to the amount of outstanding Bonds as the revenue available for debt service for such outstanding Bonds for the twelve months preceding such sale, lease, encumbrance or disposal from the portion of the utility sold, leased, encumbered or disposed of bears to the revenue available for debt service for such Bonds from the entire utility for the same period. Any such moneys so paid into the Bond Fund shall be used to retire such outstanding Bonds at the earliest possible date.

(d) That it will while any of the Bonds remain outstanding keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to its waterworks utility, and it will furnish the original purchaser or purchasers of the Bonds or any subsequent holder or holders thereof, at the written request of such holder or holders, complete operating and income statement of said utility in reasonable detail covering any calendar year not more than ninety days after the close of such calendar year and it will grant any holder or holders of at least twenty-five percent of the outstanding Bonds the right at all reasonable times to inspect the entire Waterworks Utility of the City and all records, accounts and data of the City relating thereto. Upon request of any holder of any of said Bonds, it will also furnish to such holder a copy of the most recently completed audit of the City's accounts by the State Auditor of Washington.

(e) That it will not furnish water or sanitary sewage disposal service to any customer

whatsoever free to charge and will promptly take legal action to enforce collection of all delinquent accounts.

(f) That it will carry the types of insurance on its waterworks utility properties in the amounts normally carried by private water and sewer companies engaged in the operation of water and sewerage systems, and the cost of such insurance shall be considered a part of operating and maintaining said utility. If, as, and when, the United States of America or some agency thereof shall provide for War Risk Insurance, the City further agrees to take out and maintain such insurance on all or such portions of said system on which such War Risk Insurance may be written in an amount or amounts to cover adequately the value thereof.

(g) That it will pay all costs of maintenance and operation of the Waterworks Utility of the City and the debt service requirements for the outstanding 1949 Bonds, 1950 Bonds, 1952 Bonds, 1953 Bonds, 1955 Bonds, 1960 Bonds and 1968 bonds and otherwise meet the obligations of the City as herein set forth.

Section 12. The City hereby further covenants and agrees with the owner and holder of each of the Bonds for as long as any of the same are outstanding that it will not create any special fund or funds for the payment of the principal of and interest on any other revenue bonds which will rank on a parity with the Bonds, except that it reserves the right to issue additional Parity Bonds if compliance with the provisions of Section 7 of Ordinance No. 630 of the City is met at the time of the issuance of such Parity Bonds, which section by this reference is incorporated herein and made applicable to the Bonds so long as any of the same is outstanding.

Section 13. Nothing herein contained shall prevent the City from issuing revenue bonds which are a charge upon the Revenue of the Waterworks Utility of the City junior or inferior to the payments required to be made therefrom into the Bond Fund and the Reserve Account therein nor from pledging assessments collected in utility local improvement districts hereafter created to the payment of such junior lien revenue bonds or Parity Bonds if the conditions required for the issuance of such Parity Bonds are met. Nor shall anything herein contained prevent the City from issuing revenue bonds to refund maturing revenue bonds of the City for the payment of which moneys are not otherwise available.


Section 14. Foster & Marshall Inc. of Seattle, Washington heretofore offered to purchase the Bonds at a price of \$97.00 per each \$100.00 par value thereof, plus accrued interest from the date of issuance to the date of delivery of the Bonds, if any, the City to furnish at its expense the Bonds, together with the approving legal opinion of Messrs. Roberts, Shefelman, Lawrence, Gay & Moch, municipal bond counsel of Seattle, Washington. The City Council,

deeming that no better offer could be received for the Bonds and that it was in the best interests of the City to accept that offer, duly ratified and confirmed. The Bonds shall, therefore, immediately upon their execution be delivered to Foster & Marshall Inc. upon payment therefore in accordance with that offer. The accrued interest received, if any, shall be deposited in the "Principal and Interest Account" in the Bond Fund and the principal proceeds shall be deposited in the "Bond Construction Fund" of the City and expended for the purpose of repaying the various City funds the amounts heretofore temporarily loaned to carry out the improvements referred to in Section 3 hereof and to carry out the improvements in Utility Local Improvement Districts Nos. 106 and 107 ordered to be carried out by Ordinance No. 2116, including all costs incidental to the issuance of the Bonds.

PASSED by the City Council of the City of Kirkland, Washington, at a regular meeting thereof and APPROVED by the Mayor this 8th day of September, 1970.

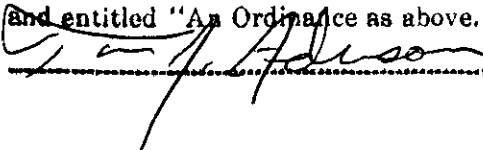
  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Director of Administration and  
Finance ex officio City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

I hereby certify that the foregoing is a true and correct copy of an Ordinance of the City of Kirkland and that the same was published or posted according to law, said Ordinance being No. 2118 and entitled "An Ordinance as above."  
  
\_\_\_\_\_  
City Clerk."