

CITY OF KIRKLAND, WASHINGTON

ORDINANCE NO. 2420

AN ORDINANCE of the City of Kirkland, Washington, providing for the issuance, specifying the maturities and maximum effective interest rate, and fixing the form of \$790,000 par value of "General Obligation Bonds, 1978," authorized by the qualified voters of the City at a special election held on November 7, 1978, in conjunction with the state general election held on the same date, pursuant to Ordinance No. 2409 of the City Council passed September 18, 1978; creating a special bond redemption fund and a special construction fund; and providing for the sale of such bonds.

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

Section 1. The City of Kirkland, Washington (hereinafter called the "City"), shall presently issue and sell the total \$790,000 par value of negotiable general obligation bonds authorized by the qualified voters of the City at a special election held on November 7, 1978, in conjunction with the state general election held on the same date, pursuant to Ordinance No. 2409 of the City Council passed September 18, 1978, for the purpose of development, design, construction, equipping and furnishing a new fire station (to be known as Fire Station No. 22) together with the purchase and acquisition of a new fire truck (pumper with elevated hose stream) including all necessary and desirable equipment, furnishings and appliances other than the replacement of existing equipment as authorized by said Ordinance No. 2409. The bonds shall be dated December 1, 1978; shall be in the denomination of \$5,000 each; shall be numbered from 1 to 158, inclusive; and shall bear interest at a rate or rates not to exceed an effective rate of 8% per annum, payable on June 1, 1979, and semiannually thereafter on each succeeding December 1 and June 1, to be evidenced by interest coupons to be attached to the bonds representing interest to maturity, with full obligation on the part of the City to pay interest at the bond rate or rates from and after maturity until the bonds, both principal and interest, are paid in full. Both principal and interest are to be paid in lawful money of the United States of America at the office of the Director of Administration and Finance of the City. The Bonds shall be payable serially over a period of from 2 to 20 years from the date of issue and shall mature in order of their numbers (based upon an assumed interest rate of 6% per annum) on the first day of December as follows:

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Maturity Years</u>
1 to 5	\$25,000	1980
6 to 10	25,000	1981
11 to 15	25,000	1982
16 to 21	30,000	1983
22 to 27	30,000	1984
28 to 33	30,000	1985
34 to 40	35,000	1986
41 to 47	35,000	1987
48 to 54	35,000	1988
55 to 62	40,000	1989
63 to 70	40,000	1990
71 to 79	45,000	1991
80 to 88	45,000	1992
89 to 98	50,000	1993
99 to 109	55,000	1994
110 to 120	55,000	1995
121 to 132	60,000	1996
133 to 145	65,000	1997
146 to 158	65,000	1998

Section 2. The City reserves the right to redeem any or all of the bonds prior to their stated maturity dates as a whole, or in part in inverse numerical order, on December 1, 1988, or on any semiannual interest payment date thereafter, at par plus accrued interest to date of redemption.

Notice of such intended redemption shall be published in the official newspaper of the City at least once not less than 30 nor more than 45 days prior to the call date, and a copy of such notice shall be mailed within the same period to the principal underwriter who purchases the bonds. In addition, such redemption notice shall also be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation, at their offices in New York, New York, but the mailing of such notice to such New York corporations shall not be a condition precedent to the redemption of such bonds. Interest on any bonds so called for redemption shall cease on such call date upon payment of the redemption price into the bond redemption fund for such bonds.

Section 3. The City hereby irrevocably pledges itself to levy taxes annually, without limitation as to rate or amount, on all property in the City subject to taxation in an amount sufficient to pay the principal of and interest on the bonds as the same shall become due, and the full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on such bonds.

Section 4. The bonds shall be in substantially the following form:

No. _____

\$5,000

UNITED STATES OF AMERICA

STATE OF WASHINGTON

CITY OF KIRKLAND

GENERAL OBLIGATION BOND, 1978

The City of Kirkland, State of Washington (hereinafter called the "City"), for value received hereby promises to pay to the bearer on the FIRST DAY OF DECEMBER, 19__, the principal sum of

FIVE THOUSAND DOLLARS

together with interest thereon at the rate of _____% per annum, until fully paid, payable on June 1, 1979, and semiannually thereafter on each succeeding December 1 and June 1, with interest to maturity being evidenced by and payable upon the presentation and surrender of the attached interest coupons as they severally become due, with full obligation on the part of the City to pay interest at the same rate from and after the maturity date, in the absence of coupons, until this bond with interest is paid in full. This bond is payable, both principal and interest, in lawful money of the United States of America at the office of the Director of Administration and Finance of the City.

This bond is one of an issue of \$790,000 of bonds of like date, tenor and effect, except as to maturities (and interest rates if more than one interest rate is bid), and is issued by the City pursuant to a special election authorizing the same for strictly municipal capital purposes, other than the replacement of equipment, to-wit, for the purpose of development, design, construction, equipping and furnishing a new fire station (to be known as Fire Station No. 22) together with the purchase and acquisition of a new fire truck (pumper with elevated hose stream) including all necessary and desirable equipment, furnishings and appliances, all as provided in Ordinance No. 2409 passed and approved September 18, 1978, and Ordinance No. 2420 passed and approved November 20, 1978, and is issued in full compliance with the ordinances of the City and the laws and Constitution of the State of Washington.

Ord. 2420

The City reserves the right to redeem any or all of the bonds prior to their stated maturity dates as a whole, or in part in inverse numerical order, on December 1, 1988, or on any semiannual interest payment date thereafter, at par plus accrued interest to date of redemption.

Notice of such intended redemption shall be published in the official newspaper of the City at least once not less than thirty nor more than forty-five days prior to the call date, and a copy of such notice shall be mailed within the same period to [the original purchaser or the account manager of the underwriters who purchase the bonds]. In addition, such redemption notice shall also be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation at their offices in New York, New York, but the mailing of such notice to such New York corporations shall not be a condition precedent to the redemption of such bonds. Interest on any bonds so called for redemption shall cease on such call date upon payment of the redemption price into the bond redemption fund.

The City hereby irrevocably pledges itself to levy taxes annually, without limitation as to rate or amount, on all property in the City subject to taxation in an amount sufficient to pay the principal of and interest on the bonds as the same shall become due, and the full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on such bonds.

It is hereby certified that all acts, conditions and things required to be done precedent to and in the issuance of this bond have been done, have happened and have been performed as required by law, and that the total indebtedness of the City, including this bond issue, does not exceed any constitutional or statutory limitations.

IN WITNESS WHEREOF, the City 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 attached to be signed by the facsimile signatures of said officials this first day of December, 1978.

CITY OF KIRKLAND, WASHINGTON

By (facsimile signature)

Mayor

ATTEST:

Director of Administration and
Finance, ex officio City Clerk

The form of the interest coupons shall be substantially
as follows:

Coupon No. ___

\$ _____

(Unless the bond referred to below has been previously
redeemed)

On the FIRST DAY OF (JUNE) (DECEMBER, 19___, the
CITY OF KIRKLAND, WASHINGTON, upon presentation
and surrender of this coupon will pay to the bearer
at the office of the Director of Administration and
Finance of the City the amount shown hereon in
lawful money of the United States of America, said
sum being the semiannual interest due that date on
its "General Obligation Bond, 1978," dated December
1, 1978, and numbered ___.

CITY OF KIRKLAND, WASHINGTON

By (facsimile signature)
Mayor

ATTEST:

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

Section 5. The bonds shall be printed or lithographed
on good bond paper and 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, of the City
under the seal of the City, and the coupons shall bear the facsimile
signatures of the Mayor and the Director of Administration and
Finance, ex officio City Clerk.

Section 6. There is hereby created and established in
the office of the Director of Administration and Finance a special
fund to be known and designated as the "General Obligation Bond
Fund, 1978," for the payment of the principal of and interest on
the bonds, into which fund shall be paid the accrued interest received
from the sale of the bonds. All taxes collected for the payment of

the principal of and interest on the bonds shall be deposited in the "General Obligation Bond Fund, 1978." There is also hereby created and established in the office of the Director of Administration and Finance another special fund to be known and designated as the "Fire Facilities Acquisition and Construction Fund." The principal proceeds received from the sale of the bonds shall be deposited in the "Fire Facilities Acquisition and Construction Fund" and expended for the purposes as provided in Ordinance No. 2409 and herein, including the costs of the issuance and sale of the bonds.

Section 7. The City hereby covenants that it will not make any use of the proceeds of the sale of the bonds or any other funds of the City which may be deemed to be proceeds of such bonds pursuant to Section 103(c)(2) of the Internal Revenue Code, as amended, and the applicable regulations thereunder which, if such use had been reasonably expected on the date of delivery of the bonds to the initial purchaser thereof, would have caused such bonds to be "arbitrage bonds" within the meaning of that section and those regulations.

Section 8. The bonds shall be sold for cash at public sale for not less than par, plus accrued interest, upon sealed bids to be received at the office of the Director of Administration and Finance, ex officio City Clerk, up to the day and hour stated in the Notice of Bond Sale hereinafter directed to be given.

Notice calling for bids to purchase the bonds shall be published once a week for four consecutive weeks in the official newspaper of the City and a short form of such notice shall also be published in The Daily Journal of Commerce of Seattle, Washington, at least 10 days before the bid opening date. Such notice shall specify that bids for the purchase of the bonds shall be received by the Director of Administration and Finance, ex officio City Clerk, of the City in his office in the City Hall, 210 Main Street, Kirkland, Washington, on December __, 1978, up to 11:00 o'clock a.m. (PST), at which time all bids for the purchase of the bonds will be publicly opened and read, and such bids will be considered and an award made by the City Council at its regular meeting to be held in the Council Chambers in the City Hall on the same day beginning at 8:00 o'clock p.m. (PST).

A copy of the notice shall, at least three weeks prior to the date fixed for sale, be mailed to the State Finance Committee, Olympia, Washington.

Bids shall be invited for the purchase of the bonds with fixed maturities in accordance with the schedule specified in Section 1 hereof.

The notice shall specify the maximum effective rate of interest the bonds shall bear, to-wit, 8% per annum, and shall require bidders to submit a bid specifying:

(a) The lowest rate or rates of interest and premium, if any, above par at which the bidder will purchase the bonds; or

(b) The lowest rate or rates of interest at which the bidder will purchase the bonds at par.

Coupon rates shall be in multiples of 1/8 or 1/20 of 1%, or both. No more than one rate of interest may be fixed for any one maturity. Only one coupon will be attached to each bond for each installment of interest thereon, and bids providing for additional or supplemental coupons will be rejected. The maximum differential between the lowest and highest coupon rates named in any bid shall not exceed 2%.

For the purpose of comparing the bids only, the coupon rates bid being controlling, each bid shall state the total interest cost over the life of the bonds and the net effective interest rate of the bid.

The bonds shall be sold to the bidder making the best bid, subject to the right of the City Council of the City to reject any and all bids and to readvertise the bonds for sale in the manner provided by law, and no bid for less than all of the bonds shall be considered. The City further reserves the right to waive any irregularity or informality in any bid or in the bidding process.

All bids shall be sealed and, except the bid of the State of Washington, if one is received, shall be accompanied by a deposit of \$39,500. The deposit shall be either by certified or cashier's check made payable to the Director of Administration and Finance of the City and shall be promptly returned if the bid is not accepted. No interest shall be allowed on such deposit. If the bonds are ready for delivery and the successful bidder shall fail and neglect to complete the purchase of the bonds within 40 days following the acceptance of its bid, the amount of its deposit shall be forfeited to the City and in that event the City Council may accept the bid of the one making the next best bid. If there be two or more equal bids for not less than par plus accrued interest and such bids are the best bids received, the City Council shall determine by lot which bid will be accepted. The bonds will be delivered to the successful bidder at the office of the Director of Administration and Finance of the City, or in the City of Seattle, at the City's expense, or at such other place as the Director of Administration and Finance and the successful bidder may mutually agree upon at the purchaser's expense. Settlement shall be made by the purchaser in federal funds. A no-litigation certificate in the usual form will be included in the closing papers.

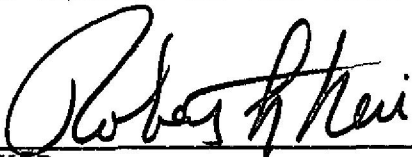
Any bid presented after the hour specified for the receipt of bids will not be received, and any bid not accompanied by the required bid deposit at the time of opening such bid will not be read or considered.

CUSIP identification numbers may be printed upon the bonds, but neither the failure to print such number on any bond nor any 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. Expenses related to the printing of CUSIP numbers on the bonds shall be paid for by the issuer, except that the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the purchaser.

The Director of Administration and Finance, ex officio City Clerk, of the City shall be and is hereby authorized and directed to publish notice for the purchase of the bonds in the manner required by law in accordance with the provisions of this section. Such notice shall provide that the City will cause the bonds to be printed and lithographed and signed and will furnish the approving legal opinion of Messrs. Roberts, Shefelman, Lawrence, Gay & Moch, municipal bond counsel of Seattle, Washington, covering the bonds without cost to the purchaser, such opinion also being printed on each bond. Such bond opinion shall state that bond counsel expresses no opinion on the completeness or accuracy of any official statement, offering circular or other sales material relating to the issuance of the bonds prepared by the City or its financial consultant or otherwise used in connection with such bonds. Such notice shall also provide that further information regarding the details of such bonds may be received upon request made to the Director of Administration and Finance, ex officio City Clerk, or to Seattle-Northwest Securities Corporation, 1000 Logan Building, 500 Union Street, Seattle, Washington 98101, the City's financial consultant.

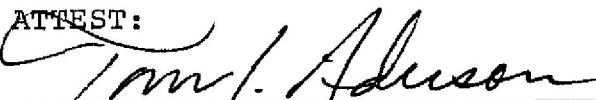
PASSED by the City Council of the City of Kirkland in regular meeting on the 20th day of November, 1978.

SIGNED IN AUTHENTICATION thereof on the 20th day of November, 1978.



MAYOR

ATTEST:



Director of Administration and
Finance, ex officio City Clerk

APPROVED AS TO FORM:



City Attorney