

CITY OF KIRKLAND, WASHINGTON

ORDINANCE NO. 2836

AN ORDINANCE of the City of Kirkland, Washington, relating to contracting indebtedness; providing for the issuance, specifying the maturities, terms and covenants of \$2,245,000 par value of "Unlimited Tax General Obligation Bonds, 1984," authorized by the qualified voters of the City at a special election held therein pursuant to Ordinance No. 2821, as amended by Ordinance No. 2823; establishing a bond redemption fund and a construction fund; and providing for the sale of such bonds.

WHEREAS, the City of Kirkland, Washington (the "City"), pursuant to Ordinance No. 2821 passed July 2, 1984, as amended by Ordinance No. 2823, passed August 6, 1984, authorized a special election to be held within the City to determine whether or not the City should issue its general obligation bonds in the principal amount of \$1,600,000 for the purpose of acquiring from Lake Washington School District No. 414 surplus school land commonly known as the "Waverly School Site" and whether or not the City should issue its general obligation bonds in the principal amount of \$645,000 for the purpose of acquiring lands including shoreline, associated wetlands and uplands, being the non-City owned portion of the former Juanita Golf Course, and the issuance of both issues of general obligation bonds was authorized by the qualified voters of the City at a special election held on September 18, 1984; and

WHEREAS, the City Council has determined it is in the best interest of the City to issue and sell such general obligation

bonds as a single combined issue in the total principal amount of \$2,245,000; NOW, THEREFORE,

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

Section 1. The City shall issue and sell the entire \$1,600,000 principal amount of general obligation bonds for the purpose of acquiring from Lake Washington School District No. 414 surplus school land commonly known as the "Waverly School Site" and the \$645,000 principal amount of general obligation bonds for the purpose of acquiring lands including shoreline, associated wetlands and uplands authorized by the qualified voters at a special election on September 18, 1984, pursuant to Ordinance No. 2821, as amended by Ordinance No. 2823, as a single combined issue in the aggregate principal amount of \$2,245,000. The bonds shall be designated "Unlimited Tax General Obligation Bonds, 1984" (the "Bonds"), of the City; shall be dated November 1, 1984; shall be in the denomination of \$5,000 each or any integral multiple thereof within a single maturity; shall be numbered separately and in the manner and with any additional designation as the Bond Registrar (collectively, the fiscal agencies of the State of Washington located in Seattle, Washington, and New York, New York) deems necessary for the purpose of identification; shall bear interest at the rates set forth below, payable on June 1, 1985, and semiannually thereafter on each succeeding December 1 and June 1, and, if any

Bond is not redeemed by its maturity or call date, with full obligation on the part of the City to pay interest at the same rate from and after the maturity or call date until such Bond with interest is paid in full or sufficient funds for such payment is on deposit in the bond redemption fund and such Bond has been called for redemption in the manner hereinafter provided; and shall bear interest and mature on December 1 in years and amounts as follows:

<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
1985	\$ 35,000	10.375%
1986	60,000	10.375
1987	70,000	10.375
1988	75,000	10.375
1989	85,000	10.25
1990	90,000	10.25
1991	100,000	10.25
1992	110,000	10.25
1993	120,000	9.50
1994	135,000	9.75
1995	145,000	10.00
1996	160,000	10.10
1997	175,000	10.20
1998	190,000	10.30
1999	210,000	10.40
2000	230,000	10.50
2001	255,000	10.50

Upon surrender thereof to the Bond Registrar, Bonds are interchangeable for Bonds in any authorized denomination of an equal aggregate principal amount and of the same maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Such exchange or transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be obligated to transfer or exchange

any Bond during the fifteen days preceeding any principal payment or redemption date.

The Bonds shall be issued only in registered form as to both principal and interest on books or records maintained by the Bond Registrar (the "Bond Register"). Such Bond Register shall contain the name and mailing address of the owner of each Bond or nominee of such owner and the principal amount and number of Bonds held by each owner or nominee.

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by check or draft mailed to the registered owners of the Bonds at the addresses for such owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owners at either of the principal offices of the Bond Registrar, at the option of such owners.

The City reserves the right to redeem any or all of the Bonds prior to their stated maturity as a whole, or in part in inverse order of maturity (and by lot within a maturity in such manner as the Bond Registrar shall determine), on December 1, 1994, or on any semiannual interest payment date thereafter, at par plus accrued interest to date of redemption. Portions of the principal amount of any bond in installments of \$5,000 or any integral multiple of \$5,000 may be redeemed. If less than

all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the registered owner, without charge therefor, a new Bond or Bonds at the option of the registered owner of like maturity and interest rate in any of the denominations authorized by this ordinance.

Notice of any such intended redemption shall be given not less than thirty nor more than sixty days prior to the date fixed for redemption by first-class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the address appearing on the Bond Register. The requirements of this section shall be deemed to be complied with when notice is mailed as herein provided whether or not it is actually received by the owner of any Bond. The interest on the Bonds so called for redemption shall cease on the date fixed for redemption unless such Bonds so called are not redeemed upon presentation made pursuant to such call. In addition, such redemption notice shall be mailed within the same period, postage prepaid, to Moody's Investor's Service, Inc. and Standard & Poor's Corporation at their offices in New York, New York, or their successors, but such mailing shall not be a condition precedent to the redemption of such Bonds.

The City also reserves the right to purchase any of the Bonds on the open market at any time at a price not in excess of par plus accrued interest to date of purchase.

Section 2. The Bonds shall be printed on lithographed or good bond paper in a form consistent with the provisions of this ordinance, shall be signed by the Mayor and the City Director of Administration and Finance, ex officio City Clerk, both of whose signatures shall be in facsimile, and shall have a facsimile reproduction of the seal of the City printed thereon.

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

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered City of Kirkland, Washington, Unlimited Tax General Obligation Bonds, 1984, described in the Bond Ordinance.

Washington State Fiscal Agency
Bond Registrar

By _____
Authorized Officer

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

In case either of the officers who shall have executed the Bonds shall cease to be such officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such

Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issue, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond also may be signed on behalf of the City by such persons as at the actual date of execution of such Bond shall be proper officers of the City although at the original date of such Bond any such person shall not have been such officer of the City.

Section 3. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the City. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance.

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

Section 4. The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 5. The City irrevocably pledges to levy taxes annually, without limitation as to rate or amount, on all property in the City subject to taxation in an amount sufficient, together with other money legally available and to be used therefor, 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 pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal of and interest.

Section 6. The City covenants that it will spend the principal proceeds of the Bonds with due diligence to completion of the purposes specified in this ordinance and will make no use of the proceeds of the Bonds or other funds of the City at any time during the term of the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and the applicable regulations promulgated thereunder.

Section 7. There is created and established in the office of the City Director of Administration and Finance a special fund to be known and designated as the "Unlimited Tax General Obligation Bond Fund, 1984," of the City (the "Bond Fund"). The accrued interest received, if any, upon the sale and delivery of the Bonds shall be paid into the Bond Fund. There also is created and established in the office of the City Director of Administration and Finance a special fund to be known and

designated as the "Property Acquisition Fund, 1984," of the City. The principal proceeds received from the sale and delivery of the Bonds shall be paid into the "Property Acquisition Fund, 1984," and used for the purposes specified in Section 1 of this ordinance and to pay the costs of issuance and sale of the Bonds. Pending the expenditure of such principal proceeds, the City may invest such proceeds temporarily in any legal investment and the investment earnings may be retained in the "Property Acquisition Fund, 1984," and expended for the purposes of such fund. All taxes collected for and allocated to the payment of the principal of and interest on the Bonds hereafter shall be deposited in the Bond Fund. Pending the receipt of the proceeds from the issuance of the Bonds, interest-bearing warrants may be drawn on the "Property Acquisition Fund, 1984," to provide interim funds to pay such costs, such loan to be repaid from the proceeds received from the issuance of the Bonds. In the alternative, the City hereafter may provide by ordinance for the issuance of other short-term obligations pursuant to Chapter 39.50 RCW.

Section 8. In the event the City shall issue advance refunding bonds pursuant to the laws of the State of Washington, or have money available from any other lawful source, to pay the principal of and interest on the Bonds or such portion thereof included in the refunding plan as the same become due and payable and to refund the then outstanding Bonds and to pay the

cost of refunding, and shall have irrevocably set aside in a special fund for and pledged to such payment and refunding, money and/or direct obligations of the United States of America or other legal investments sufficient in amount, together with known earned income from the investments thereof, to make such payments and to accomplish the refunding as scheduled (hereinafter called the "trust account"), and shall make irrevocable provision for redemption of the Bonds, then in that case all right and interest of the owner of the Bonds to be so retired or refunded (hereafter called the "defeased Bonds") in the covenants of this ordinance and, except as hereinafter provided, in the funds and accounts obligated to the payment of such Bonds shall thereafter cease and become void. Such owner shall thereafter have the right to receive payment of the principal of and interest on the defeased Bonds from the trust account and, in the event the funds in the trust account are not available for such payment, shall have the right to receive payment of the principal of and interest on the defeased Bonds from the funds and accounts obligated to the payment of such Bonds. Anything herein to the contrary notwithstanding, the pledge of the full faith, credit and taxing power of the City to the payment of the Bonds shall remain in full force and effect after the establishing and full funding of such trust account. Subject to the rights of the owner of the Bonds, the City may then apply any money in any other fund or account established for the payment

or redemption of the defeased Bonds to any lawful purposes as it shall determine.

Section 9. Boettcher & Company, Inc. of Seattle, Washington, has submitted an offer to purchase the bonds at a price of par, plus accrued interest from the date of the Bonds to the date of their delivery to the purchaser, the City to furnish the printed Bonds and the approving legal opinion of Roberts & Shefelman, municipal bond counsel of Seattle, Washington, at the City's expense. Bond counsel shall not be required to review or express any opinion concerning the completeness or accuracy of any official statement, offering circular or other sales material issued or used in connection with the Bonds, and bond counsel's opinion shall so state. The City Council, deeming that it is in the best interest of the City that such offer be accepted, accepts the same. The Bonds, therefore, immediately upon their authentication shall be delivered to Boettcher & Company, Inc. of Seattle, Washington, upon payment therefor in accordance with such offer.

Section 10. This ordinance shall be in force and effect five days from and after its passage and posting or publication, as required by law.

Passed by majority vote of the City Council in regular, open meeting this 15th day of October, 1984.

Signed in authentication thereof this 15th day of October,
1984.

Doris Cooper
MAYOR

ATTEST:

Tom J. Aduson
Director of Administration & Finance
(ex officio City Clerk)

APPROVED AS TO FORM:

[Signature]
City Attorney

1196k

I hereby certify under penalty of perjury that the foregoing ordinance was posted on the 18 day of October, 1984 in accordance with the provisions of RCW 35.22.260 and City of Kirkland Ordinance No. 2600.

Janice Lewis
Deputy City Clerk

OFFICIAL FILE

**Boettcher & Company**
Investment Bankers Since 1910One Union Square Building
Suite 2010
600 University Street
Seattle, Washington 98101
(206) 587-5775

October 15, 1984

\$2,245,000Kirkland, Washington
Unlimited Tax General Obligation Bonds, 1984PURCHASE CONTRACTDirector of Administration/Finance
City of Kirkland
Kirkland, Washington

Boettcher and Company, Inc. (the "Purchaser") offers to purchase from the City of Kirkland, Washington (the "Seller"), all the aforementioned bonds (the "Bonds"), with delivery and payment at our offices in Seattle, Washington, based upon the covenants, representations and warranties set forth below. Appendix A, which is incorporated into this Purchase Contract by reference, contains a brief description of the Bonds, the manner of their issuance, the purchase price to be paid, and the date of delivery and payment (the "Closing").

1. Prior to the Closing, Seller will approve an Official Statement, with such changes from the Preliminary Official Statement as Purchaser and Seller shall approve, and will adopt a Bond Ordinance (the "Bond Ordinance") satisfactory in form and substance to Purchaser. Purchaser is authorized by Seller to use these documents and the information contained in them in connection with the public offering and sale of the Bonds.

2. You represent and covenant to the Purchaser that:

(a) You have and will have at the Closing the power and authority to enter into and perform this Purchase Contract, to adopt the Bond Ordinance and to deliver and sell the Bonds to the Purchaser,

(b) this Purchase Contract and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, order or agreement to which Seller is subject,

(c) no governmental approval or authorization other than the Bond Ordinance is required in connection with the sale of the Bonds to the Purchaser,

(d) this Purchase Contract and the Bonds (when paid for by the Purchaser) are and shall be at the time of Closing legal, valid, and binding obligations of Seller enforceable in accordance with their terms, subject only to applicable bankruptcy, insolvency or other similar laws generally affecting creditors' rights, and,

(e) both the Preliminary Official Statement, except as to matters corrected in the Final Official Statement, and the Final Official Statement are or shall be accurate and complete in all material respects as of the date issued and as of the Closing with respect to information obtained from or utilized by officers and employees of the Seller in the normal course of their duties, and with respect to information not so obtained or utilized, such Official Statements are or shall be accurate and complete in all material respects as of such dates to the knowledge and belief of such officers and employees, after due review.

3. As conditions to Purchaser's obligations hereunder:

(a) From the time of Seller's acceptance of this Purchase Contract to the date of Closing, there shall not have been any:

(i) material adverse change in the financial condition or general affairs of Seller;

(ii) event, court decision, proposed law or rule which may have the effect of changing the federal income tax incident to the Bonds or the contemplated transactions; or

(iii) international or national crisis, suspension of stock exchange trading or banking moratorium materially affecting, in Purchaser's opinion, the market price of the Bonds.

(b) At the Closing, Seller will deliver or make available to Purchaser:

(i) The Bonds, in definitive form, duly executed and bearing proper CUSIP numbers;

(ii) The unqualified approving opinion of Bond Counsel satisfactory to Purchaser ("Bond Counsel"), dated the Closing Date, relating to the legality and tax-exempt status of the Bonds and an opinion of Bond Counsel confirming the enforceability of this Purchase Contract.

(iii) Such additional certificates, instruments and other documents (including, without limitation, those set forth on Appendix A) as the Purchaser may deem necessary with respect to the issuance and sale of the Bonds, all in form and substance satisfactory to Purchaser.

4. From the proceeds of the Bonds shall be paid the cost of preparing, printing, and executing the Bonds, the fees and disbursements of Bond Counsel, and miscellaneous Seller expenses, and Purchaser will pay all other costs incurred by Purchaser in connection with the offering and distribution of the Bonds.

5. This Purchase Contract is intended to benefit only the parties hereto, and Seller's representations and warranties shall survive any investigation made by or for Purchaser, delivery and payment for the Bonds, and the termination of this Purchase Contract. Should the Purchaser fail (other than for circumstances beyond its control or for reasons permitted in this Purchase Contract) to pay for the Bonds at Closing, any expenses incurred shall be borne in accordance with Section 4. Should the Seller fail to satisfy any of the foregoing conditions or covenants, or if Purchaser's obligations are terminated for any reason permitted under the Purchase Contract, then neither Purchaser nor Seller shall have any further obligations under this Purchase Contract, except that any expenses incurred shall be borne in accordance with Section 4.

6. This offer expires on the date set forth on Appendix A.

Very Truly Yours,

BOETTCHER AND COMPANY, INC.

BY: *John R. Eddy*
Vice President

ACCEPTED BY:

The City of Kirkland, Washington

This Fifteenth day of October 1984

BY: *Loris Cooper*
Mayor

APPENDIX A

DESCRIPTION OF BONDS

- a. Purchase Price: \$100 per \$100 par amount, or 100% plus accrued interest from November 1, 1984.
- b. Denomination: \$5,000, or integral multiples thereof.
- c. Form: Fully registered as to principal and interest.
- d. Interest Payable: Semi-annually, commencing June 1, 1985.
- e. Maturity Schedule: Bonds shall mature and bear interest as shown below;

<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>
12/1/85	\$ 35,000	10.375%	12/1/94	\$135,000	9.75%
12/1/86	60,000	10.375	12/1/95	145,000	10.00
12/1/87	70,000	10.375	12/1/96	160,000	10.10
12/1/88	75,000	10.375	12/1/97	175,000	10.20
12/1/89	85,000	10.25	12/1/98	190,000	10.30
12/1/90	90,000	10.25	12/1/99	210,000	10.40
12/1/91	100,000	10.25	12/1/00	230,000	10.50
12/1/92	110,000	10.25	12/1/01	255,000	10.50
12/1/93	120,000	9.50			

- f. Redemption: The Bonds are redeemable on any interest payment date on or after December 1, 1994 at par plus accrued interest.
- g. Closing Date: On or about November 1, 1984
- h. Miscellaneous:

Section 3 (b) iii. Bond Counsel: Roberts & Shefelman

Section 6. Offer Expires: October 15, 1984

Information Only:

Net Effective Rate: 10.266 %