

CITY OF KIRKLAND, WASHINGTON

ORDINANCE NO. 2924

AN ORDINANCE of the City of Kirkland Washington, amending Ordinance No. 2921, providing for the issuance of \$1,495,000 principal amount of Limited Tax General Obligation Refunding Bonds, 1985, of the City for the purpose of providing a part of the funds to refund, pay and retire its outstanding Limited Tax General Obligation Refunding Bonds, 1983; approving the sale and providing for the delivery of the refunding bonds to Boettcher & Company, Inc., of Seattle, Washington; amending a recital in Ordinance No. 2921 as well as Sections 1, 7 and 10 thereof together with Sections 1 and 2 of the Refunding Trust Agreement made a part thereof as Exhibit A; and ratifying and confirming all actions taken in furtherance of the contemplated refunding.

WHEREAS, certain details of the refunding authorized by Ordinance No. 2921 must be revised to satisfy the requirements of applicable law and regulations, which revisions appear to the City Council to be in the best interests of the City and in the public interest; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KIRKLAND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. The third recital appearing on pages one and two of Ordinance No. 2921 should be and the same is amended to read as follows:

WHEREAS, after due consideration, it appears to the City Council that the 1983 Bonds may be refunded by the issuance and sale of the bonds authorized herein (the "Bonds") so that a substantial savings will be effected by the difference between the principal and interest costs over the life of the Bonds and

the principal and interest requirements over the life of the 1983 Bonds but for such refunding, which refunding will be effected by:

(a) the issuance of the Bonds; and

(b) the payment of the principal of and interest on the 1983 Bonds as the same shall become due up to and including May 1, 1993, and, on May 1, 1993, the call, payment and redemption of all the outstanding 1983 Bonds maturing on May 1 of each of the years 1994 through 2003;

and

Section 2. Section 1 of Ordinance No. 2921 should be and the same is amended to read as follows:

Section 1. For the purpose of providing a part of the money required to pay the principal of and interest on the 1983 Bonds as the same shall become due up to and including May 1, 1993, and, on May 1, 1993, to call, pay and redeem all of the outstanding 1983 Bonds maturing on May 1 of each of the years 1994 through 2003 (the "Refunding Plan"), the City shall issue the Bonds in the aggregate principal amount of \$1,495,000. The Bonds shall be dated December 15, 1985; shall be in the denomination of \$5,000 each or any integral multiple thereof within a single maturity; shall be numbered separately 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 purpose of identification; and shall bear interest at the rates set forth below, payable on May 1, 1986, and semiannually

thereafter on each succeeding May 1 and November 1, and, if any Bond is not redeemed upon proper presentment at its maturity or call date, the City shall be obligated to pay interest at the same rate for each such Bond from and after its maturity or call date until such Bond, both principal and interest, is paid in full or until sufficient money for such payment in full is on deposit in the Bond Fund and such Bond has been called for payment. The Bonds shall bear interest at the rates and mature on May 1 in years and amounts as follows:

<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
1986	\$ 5,000	6.50%
1987	15,000	6.50
1988	50,000	6.50
1989	55,000	6.75
1990	60,000	7.00
1991	60,000	7.25
1992	65,000	7.40
1993	70,000	7.60
1994	75,000	7.75
1995	85,000	7.90
1996	85,000	8.10
1997	100,000	8.20
1998	105,000	8.30
1999	110,000	8.40
2000	125,000	8.45
2001	130,000	8.50
2002	145,000	8.55
2003	155,000	8.60

In addition to the interest rates set forth above, Bonds maturing in the years 1986, 1987, 1988 and 1989, shall bear interest at the rate of 7% per annum from December 15, 1985, to and including May 1, 1986, which additional interest shall be evidenced by a single B Coupon registered to Boettcher & Company, Inc. of Seattle, Washington, which B Coupon shall be

detached from such Bonds upon their original delivery and delivered to Boettcher & Company, Inc., as compensation to it for its services underwriting and structuring the Bonds.

The fiscal agencies of the State of Washington located in Seattle, Washington, and New York, New York, as the same are designated from time to time by the State Finance Committee, are appointed Bond Registrar for the Bonds and B Coupon.

Upon surrender thereof to the Bond Registrar, the Bonds may be exchanged for Bonds in any authorized denomination of an equal aggregate principal amount and of the same interest rate and maturity. Bonds and the B Coupon 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 required to transfer or exchange any Bond or B Coupon during the fifteen days preceding any principal payment or redemption date.

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

Both principal of and interest on the Bonds and the B Coupon 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 at the addresses appearing on

the Bond Register on the fifteenth day of the month preceding the interest payment date or, when requested in writing by a registered owner and approved by the City Director of Administration and Finance, shall be paid on the interest payment date by wire transfer to the account identified by the requesting registered owner whose name, address and wire transfer account number appear on the Bond Register fifteen days 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 office of the Bond Registrar, in Seattle, Washington, and New York, New York, at the option of such owners. The B Coupon shall be payable on May 1, 1986, upon presentation and surrender of the B Coupon by the registered owner at either office of the Bond Registrar in Seattle, Washington, and New York, New York, at the option of such owner.

Bonds maturing in the years 1986 through 1996 shall be issued without the right or option of the City to redeem the same prior to their stated maturity. The City reserves the right and option to redeem the Bonds maturing on or after May 1, 1997, 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 May 1, 1996, and on any interest payment date thereafter, at par, plus accrued interest to the 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 30 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the address appearing on the Bond Register. 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 Bond or 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 Investors 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 further reserves the right to purchase any or all of the Bonds in the open market at a price not in excess of par plus accrued interest to the date of such purchase.

Section 3. Section 7 of Ordinance No. 2921 should be and the same is amended to read as follows:

Section 7. The City calls for redemption on May 1, 1993, all of the outstanding 1983 Bonds maturing in the years 1994 through 2003 at par plus accrued interest to the date of such redemption.

Such call for redemption shall be irrevocable after the delivery of the Bonds to the initial purchaser thereof.

The Director of Administration and Finance of the City and the Refunding Trustee are authorized and directed to give notice of the redemption of the 1983 Bonds in accordance with the provisions of Ordinance No. 2735.

Section 4. Section 10 of Ordinance No. 2921 should be and the same is amended to read as follows:

Section 10. Boettcher & Company, Inc., of Seattle, Washington, has presented a Bond Purchase Agreement dated December 23, 1985 (the "Purchase Agreement") to the City whereunder Boettcher & Company, Inc., has offered to purchase the Bonds under the terms and conditions provided in the Purchase Agreement and to order on behalf of the City the Acquired Obligations specified in Schedule A of Exhibit A (subject to substitution), which written Purchase Agreement is on file with the City Director of Administration and Finance and is incorporated herein by this reference. The City Council finds that entering into the Purchase Agreement is in the City's best interest and therefore accepts the offer contained in the

Purchase Agreement and authorizes the execution of the Purchase Agreement by City officials.

The Bonds will be printed at City expense and will be delivered to the purchaser in accordance with the Purchase Agreement offer with the approving legal opinion of Roberts & Shefelman, municipal bond counsel of Seattle, Washington, relative to the issuance of the bonds, printed on each bond. 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 proper City officials are authorized and directed to do everything necessary for the prompt delivery of the Bonds to the purchaser and for the proper application and use of the proceeds of the sale thereof.

Section 5. Section 1 of the Refunding Trust Agreement which is Exhibit A to Ordinance No. 2921 should be and the same is amended to read as follows:

SECTION 1. Recitals. The City presently has outstanding \$1,470,000 principal amount of Limited Tax General Obligation Refunding Bonds, 1983 (the "1983 Bonds"), and, pursuant to Ordinance No. 2921, as amended (the "Refunding Bond Ordinance") the City has determined to pay the principal of and interest on the 1983 Bonds as the same shall become due up to and including May 1, 1993, and, on May 1, 1993, to call, pay and redeem all of

the outstanding 1983 Bonds maturing on May 1 of each of the years 1994 through 2003 (the "Refunding Plan").

Section 6. Section 2 of the Refunding Trust Agreement which is Exhibit A to Ordinance No. 2921 should be and the same is amended to read as follows:

SECTION 2. Provisions for Refunding the 1983 Bonds. To accomplish the refunding of all of the 1983 Bonds as aforesaid, the City, simultaneously with the delivery of the Refunding Bonds issued pursuant to the Refunding Bond Ordinance, agrees to deposit irrevocably with the Refunding Trustee in trust for the security and benefit of the holders and owners of the 1983 Bonds and the Refunding Bonds, the sum of \$46.24 in cash and certain Acquired Obligations with amounts, interest rates and maturities as more particularly set forth in Schedule A attached to this Agreement and by this reference incorporated herein, which securities hereinafter are referred to as Acquired Obligations. Such cash and Acquired Obligations, with the investment income therefrom, will be sufficient to provide the funds required to carry out the Refunding Plan.

The City reserves the right to substitute other direct United States obligations for any of the Acquired Obligations if, in the opinion of Roberts & Shefelman, the Refunding Bonds will remain exempt from Federal income taxation under Section 103(c) of the Internal Revenue Code of 1954, as amended, and applicable regulations thereunder, and if such substitution

shall not impair the timely payment of the amounts required to be paid by the Refunding Plan.

Section 7. All actions heretofore taken by the City or on behalf of the City in furtherance of the contemplated refunding are ratified and confirmed.

PASSED by the City Council and APPROVED by the Mayor of the City of Kirkland, Washington, at a special open public meeting thereof, of which due notice was given in the manner provided by law, this 23rd day of December, 1985.

CITY OF KIRKLAND, WASHINGTON

Loris Cooper
MAYOR

ATTEST:

Tom Anderson
Director of Administration and
Finance, ex officio City Clerk

FORM APPROVED:

By Gail Bond
City Attorney

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