

ORDINANCE NO. 2987

AN ORDINANCE OF THE CITY OF KIRKLAND, WASHINGTON, AUTHORIZING THE ISSUANCE AND DELIVERY OF ITS LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$300,000; SPECIFYING THE TERMS, DATE, INTEREST RATE, MATURITIES, AND FORM THEREOF; PLEDGING TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS FROM REGULAR TAX LEVIES; CREATING A SPECIAL BOND REDEMPTION FUND; AND PROVIDING FOR THE DELIVERY OF THE BONDS IN PARTIAL PAYMENT OF THE PURCHASE PRICE OF CERTAIN REAL PROPERTY TO BE ACQUIRED BY THE CITY.

WHEREAS, pursuant to Resolution No. R-3319 adopted October 20, 1986, the City Council of the City of Kirkland, Washington, (the "City") approved the "Master Plan for City Shops" dated July 22, 1985, (the "Shop Master Plan"); and

WHEREAS, pursuant to Ordinance No. 2986 passed on October 20, 1986, the City Council approved a Real Estate Purchase and Sale Agreement (the "Agreement") for the purchase of certain real property by the City forming part of the site included in the aforesaid Shop Master Plan (the "Property") and ratified execution of the Agreement on behalf of the City; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KIRKLAND, WASHINGTON, do ordain as follows:

Section 1. Purpose. Pursuant to the Agreement, dated September 17, 1986, between the City and Jean E. Brayden, the City shall purchase the Property more specifically described in the Agreement, which description by this reference is incorporated herein.

The purchase price of the Property is \$582,000 of which \$300,000 shall be paid by delivery of the limited tax general obligation bonds of the City authorized by and to be issued pursuant to this ordinance.

Section 2. Authorization and Terms of Bonds. The City shall issue its Limited Tax General Obligation Bonds, 1986 in the principal amount of \$300,000 (the "Bonds") for the purpose of paying part of the purchase price of the Property specified in Section 1 of this ordinance.

The Bonds shall be dated November 1, 1986, shall be fully registered, shall be in the denomination of \$100,000, and shall bear interest at the rate of 5.75% per annum computed on the basis of a 30-day month and a 360-day year, payable annually on the first day of November of each year, commencing November 1, 1987, to the registered owner thereof, with full obligation on the part of the City to pay interest at the Bond rate until the Bonds, both principal and

interest, are paid in full. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America to the registered owner or owners thereof.

Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owner or nominee of such owner at the office of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York (the "Bond Registrar"). Interest on the Bonds shall be paid by check or draft mailed to the registered owner thereof or nominee of such owner at the address appearing on the registry books of the Bond Registrar on the 15th day of the month preceding the interest payment date. Principal of and interest on the Bonds are payable solely out of the Bond Redemption Fund created by Section 10 of this ordinance.

The Bonds shall be numbered and bear such additional designation as the Bond Registrar shall determine, shall be payable serially and shall mature on the following dates and in the following amounts:

<u>Maturity Date</u>	<u>Amount</u>
November 1, 1987	\$ 100,000
November 1, 1988	100,000
November 1, 1989	100,000

The Bonds are interchangeable for Bonds of the same principal amount, interest rate and 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 City may deem the person in whose name each Bond is registered to be the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Bond and for any and all other purposes whatsoever.

Section 3. Redemption. The City has not reserved the right to redeem any of the Bonds prior to maturity.

Section 4. Pledge. The City hereby irrevocably pledges itself to budget and appropriate from annual tax levies available to the City without a vote of the people amounts sufficient, together with other monies legally available therefor, to pay the principal of and interest on the Bonds as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds.

Section 5. Tax Code Covenant. The City covenants that it will make no use of the Property at any time during the term of the Bonds which will cause the Bonds (i) to be arbitrage bonds within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations promulgated there-

under, (ii) to be industrial development bonds with the meaning of Section 103(b) of the Internal Revenue Code of 1954, as amended, and applicable regulations thereunder, or (iii) to be private activity bonds under H.R. 3838 passed by the United States House of Representatives and Senate on September 25, 1986, and September 26, 1986, respectively, entitled the "Tax Reform Act of 1986."

Section 6. Form and Execution of the Bonds. The Bonds shall be typewritten on good bond paper in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$100,000

CITY OF KIRKLAND, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BOND, 1986

INTEREST RATE: 5.75%

MATURITY DATE: November 1, 198__

SEE REVERSE SIDE FOR
CERTAIN DEFINITIONS

REGISTERED OWNER: Jean E. Brayden, as her separate property
[address]

PRINCIPAL AMOUNT: ONE HUNDRED THOUSAND AND NO/100 DOLLARS

The City of Kirkland, Washington, (the "City"), for value received hereby promises to pay to the Registered Owner identified above, or registered nominees, on the Maturity Date specified above, the Principal Amount indicated above and to pay interest thereon from the date of this bond, or the most recent date to which interest has been paid or duly provided for at the Interest Rate set forth above, payable on November 1, 1987, and annually thereafter on the first days of each November to and including its Maturity Date and thereafter until this bond with interest is paid in full, or funds are available in the "City of Kirkland, Washington, Limited Tax General Obligation Bond Redemption Fund, 1986" for payment in full. Both principal of and interest on this bond are payable in lawful money of the United States of America. Principal shall be payable upon presentation and surrender of this certificate by the Registered Owner or nominee of such owner at the office of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York (the "Bond Registrar").

Interest is payable by check or draft mailed to the Registered Owner hereof or nominee of such owner at the address appearing on the registry books of the Bond Registrar on the 15th day of the month preceding the interest payment date.

This bond is one of an issue of \$300,000 of bonds of like date, denomination, interest rate, tenor and effect, except as to number and maturity and is issued by the City for the purpose of paying part of the purchase price of certain real property to used as part of a site for City shop facilities as provided in Ordinance No. _____ of the City and is issued in full compliance with the ordinances of the City and the laws and constitution of the State of Washington.

The City has not reserved the right to redeem any of the bonds of this issue prior to their respective maturity dates.

The City hereby irrevocably pledges itself to budget and appropriate from annual tax levies available to the City without a vote of the people amounts sufficient, together with other monies legally available therefor, to pay the principal of and interest on the bonds of this issue 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 by the Constitution and laws of the State of Washington and ordinances of the City to be done, to happen or to be performed as conditions precedent to the issuance of this bond have been done, have happened and have been performed and that the total indebtedness of the City, including the bonds of this issue, does not exceed any constitutional or statutory limitations.

This bond is transferable only upon the registry books of the Bond Registrar, by surrender of this certificate to the Bond Registrar, duly assigned and executed as indicated on the reverse side hereof.

This bond shall not become valid or obligatory for any purpose until the certificate of authentication set forth hereon has been signed by the Bond Registrar.

IN WITNESS WHEREOF, the City has caused this bond to be signed by the manual signature of its mayor and attested by the manual signature of its city clerk and its corporate seal to be impressed hereon this 1st day of November, 1986.

CITY OF KIRKLAND, WASHINGTON

By _____ (manual signature)
Mayor

Attest:

(manual signature)
City Clerk

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered City of Kirkland, Washington, "Limited Tax General Obligation Bonds, 1986" described in the within mentioned ordinance.

WASHINGTON STATE FISCAL AGENCY
Bond Registrar

By (manual signature)
Authorized Officer

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM-as tenants in common
TEN ENT-as tenants by the entireties
JT TEN -as joint tenants with right of survivorship
and not as tenants in common

UNIF GIFT MIN ACT- _____ Custodian _____ under Uniform
(Cust) (Minor)
Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in list above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER
IDENTIFICATION NUMBER OF TRANSFERREE

(Please print or typewrite name and address,
including zip code of Transferee)

the within bond and does hereby irrevocably constitute and appoint _____, or its successor, as Bond Registrar to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

DATED: _____

SIGNATURE GUARANTEED:

(Registered Owner)

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Section 7. Execution and Authentication of the Bonds. The Bonds shall be signed on behalf of the City with the manual signature of the Mayor, shall be attested by the manual signature of the Director of Administration and Finance as ex officio City Clerk and shall have the corporate seal of the City impressed thereon.

The Bonds shall not be valid or obligatory for any purpose or entitled to the benefits of this ordinance unless it shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar. 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 or any bond which may be hereafter issued in substitution for any Bond shall cease to be such officer or officers of the City before the bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the

City. The Bonds or any substitute bonds may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such bonds shall be the proper officers of the City although at the original date of the Bonds any such person shall not have been such officer of the City.

Section 8. Lost or Stolen Bonds. In case any Bond shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new bond of like amount, date, principal amount, maturity, interest rate, tenor and effect to the registered owner or nominee thereof upon payment to the City for the expenses and charges in connection therewith and upon its filing with the Bond Registrar evidence satisfactory to said Bond Registrar that such Bond was actually lost, stolen or destroyed and of its ownership thereof, and upon furnishing the City with indemnity satisfactory to them both.

Section 9. Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds. The Bond Registrar is authorized, on behalf of the City to deliver a substitute Bond or Bonds in authorized denominations for any 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.

Section 10. Bond Redemption Fund. There is hereby created and established in the office of the Director of Finance and Administration and ex officio City Treasurer a special fund known and designated as the "City of Kirkland Limited Tax General Obligation Bond Redemption Fund, 1986" (the "Bond Redemption Fund") for the sole purpose of payment of the principal of and interest on the Bonds. The City hereby covenants to deposit in the Bond Redemption Fund on or before each interest payment date amounts sufficient, together with monies otherwise available therein, to pay the principal of and interest on the Bonds when due.

Section 11. Delivery of Bonds. The Bonds will be delivered to Jean E. Brayden for the purpose of paying part of the purchase price of the Property as provided in Section 1 of this ordinance; the Bonds being in the par amount of \$300,000 and containing terms consistent with the Agreement.

Section 12. Authorization to City Officials. The proper City officials are hereby authorized to enter into such agreements, to execute such instruments, to print bonds, to approve a private placement memorandum or other disclosure document, to provide certifications, and to take all actions they deem reasonable, necessary and proper to carry out the acquisition of the Property and issuance of the Bonds in conformance with the provisions of this ordinance.

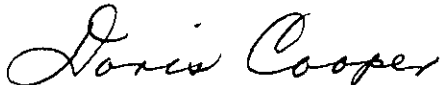
Section 13. Ratification. All actions taken and things done on behalf of the City in connection with the acquisition of the Property, and in the payment for the Property and issuance of the

Bonds consistent with this ordinance but prior to its effective date are in all respects hereby ratified and confirmed.

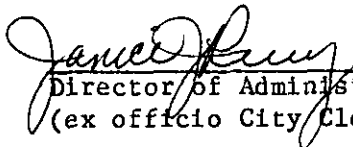
Section 14. Effective Date. This ordinance shall take effect and be in force five (5) days after passage and publication in the manner provided by law.

Passed by majority vote of the Kirkland City Council in regular open public meeting this 20th day of October, 1986.

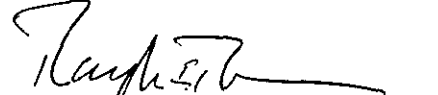
Signed in authentication thereof this 20th day of October, 1986.


MAYOR

ATTEST:

 **DEPUTY CLERK**
Director of Administration & Finance
(ex officio City Clerk)

APPROVED AS TO FORM:


City Attorney