

CITY OF KIRKLAND, WASHINGTON

ORDINANCE NO. 3303

AN ORDINANCE relating to Local Improvement District No. 122; fixing the amount, form, date, interest rates, maturity and denominations of the Local Improvement District No. 122 Bonds; providing for the purchase of such bonds by the City of Kirkland, Washington, from funds on deposit in the Current Expense Fund; and fixing the interest rate on Local Improvement District No. 122 assessment installments.

WHEREAS, the City Council of the City of Kirkland, Washington (the "City"), has determined to issue \$180,311.36 par value of Local Improvement District No. 121 Bonds of the City and finds it is in the best interest of the City that such bonds be purchased by the City from funds on deposit in the Current Expense Fund of the City and available for investment; NOW, THEREFORE,

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

Section 1. Authorization and Description of Bonds. The total amount of the assessment roll in Local Improvement District No. 122 in the City of Kirkland, Washington (the "City"), created under Ordinance No. 3229, passed October 16, 1990, was \$189,345.88. The 30-day period for making cash payments of assessments without interest in the District expired on January 6, 1992, and the total amount of assessments paid in cash was \$9,034.52, leaving a balance of assessments unpaid on the assessment roll in the sum of \$180,311.36. Local Improvement District No. 122 Bonds (the "Bonds") shall, therefore, be issued in the total principal sum of \$180,311.36. The Bonds shall be dated February 10, 1992; shall mature on February 10, 2004; and shall be numbered from 1 to 180, inclusive, 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. Bond No. 1 shall be in the denomination of \$1,311.36 and Bonds Nos. 2 to 180, inclusive, shall be in the denomination of \$1,000.00 each. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall bear interest, payable annually beginning February 10, 1993, in accordance with the following schedule:

<u>Bond Numbers</u> <u>(Inclusive)</u>	<u>Principal</u> <u>Amounts</u>	<u>Interest</u> <u>Rates</u>
1 to 20	\$20,311.36	5.00%
21 to 40	20,000.00	5.25
41 to 55	15,000.00	5.50
56 to 75	20,000.00	5.70
76 to 90	15,000.00	5.80
91 to 110	20,000.00	5.90
111 to 125	15,000.00	6.00
126 to 145	20,000.00	6.10
146 to 160	15,000.00	6.20
161 to 180	20,000.00	6.30

Section 2. Registration and Transfer of Bonds. 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"). The Bond Register shall contain the name and mailing address of the owner of each Bond and the principal amount and number of each of the Bonds held by each owner.

Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. The transfer of a Bond shall be by the Bond Registrar's receiving the Bond to be transferred, cancelling it and issuing a new certificate in the form of the Bonds to the transferee after registering the name and address of the transferee on the Bond Register. The new certificate shall bear the same Bond number as the transferred Bond but may have a different inventory reference number or control number. Such exchange or transfer shall be without cost to the owner or transferee.

Section 3. Bond Fund; Payment of Bonds. Both principal of and interest on the Bonds shall be payable solely out of the Local Improvement Fund, District No. 122 (the "Bond Fund") and from the Local Improvement Guaranty Fund of the City, and 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 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 the owners.

Section 4. Optional Redemption of Bonds. The City reserves the right to redeem the Bonds prior to their stated maturity on any interest payment date, in numerical order, lowest numbers first, at par plus accrued interest, whenever there shall be sufficient money in the Bond Fund to pay the Bonds so called and all earlier numbered Bonds over and above the amount required for the payment of the interest on all unpaid Bonds.

All Bonds redeemed under this section shall be cancelled.

Section 5. Notice of Redemption. The City shall cause notice of any intended redemption of Bonds to be given not less than 15 nor more than 30 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 at the time the Bond Registrar prepares the notice, and the requirements of this section shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the owner of any Bond. Interest on the Bonds so called for redemption shall cease to accrue on the date fixed for redemption unless such Bond or Bonds so called are not redeemed upon presentation made pursuant to such call.

Section 6. Failure to Redeem Bonds. If any Bond is not redeemed when properly presented at its maturity or call date, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or call date until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund and the Bond has been called for payment by giving notice of that call to the registered owner of that Bond.

Section 7. Form and Execution of Bonds. The Bonds shall be printed, lithographed or typed on good bond paper in a form consistent with the provisions of this ordinance and State law, shall be signed by the Mayor and the City Clerk, both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon.

Only Bonds bearing a Certificate of Authentication in the following form, manually signed 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, Local Improvement District No. 122 Bonds described in the Bond Ordinance.

Washington State Fiscal Agency
Bond Registrar

By _____
Authorized Officer

The authorized signing of a 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.

If any officer whose facsimile signature appears on the Bonds ceases to be an officer of the City authorized to sign bonds before the Bonds bearing his or her facsimile signature are authenticated or delivered by the Bond Registrar or issued by the City, those Bonds nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding upon the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

Section 8. Bond Registrar. 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 the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance and City Ordinance No. 2758 establishing a system of registration for the City's bonds and obligations.

The Bond Registrar shall be responsible for its representations contained in the Bond 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 members of, or in any other capacity with respect to, any committee formed to protect the rights of Bond owners.

Section 9. Preservation of Tax Exemption for Interest on Bonds. The City covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the City treated as proceeds of the Bonds at any time during the term of the Bonds which will cause interest on the Bonds to be included in gross income for federal income tax purposes. The City certifies that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the City is a bond issuer whose arbitrage certifications may not be relied upon.

Section 10. Small Governmental Issuer Arbitrage Rebate Exemption and Designation of Bonds as "Qualified Tax-Exempt Obligations." The City finds and declares that (a) it is a duly organized and existing governmental unit of the State of Washington and has general taxing power; (b) no Bond which is part of this issue of Bonds is a "private activity bond" within the meaning of Section 141 of the United States Internal Revenue Code of 1986, as amended (the "Code"); (c) at least 95% of the net proceeds of the Bonds will be used for local governmental activities of the City (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the City); (d) the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the City and all entities subordinate to the City (including any entity which the City controls, which derives its authority to issue tax-exempt obligations from the City or which issues tax-exempt obligations on behalf of the City) during the calendar year in which the Bonds are issued is not reasonably expected to exceed \$5,000,000; and (e) the amount of tax-exempt obligations, including the Bonds, designated by the City as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bonds are issued does not exceed \$10,000,000. The City therefore certifies that the Bonds are eligible for the arbitrage rebate exemption under Section 148(f)(4)(D) of the Code and designates the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code.

Section 11. Bonds Negotiable. The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 12. Purchase and Sale of Bonds. The City will purchase all of the Bonds from funds on deposit in the Current Expense Fund of the City at a price of par plus accrued interest from the date of the Bonds to the date of their transfer to the City, the City to furnish the printed Bonds and the approving legal opinion of Foster Pepper & 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 the Bonds be purchased by the City from funds on deposit in the Current Expense Fund of the City which are in excess of the current needs of such fund and available for investment, authorizes such sale and purchase. The Bonds, therefore, immediately upon their authentication, shall be registered in the name of the Current Expense Fund of the City, upon payment therefor as provided herein.

Thereafter the Director of Administration and Finance of the City is authorized and directed to sell and deliver any or all of the Bonds to purchasers submitting proposals at any price or prices deemed appropriate by him in light of then existing market conditions, and under the terms and conditions set forth in this ordinance and deposit the proceeds of such sale in the Current Expense Fund of the City.

The proper City officials are authorized and directed to do everything necessary for the prompt delivery of the Bonds to the purchasers and for the proper application and use of the proceeds of the sale thereof.

Section 13. Temporary Bond. Pending the printing, execution and delivery to the purchaser of definitive Bonds, the City may cause to be executed and delivered to the purchaser a single temporary Bond in the total principal amount of the Bonds. The temporary Bond shall bear the same date of issuance, interest rates, principal payment date and terms and covenants as the definitive Bonds, shall be issued as a fully registered Bond in the name of the purchaser, and otherwise shall be in a form acceptable to the purchaser. The temporary Bond shall be exchanged for definitive Bonds as soon as they are printed, executed and available for delivery.

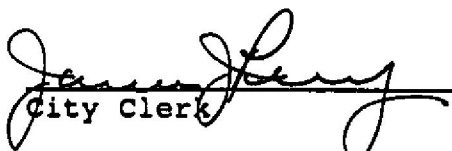
Section 14. Interest Rate on Assessments. The interest rate on the installments and delinquent payments of the special assessments in Local Improvement District No. 122 are revised and fixed at the rate of 6.50% per annum.

Section 15. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five (5) days following its publication as required by law.

PASSED by the City Council and APPROVED by the Mayor of the City of Kirkland, Washington, at a regular open public meeting thereof this 7th day of January, 1992.


Mayor

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney