

ORDINANCE NO. 3374

AN ORDINANCE OF THE CITY COUNCIL OF CITY OF KIRKLAND, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF \$600,000, FOR THE PURPOSE OF FINANCING THE ACQUISITION OF LAND; PROVIDING THE DATE, FORM, TERMS AND MATURITIES OF THE BONDS TO BE ISSUED AND FOR LIMITED TAX LEVIES TO PAY THE PRINCIPAL THEREOF AND INTEREST THEREON; AUTHORIZING A PRELIMINARY OFFICIAL STATEMENT; AND APPROVING THE SALE OF SUCH BONDS.

WHEREAS, the City of Kirkland, Washington (the "City"), has purchased certain property in the City for a new city administration building (the "Property"); and

WHEREAS, pursuant to authority granted by the City Council, the Director of Administration and Finance has designated the purchase price of the Property as eligible for reimbursement from bond proceeds in compliance with U.S. Treasury Regulation 1.103-18; and

WHEREAS, the City is authorized to issue general obligation bonds for public purposes without a vote of the electors within its statutory limits of indebtedness; and

WHEREAS, the indebtedness represented by the Bonds herein authorized, together with all other non-voted indebtedness of the City, will be within the statutory limitation of debt permitted to the City; and

WHEREAS, it appears to the City Council that it is in the best interest of the City that the written offer of Piper Jaffray Inc. to purchase said bonds be accepted;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Kirkland as follows:

Section 1. Definitions. As used in this ordinance, the following words shall have the following meanings:

"Arbitrage Certificate" means the certificate of that name executed and delivered by the City at the time of issuance and delivery of the Bonds.

"Bond Fund" means the LTGO Bond Fund, 1993B, established pursuant to Section 9 of this ordinance.

"Bond Register" means the registration books for the Bonds, maintained by the Bond Registrar, for the purpose of complying with the

requirements of Section 149 of the Code and listing, inter alia, the names and addresses of all registered owners of Bonds.

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"Bond Registrar" means the fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

"Bonds" means the \$600,000 of City of Kirkland, Washington, Limited Tax General Obligation Bonds, 1993B, issued pursuant to this ordinance.

"City" means City of Kirkland, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

"City Council" means the duly constituted City Council as the general legislative authority of the City.

"Code" means the federal Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

"Director of Administration and Finance" means the chief financial officer of the City.

"Property" means the real property which will be the site of a new City Administrative Center, situated at 302 and 310 First Street, and legally described as Lots 4, 5, 6, 7 and 8, Block 209, Map of Kirkland, Vol. 6 of Plats, pp. 53-67, incl.

"Rebatable Arbitrage" means the amount required to be paid pursuant to Section 148(f) of the Code.

Section 2. Authorization of Bonds. For the purpose of reimbursing the City for the cost of acquisition of the Property and/or other costs for the new City administration facility and paying costs of issuance, the City shall issue its limited tax general obligation bonds in the aggregate principal amount of \$600,000 (the "Bonds").

The Bonds shall be designated as the "City of Kirkland, Washington, Limited Tax General Obligation Bonds, 1993B," shall be dated as of June 1, 1993, shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each, or any integral multiple thereof, provided that no Bond shall represent more than one maturity, shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, and shall bear interest from their date payable on the first days of each February and August, commencing on February 1, 1994 at the following per annum interest rates and shall

mature on February 1 of the following years in the following principal amounts:

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<u>Maturity Years</u> <u>(February 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1994	\$ 200,000	3.00%
1995	200,000	3.60
1996	200,000	4.00

Section 3. Registration and Exchange. The Bonds shall be in registered form as to both principal and interest. The Bond Registrar shall maintain 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.

Upon surrender thereof to the Bond Registrar, the Bonds are interchangeable for Bonds in any authorized denomination of an equal aggregate principal amount and of the same 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.

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 (on the date such interest is due) to the registered owners or assigns at the addresses appearing on the Bond Register as of 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 the principal offices of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, or New York, New York, at the option of such owners.

Section 4. Redemption/Purchase of Bonds. The Bonds are not subject to redemption prior to their scheduled date of maturity. However, the City reserves the right to purchase any of the Bonds at any time at a price deemed reasonable by the City.

Section 5. Form of Bonds. The Bonds shall be in substantially the following form:

NO. _____ \$ _____

STATE OF WASHINGTON

CITY OF KIRKLAND

LIMITED TAX GENERAL OBLIGATION BOND, 1993B

INTEREST RATE: MATURITY DATE: CUSIP NO.:

Registered Owner:

Principal Amount:

The CITY OF KIRKLAND, WASHINGTON (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from June 1, 1993, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on the first days of each February and August, commencing on February 1, 1994. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid by mailing a check or draft (on the date such interest is due) to the Registered Owner or assigns at the address shown on the Bond Register as of the 15th day of the month prior to the interest payment date. Principal shall be paid to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agencies of the State of Washington in either Seattle, Washington or New York, New York (collectively the "Bond Registrar").

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity in the aggregate principal amount of \$600,000, and is issued for the purpose of financing the acquisition of land for City purposes.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and ordinances duly adopted by the City Council, including the Bond Ordinance.

The bonds of this issue are not subject to redemption in advance of their scheduled maturities. 0-9374

The bonds of this issue are not "private activity bonds" as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). The bonds of this issue are not qualified tax-exempt obligations under Section 265(b) of the Code for banks, thrift institutions and other financial institutions.

The City hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the City within and as a part of the tax levy permitted to the City without a vote of the electors in amounts sufficient, 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. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under Ordinance No. _____ of the City (the "Bond Ordinance") until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

WASHINGTON STATE FISCAL
AGENCY as Bond Registrar

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By _____
Authorized Signer

(form of assignment)

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER
IDENTIFICATION NUMBER
OF TRANSFEREE

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

_____ the within bond and does hereby irrevocably constitute and appoint
_____ of _____, 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: _____, _____.

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.

SIGNATURE GUARANTEED:

Section 6. Execution of Bonds. The Bonds shall be executed on
behalf of the City with the manual or facsimile signature of the Mayor,
shall be attested by the manual or facsimile signature of the City Clerk or

Director of Administration and Finance, and the seal of the City shall be impressed or a facsimile thereof imprinted thereon.

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Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. 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 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 issuance, 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 may also be signed and attested on behalf of the City by such persons who are at the actual date of delivery of such Bond the 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 7. Bond Registrar. The City hereby adopts the system of registration specified and approved by the Washington State Finance Committee. 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 the 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 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 8. Application of Bond Proceeds. The net proceeds of the Bonds (except for accrued interest, which shall be deposited in the Bond Fund and used to pay the accrued interest on the Bonds on February 1, 1994) shall be deposited in the Park and Municipal Reserve Fund to be used to reimburse this Fund for the cost of the Property.

Section 9. Pledge. The Director of Administration and Finance is hereby authorized and directed to create a fund to be used for the

payment of debt service on the Bonds, to be designated as the "LTGO Bond Fund, 1993B" (the "Bond Fund"). The City hereby irrevocably covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes within and as a part of the tax levy permitted to the City without a vote of its electors upon all of the property in the City subject to taxation in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

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Section 10. Defeasance. In the event that money and/or Government Obligations maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds authorized hereunder in accordance with their terms, are set aside in a special account of the City to effect such redemption and retirement, and such moneys and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the bond redemption fund of the City for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the moneys so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

Section 11. Covenants Regarding Arbitrage and Private Activity Bonds Designation. The City hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the City which may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code which will cause the Bonds to be "arbitrage bonds" within the meaning of said section and said Regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) and the applicable Regulations thereunder throughout the term of the Bonds. The City will compute and pay Rebutable Arbitrage to the United States of America in accordance with the provisions of the Arbitrage Certificate.

The City further covenants that it will not take any action or permit any action to be taken that would cause the Bonds to constitute "private activity bonds" under Section 141 of the Code.

The Bonds are not "qualified tax-exempt obligations" for purchase by financial institutions pursuant to Section 265(b) of the Code. The City anticipates that it will issue more than \$10,000,000 in "qualified tax-exempt obligations" during the year 1993.

Section 12. Sale of Bonds. The Bonds shall be sold by negotiated sale to Piper Jaffray Inc., of Seattle, Washington (the "Underwriter"), under the terms and conditions thereof as provided in its purchase offer and in this ordinance.

The Mayor, the Clerk and the Director of Administration and Finance are hereby authorized to review and approve on behalf of the City the preliminary and final Official Statements relative to the Bonds with such additions and changes as may be deemed necessary or advisable to them. The Preliminary Official Statement dated June 9, 1993 is hereby deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The proper City officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Bonds to the Underwriter, including the execution and delivery of closing certificates and for the proper application and use of the proceeds of sale thereof.

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Section 13. Secondary Market Disclosure. The City appreciates the support of the investment community for its financing efforts relating to its financial obligations. The City, therefore, agrees that it will provide annual audited financial statements and other pertinent credit information relevant to the securities of the City (which may be contained in official statements), including the City's Comprehensive Annual Financial Report, upon request, and will provide copies to one or more information providers in the state and local government securities market. Periodic credit information also will be provided to rating agencies as necessary for maintaining outstanding ratings on the Bonds. The Official Statement of the City with respect to the Bonds will reflect this commitment.

Section 14. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 15. Effective Date. This ordinance shall become effective five days from and after its passage by the Kirkland City Council and publication, as required by law.

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PASSED by majority vote of the Kirkland City Council in regular, open meeting this 15th day of June, 1993.

SIGNED in authentication thereof this 15th day of June, 1993.



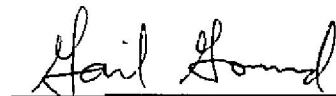
Mayor

Attest:



City Clerk

Approved as to Form:



City Attorney

SUMMARY OF ORDINANCE NO. 3374

AN ORDINANCE OF THE CITY COUNCIL OF CITY OF KIRKLAND, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF \$600,000, FOR THE PURPOSE OF FINANCING THE ACQUISITION OF LAND; PROVIDING THE DATE, FORM, TERMS AND MATURITIES OF THE BONDS TO BE ISSUED AND FOR LIMITED TAX LEVIES TO PAY THE PRINCIPAL THEREOF AND INTEREST THEREON; AUTHORIZING A PRELIMINARY OFFICIAL STATEMENT; AND APPROVING THE SALE OF SUCH BONDS.

Section 1. Definitions. Section 1 sets forth definitions of certain capitalized terms used in the Ordinance.

Section 2. Authorization of Bonds. For the purpose of reimbursing the City for the cost of acquisition of property to be used for a new City administration building and paying costs of issuance, the City authorizes the issuance of its limited tax general obligation bonds in the aggregate principal amount of \$600,000 (the "Bonds").

The Bonds bear interest and mature at the following rates and amounts:

<u>Maturity Years</u> <u>(February 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1994	\$ 200,000	3.00%
1995	200,000	3.60
1996	200,000	4.00

Section 3. Registration and Exchange. Section 3 sets forth the system of registration for the Bonds required under federal tax laws.

Section 4. Optional Redemption and Purchase of Bonds. The Bonds are not subject to redemption prior to their scheduled date of redemption. However, the City reserves the right to purchase any of the Bonds at any time at a price deemed reasonable by the City.

Section 5. Form of Bonds. Section 5 sets forth the form of Bonds to be printed and delivered to purchasers.

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the City Clerk, and the seal of the City shall be impressed or a facsimile thereof imprinted thereon.

Section 7. Bond Registrar. The City adopts the system of registration specified and approved by the Washington State Finance Committee.

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Section 8. Application of Bond Proceeds. Section 8 authorizes the creation of a special fund to hold the proceeds of the Bonds to be disbursed to pay and reimburse for the payment of the costs of property acquisition.

Section 9. Pledge. Section 8 authorizes a special fund to be created for the payment of debt service on the Bonds. The City covenants that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes within and as a part of the tax levy permitted to the City without a vote of its electors upon all of the property in the City subject to taxation in amounts sufficient to pay such principal and interest as the same shall become due.

Section 10. Defeasance. Section 10 authorizes the defeasance of the Bonds prior to their scheduled maturity.

Section 11. Covenants Regarding Arbitrage and Private Activity Bonds Designation. In Section 11, the City makes certain covenants necessary to maintain the tax exempt status of interest on the Bonds.

Section 12. Sale of Bonds. The Bonds will be sold to Piper Jaffray Inc., of Seattle, Washington


Section 13. Secondary Market Disclosure. In Section 13, the City agrees to provide financial information about itself to investors in the Bonds.

Section 14. Severability. Section 15 authorizes severability of the various sections of the Ordinance.

Section 15. Effective Date. This ordinance shall become effective five days from and after its passage by the Kirkland City Council and publication, as required by law.

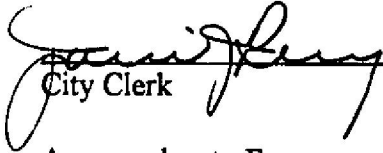
PASSED by majority vote of the Kirkland City Council in regular, open meeting this 15th day of June, 1993.

SIGNED in authentication thereof this 15th day of June, 1993.

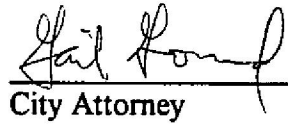


Mayor

Attest:


City Clerk

Approved as to Form:


City Attorney

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