

ORDINANCE NO. 3428

AN ORDINANCE OF THE CITY COUNCIL OF CITY OF KIRKLAND, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF \$380,000, FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE CEMETERY SITE; 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"), owns, operates and maintains a public cemetery (the "Cemetery") which is in need of upgrade and expansion; 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;

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 Cemetery Bond Fund, 1994, established pursuant to Section 10 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.

"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 \$380,000 of City of Kirkland, Washington, Limited Tax General Obligation Cemetery Improvement Bonds, 1994, issued pursuant to this ordinance.

"Cemetery" means Kirkland Cemetery.

"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.

"Government Obligations" means those obligations now or hereafter defined as such in Chapter 39.53 RCW.

Section 2. Authorization of Bonds. For the purpose of reimbursing the City for other costs for providing additional internment capacity and aesthetic improvements to the Cemetery, the City shall issue its limited tax general obligation bonds in the aggregate principal amount of \$380,000 (the "Bonds").

The Bonds shall be designated as the "City of Kirkland, Washington, Limited Tax General Obligation Cemetery Improvement Bonds, 1994," shall be dated as of October 18, 1994, shall be fully registered as to both principal and interest, shall be in the denomination of \$1,000 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 fifteenth days of each May and November, commencing on May 1, 1995 at the following per annum interest rates and shall mature on November 1 of the following years in the following principal amounts:

Maturity Years (November 1)	Principal Amount	Interest Rates
1996	\$ 10,000	4.55%
1997	15,000	4.80
1998	15,000	5.05
1999	15,000	5.25
2000	15,000	5.35
2001	15,000	5.45
2002	15,000	5.55
2003	20,000	5.65
2004	20,000	5.75
2005	20,000	5.85
2006	20,000	5.95
2007	20,000	6.05
2008	25,000	6.15
2009	25,000	6.25
2010	25,000	6.35
2011	25,000	6.45
2012	25,000	6.50
2013	25,000	6.55
2014	30,000	6.55

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. Optional Redemption and Purchase of Bonds.

(a) Optional Redemption. The Bonds maturing on or after November 1, 2005, are subject to redemption at the option of the City on and after November 1, 2004, in whole on any date, or in part on any interest payment date (with maturities to be selected by the City and by lot within a maturity in such manner as the Bond Registrar shall determine), at a price of par plus accrued interest to the date of redemption.

If Bonds are called for optional redemption, portions of the principal amount of such Bonds, in installments of \$1,000 or any integral multiple of \$1,000, 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, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the registered owner, of like maturity and interest rate in any denomination authorized by this ordinance.

(b) Purchase of Bonds. The City also reserves the right to purchase any of the Bonds at any time at a price deemed reasonable by the City.

Section 5. Notice of Redemption.

(a) Official Notice. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (i) the redemption date,
- (ii) the redemption price,
- (iii) if fewer than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof

called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

(b) Effect of Notice; Bonds Due. Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

The foregoing notice provisions of this Section 5, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6. Form of Bonds. The Bonds shall be in substantially the following form:

[FORM OF FACE OF BOND]

UNITED STATES OF AMERICA

NO. _____ \$ _____

STATE OF WASHINGTON

CITY OF KIRKLAND

LIMITED TAX GENERAL OBLIGATION CEMETERY
IMPROVEMENT BONDS, 1994

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 October 18, 1994, 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 fifteenth days of each May and November, commencing on May 1, 1995. 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").

Reference is hereby made to additional provisions of this bond set forth on the reverse side hereof and such additional provisions shall for all purposes have the same effect as if set forth in this space.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under Ordinance No. 3428 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.

IN WITNESS WHEREOF, the City of Kirkland, Washington has caused this bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile of the Clerk or Director of Administration and Finance of the City, as of this 18th day of October, 1994.

CITY OF KIRKLAND, WASHINGTON

By /s/ manual or facsimile
Mayor

ATTEST:

 /s/ manual or facsimile
Clerk/Director of Administration and
Finance of the City

[FORM OF REVERSE SIDE OF BOND]

ADDITIONAL PROVISIONS

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 \$380,000, and is issued for the purpose of reimbursing the City for other costs for providing additional internment capacity and aesthetic improvements to the Cemetery.

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 maturing on or after November 1, 2005 are subject to redemption at the option of the City on and after November 1, 2004, in whole on any date, or in part on any interest payment date (with maturities to be selected by the City and by lot within

a maturity in such manner as the Bond Registrar shall determine), at a price of par plus accrued interest to the date of redemption.

Notice of any such intended redemption as provided above shall be given no fewer than 30 nor more than 60 days prior to said redemption date 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 the Bond Ordinance shall be deemed to be complied with when notice is mailed as therein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on any bond so called for redemption shall cease on such redemption date unless the same is not paid in full upon presentation made pursuant to such call.

Portions of the principal sum of this bond in installments of \$1,000 or any integral multiple thereof may also be redeemed in accordance with the provisions set forth above, and if less than all of the principal sum hereof is to be redeemed, upon the surrender of this bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum hereof, at the option of the owner, a bond or bonds of like maturity and interest rate in any of the denominations authorized by the Bond Ordinance. Bonds are interchangeable for bonds of any authorized denomination of equal aggregate principal amount and of the same interest rate and maturity upon presentation and surrender to the Bond Registrar.

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 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 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.

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.

UNIF GIFTS (TRANSFERS)

MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts (Transfers) to Minors Act

(State)

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

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation Cemetery Improvement Bonds, 1994, of the City, dated October 18, 1994.

WASHINGTON STATE FISCAL
AGENCY as Bond Registrar

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 7. 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.

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 8. 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 9 Application of Bond Proceeds. The net proceeds of the Bonds shall be deposited in the 1994 LTGO Cemetery Improvement Construction Fund to be used to pay the costs of the improvements to the Cemetery described in Section 1 of this ordinance.

Section 10. 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 Cemetery Bond Fund, 1994" (the "Bond Fund"). The City currently anticipates the revenues from the Cemetery will be sufficient to pay debt service on the Bonds. Nevertheless, 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.

Section 11. 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 12. 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 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 hereby designated as "qualified tax-exempt obligations" for purchase by financial institutions pursuant to Section 265(b) of the Code. The City does not anticipate that it will issue more than \$10,000,000 in "qualified tax-exempt obligations" during the year 1994.

Section 13. Sale of Bonds. The Bonds shall be sold to those individuals submitting orders to the City to purchase the Bonds in accordance with their terms. The Bonds shall be issued in the aggregate principal amounts of such proposal, but not to exceed \$380,000.

The Director of Administration and Finance is 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 him. The Preliminary

Official Statement dated September 9, 1994 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 purchasers thereof, including the execution and delivery of closing certificates and for the proper application and use of the proceeds of sale thereof.

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.

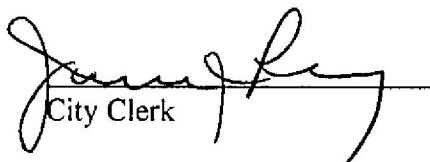
PASSED by majority vote of the Kirkland City Council in special, open meeting this 27th day of September, 1994.

SIGNED in authentication thereof this 27th day of September, 1994.



Mayor

Attest:



City Clerk

Approved as to Form:



City Attorney

SUMMARY OF ORDINANCE NO. 3428

AN ORDINANCE OF THE CITY COUNCIL OF CITY OF KIRKLAND, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF \$380,000, FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO CEMETERY SITE; 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 other costs for providing additional internment capacity and aesthetic improvements to the Cemetery, the City authorizes the issuance of its limited tax general obligation bonds in the aggregate principal amount of \$380,000 (the "Bonds").

The Bonds bear interest at the following rates and amounts:

<u>Maturity Years (November 1)</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
1996	\$ 10,000	4.55%
1997	15,000	4.80
1998	15,000	5.05
1999	15,000	5.25
2000	15,000	5.35
2001	15,000	5.45
2002	15,000	5.55
2003	20,000	5.65
2004	20,000	5.75
2005	20,000	5.85
2006	20,000	5.95
2007	20,000	6.05
2008	25,000	6.15
2009	25,000	6.25
2010	25,000	6.35
2011	25,000	6.45
2012	25,000	6.50
2013	25,000	6.55
2014	30,000	6.55

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/Purchase of Bonds. Section 4 outlines the redemption provisions and purchase of Bonds.

Section 5. Notice of Redemption. Section 5 outlines the notice of redemption procedures.

Section 6. Form of Bonds. Section 6 sets forth the form of Bonds to be printed and delivered to purchasers.

Section 7. 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.

Section 8. Bond Registrar. The City hereby adopts the system of registration specified and approved by the Washington State Finance Committee.

Section 9. Application of Bond Proceeds. Section 9 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 the improvements to the Cemetery as described in Section 1 of the ordinance.

Section 10. Pledge. Section 10 authorizes the creation of a special fund to be used 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. Further, the full faith, credit and resources of the City are irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 11. Defeasance. Section 11 authorizes the defeasement of the Bonds prior to their scheduled maturity.

Section 12. Covenants Regarding Arbitrage and Private Activity Bonds Designation. In Section 12, the City makes certain covenants necessary to maintain the tax exempt status of interest on the Bonds.

Section 13. Sale of Bonds. The Bonds shall be sold to those individuals submitting orders to the City to purchase the Bonds in accordance with their terms.

Section 14. Severability. Section 14 authorizes severability of the various sections of the ordinance.

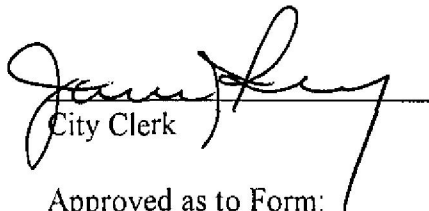
Section 15. Effective Date. The ordinance will become effective five days from and after its passage by the Kirkland City Council and publication, as required by law.

SIGNED in authentication thereof this 27th day of September, 1994.




Mayor

Attest:



City Clerk

Approved as to Form:



City Attorney