

ORDINANCE NO. 4753

AN ORDINANCE OF THE CITY OF KIRKLAND, WASHINGTON, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$42,500,000 FOR THE PURPOSE OF FINANCING THE COSTS RELATED TO ACQUIRING, CONSTRUCTING, IMPROVING, EQUIPPING AND/OR RENOVATING CITY TRANSPORTATION PROJECTS AND CITY FIRE AND PUBLIC SAFETY FACILITIES AND PAYING COSTS OF ISSUING THE BONDS; DELEGATING CERTAIN AUTHORITY TO APPROVE THE METHOD OF SALE AND FINAL TERMS OF THE BONDS; AND AUTHORIZING OTHER RELATED MATTERS.

1 WHEREAS, the City Council (the "Council") of the City of Kirkland,
2 Washington (the "City"), has deemed it in the best interest of the City to acquire,
3 design, construct, develop, improve, equip and furnish certain City transportation
4 projects and City fire and public safety facilities (the "Project"); and
5

6 WHEREAS, the Council deems it in the best interest of the City to issue
7 one or more series of limited tax general obligation bonds (as further described
8 herein, the "Bonds") for the purpose of paying and/or reimbursing the City for
9 costs of the Project and paying costs of issuing the Bonds;
10

11 WHEREAS, the Council wishes to delegate authority to the City Manager
12 and the Director of Finance and Administration (each, a "Designated
13 Representative"), for a limited time, to approve the method of sale and the
14 interest rates, maturity dates, redemption terms and principal maturities for each
15 series of Bonds within the parameters set by this ordinance; and
16

17 WHEREAS, the Bonds shall be sold by negotiated or competitive public
18 sale as set forth herein;
19

20 NOW, THEREFORE, the City Council of the City of Kirkland do ordain as
21 follows:
22

23 Section 1. Definitions. As used in this ordinance, the following words
24 and terms shall have the following meanings, unless the context or use indicates
25 another or different meaning or intent. Unless the context indicates otherwise,
26 words importing the singular number shall include the plural number and vice
27 versa.
28

29 *Beneficial Owner* means any person that has or shares the power, directly
30 or indirectly, to make investment decisions concerning ownership of any Bonds
31 (including persons holding Bonds through nominees, depositories or other
32 intermediaries).
33

34 *Bond Counsel* means Pacifica Law Group LLP or an attorney at law or a
35 firm of attorneys, selected by the City, of nationally recognized standing in

36 matters pertaining to the tax exempt nature of interest on bonds issued by states
37 and their political subdivisions.

38

39 *Bond Purchase Contract* means one or more contracts, if any, for the
40 purchase of any Bonds sold by negotiated sale to the Underwriter, executed
41 pursuant to Section 10.

42

43 *Bond Register* means the registration books showing the name, address
44 and tax identification number of each Registered Owner of the Bonds,
45 maintained for the Bonds in the manner required pursuant to Section 149(a) of
46 the Code.

47

48 *Bond Registrar* means, initially, the fiscal agent of the State, for the
49 purposes of registering and authenticating the Bonds, maintaining the Bond
50 Register, effecting transfer of ownership of the Bonds and paying interest on and
51 principal of the Bonds.

52

53 *Bonds* mean the limited tax general obligation bonds authorized to be
54 issued pursuant to this ordinance.

55

56 *Certificate of Award* means one or more certificates, if any, for the
57 purchase of any Bonds sold by competitive sale awarding the Bonds to the
58 successful bidder as set forth in Section 10 of this ordinance.

59

60 *City* means the City of Kirkland, Washington, a municipal corporation duly
61 organized and existing by virtue of the laws of the State.

62

63 *City Attorney* means the duly appointed and acting City Attorney of the
64 City, including anyone acting in such capacity for the position, or the successor
65 to the duties of that office.

66

67 *City Clerk* means the duly appointed and acting City Clerk of the City or
68 the successor to the duties of that office.

69

70 *City Manager* means the duly appointed and acting City Manager of the
71 City or the successor to the duties of such office.

72

73 *Closing* means the date of issuance and delivery of the Bonds to the
74 Underwriter.

75

76 *Code* means the Internal Revenue Code of 1986 as in effect on the date
77 of issuance of the Bonds or (except as otherwise referenced herein) as it may be
78 amended to apply to obligations issued on the date of issuance of the Bonds,
79 together with applicable proposed, temporary and final regulations promulgated,
80 and applicable official public guidance published, under the Code.

81

82 *Commission* means the United States Securities and Exchange
83 Commission.

84

85 *Continuing Disclosure Certificate* means one or more written undertakings
86 for the benefit of the owners and Beneficial Owners of the Bonds as required by
87 Section (b)(5) of the Rule.

88
89 *Council* or *City Council* means the Kirkland City Council, the general
90 legislative body of the City, as the same is duly and regularly constituted from
91 time to time.

92
93 *Debt Service Fund* means one or more funds or accounts created
94 pursuant to this ordinance for the purpose of paying debt service on the Bonds.

95
96 *Designated Representative* means the City Manager and the Director of
97 Finance and Administration, or any other officer or employee of the City
98 appointed in writing by either of them. The signature of one Designated
99 Representative shall be sufficient to bind the City.

100
101 *Director of Finance and Administration* means the City's Director of
102 Finance and Administration or the successor to the duties of the office.

103
104 *DTC* means The Depository Trust Company, New York, New York, a
105 limited purpose trust company organized under the laws of the State of New
106 York, as depository for the Bonds pursuant to Section 3 of this ordinance.

107
108 *Fair Market Value* means the price at which a willing buyer would
109 purchase an investment from a willing seller in a bona fide, arm's-length
110 transaction, except for specified investments as described in Treasury Regulation
111 § 1.148-5(d)(6), including United States Treasury obligations, certificates of
112 deposit, guaranteed investment contracts, and investments for yield restricted
113 defeasance escrows. Fair Market Value is generally determined on the date on
114 which a contract to purchase or sell an investment becomes binding, and, to the
115 extent required by the applicable regulations under the Code, the term
116 "investment" will include a hedge.

117
118 *Federal Tax Certificate* means one or more certificates executed by a
119 Designated Representative setting forth the requirements of the Code for
120 maintaining the tax exemption of interest on the Bonds to be dated as of the
121 date of Closing for such Bonds, and attachments thereto.

122
123 *Government Obligations* means those obligations now or hereafter
124 defined as such in chapter 39.53 RCW constituting direct obligations of, or
125 obligations the principal of and interest on which are unconditionally guaranteed
126 by, the United States of America, as such chapter may be hereafter amended or
127 restated.

128
129 *Letter of Representations* means the Blanket Issuer Letter of
130 Representations from the City to DTC.

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132 *Mayor* means the duly elected and acting Mayor of the City or the
133 successor to the duties of such office.

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MSRB means the Municipal Securities Rulemaking Board or any successors to its functions.

Official Statement means the disclosure document(s) prepared and delivered in connection with the issuance of the Bonds.

Project has the meaning set forth in Section 2 of this ordinance.

Project Fund means the account created pursuant to Section 7 of this ordinance.

Record Date means the close of business for the Bond Registrar that is 15 days preceding any interest and/or principal payment or redemption date.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

Rule means the Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Sale Document means the Bond Purchase Contract or Certificate of Award, if any, executed by a Designated Representative in connection with the sale of a series of Bonds pursuant to Section 10 of this ordinance, which shall provide for the name, principal and interest payment dates and amounts, redemption/prepayment rights, and other terms to describe such Bonds as determined by a Designated Representative.

State means the State of Washington.

Underwriter means any underwriter, in the case of a negotiated sale, or initial purchaser, in the case of a competitive sale, for the Bonds selected pursuant to Section 10.

Section 2. Findings; Purpose and Authorization of Bonds.

(a) *Findings.* The City hereby finds that it is in the best interest of the City and its residents that it acquire, design, construct, develop, improve, equip and furnish certain City transportation projects and City fire and public safety facilities (the “Project”), including but not limited to the following: construction of the Totem Lake Connector bridge, construction of a new fire station 27, and renovation of fire station 22.

The Project, as it is to be more fully described in the plans and specifications prepared by and filed with the City, is hereby approved. The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, demolition, administrative and relocation expenses and other costs incurred in connection

183 with the foregoing capital projects shall be deemed a part of the capital costs of
184 such Project. Such Project shall be complete with all necessary equipment and
185 appurtenances. The City will determine the exact specifications for the Project,
186 and the components thereof, as well as the timing, order and manner of
187 completing the components of the Project. The City may alter, make
188 substitutions to, and amend the Project as it determines are in the best interests
189 of the City.

190
191 (b) *Purpose and Authorization of Bonds.* For the purpose of paying
192 and/or reimbursing the City for costs of the Project and paying costs of issuance,
193 the City is hereby authorized to issue and sell one or more series of limited tax
194 general obligation bonds in an aggregate principal amount not to exceed
195 \$42,500,000 (the "Bonds").

196
197 The Bonds shall be general obligations of the City, shall be designated
198 "City of Kirkland, Washington, Limited Tax General Obligation Bonds," with the
199 year and any series or other designation as determined by a Designated
200 Representative. The Bonds of each series shall be dated as of the date of
201 Closing; shall be fully registered as to both principal and interest; shall be in the
202 denomination of \$5,000 each, or any integral multiple thereof, within a series
203 and maturity; shall be numbered separately in such manner and with any
204 additional designation as the Bond Registrar deems necessary for purposes of
205 identification; shall bear interest from their date payable on the dates and
206 commencing as provided in the applicable Sale Document; and shall be subject
207 to optional and/or mandatory redemption and mature on the dates and in the
208 principal amounts set forth in the applicable Sale Document, as approved and
209 executed by a Designated Representative pursuant to Section 10 of this
210 ordinance.

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212 Section 3. Registration, Exchange and Payments.

213
214 (a) *Bond Registrar/Bond Register.* The City hereby specifies and
215 adopts the system of registration approved by the Washington State Finance
216 Committee from time to time through the appointment of a state fiscal agent.
217 The City shall cause a bond register to be maintained by the Bond Registrar. So
218 long as any Bonds remain outstanding, the Bond Registrar shall make all
219 necessary provisions to permit the exchange or registration or transfer of Bonds
220 at its designated office. The Bond Registrar may be removed at any time at the
221 option of the Director of Finance and Administration upon prior notice to the
222 Bond Registrar and a successor Bond Registrar appointed by the Director of
223 Finance and Administration. No resignation or removal of the Bond Registrar
224 shall be effective until a successor shall have been appointed and until the
225 successor Bond Registrar shall have accepted the duties of the Bond Registrar
226 hereunder. The Bond Registrar is authorized, on behalf of the City, to
227 authenticate and deliver Bonds transferred or exchanged in accordance with the
228 provisions of such Bonds and this ordinance and to carry out all of the Bond
229 Registrar's powers and duties under this ordinance. The Bond Registrar shall be
230 responsible for its representations contained in the certificate of authentication of
231 the Bonds.

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(b) *Registered Ownership.* The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as otherwise provided in this ordinance or in the Continuing Disclosure Certificate), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described below, but such Bond may be transferred as provided herein. All such payments made as described below shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds initially shall be held in fully immobilized form by DTC acting as depository. The City has executed and delivered to DTC the Letter of Representations. Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held by a depository, DTC or its successor depository or its nominee shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of "Cede & Co.", as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Director of Finance and Administration pursuant to subsection (2) below or such substitute depository's successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Director of Finance and Administration to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Director of Finance and Administration may

281 hereafter appoint a substitute depository. Any such substitute depository shall be
282 qualified under any applicable laws to provide the services proposed to be
283 provided by it.

284 (3) In the case of any transfer pursuant to clause (A) or (B) of
285 subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding
286 Bonds, together with a written request on behalf of the Director of Finance and
287 Administration, issue a single new Bond for each maturity then outstanding,
288 registered in the name of such successor or such substitute depository, or their
289 nominees, as the case may be, all as specified in such written request of the
290 Director of Finance and Administration.

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292 (4) In the event that (A) DTC or its successor (or substitute
293 depository or its successor) resigns from its functions as depository, and no
294 substitute depository can be obtained, or (B) the Director of Finance and
295 Administration determines that it is in the best interest of the Beneficial Owners
296 of the Bonds that such owners be able to obtain physical bond certificates, the
297 ownership of such Bonds may then be transferred to any person or entity as
298 herein provided, and shall no longer be held by a depository. The Director of
299 Finance and Administration shall deliver a written request to the Bond Registrar,
300 together with a supply of physical Bonds, to issue Bonds as herein provided in
301 any authorized denomination. Upon receipt by the Bond Registrar of all then
302 outstanding Bonds together with a written request on behalf of the Director of
303 Finance and Administration to the Bond Registrar, new Bonds shall be issued in
304 the appropriate denominations and registered in the names of such persons as
305 are requested in such written request.

306
307 (e) *Registration of Transfer of Ownership or Exchange; Change in*
308 *Denominations.* The transfer of any Bond may be registered and Bonds may be
309 exchanged, but no transfer of any such Bond shall be valid unless it is
310 surrendered to the Bond Registrar with the assignment form appearing on such
311 Bond duly executed by the Registered Owner or such Registered Owner's duly
312 authorized agent in a manner satisfactory to the Bond Registrar. Upon such
313 surrender, the Bond Registrar shall cancel the surrendered Bond and shall
314 authenticate and deliver, without charge to the Registered Owner or transferee
315 therefor, a new Bond(s) (or Bonds at the option of the new Registered Owner) of
316 the same series, date, maturity and interest rate and for the same aggregate
317 principal amount in any authorized denomination, naming as Registered Owner
318 the person or persons listed as the assignee on the assignment form appearing
319 on the surrendered Bond, in exchange for such surrendered and cancelled Bond.
320 Any Bond may be surrendered to the Bond Registrar and exchanged, without
321 charge, for an equal aggregate principal amount of Bonds of the same series,
322 date, maturity, and interest rate, in any authorized denomination. The Bond
323 Registrar shall not be obligated to register the transfer of or to exchange any
324 Bond during the 15 days preceding any principal payment or redemption date.

325
326 (f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may
327 become the Registered Owner of any Bond with the same rights it would have if
328 it were not the Bond Registrar, and to the extent permitted by law, may act as
329 depository for and permit any of its officers or directors to act as a member of,

330 or in any other capacity with respect to, any committee formed to protect the
331 right of the Registered Owners or Beneficial Owners of Bonds.

332

333 (g) *Place and Medium of Payment.* Both principal of and interest on
334 the Bonds shall be payable in lawful money of the United States of America.
335 Interest on the Bonds shall be calculated on the basis of a year of 360 days and
336 twelve 30-day months. For so long as all Bonds are held by a depository,
337 payments of principal thereof and interest thereon shall be made as provided in
338 accordance with the operational arrangements of DTC referred to in the Letter of
339 Representations. In the event that the Bonds of a series are no longer held by a
340 depository, interest on such Bonds shall be paid by check or draft mailed to the
341 Registered Owners at the addresses for such Registered Owners appearing on
342 the Bond Register on the Record Date, or upon the written request of a
343 Registered Owner of more than \$1,000,000 of such Bonds (received by the Bond
344 Registrar at least by the Record Date), such payment shall be made by the Bond
345 Registrar by wire transfer to the account within the United States designated by
346 the Registered Owner. Principal of the Bonds shall be payable upon presentation
347 and surrender of such Bonds by the Registered Owners at the designated office
348 of the Bond Registrar.

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350 If any Bond shall be duly presented for payment and funds have not been
351 duly provided by the City on such applicable date, then interest shall continue to
352 accrue thereafter on the unpaid principal thereof at the rate stated on such
353 Bonds until it is paid.

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355 Section 4. Redemption and Purchase of Bonds.

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357 (a) *Redemption of Bonds.* The Bonds of each series shall be subject
358 to mandatory redemption to the extent, if any, as set forth in the applicable Sale
359 Document and as approved by a Designated Representative pursuant to Section
360 10. The Bonds of each series shall be subject to optional redemption and/or
361 prepayment on the dates, at the prices and under the terms set forth in the
362 applicable Sale Document approved by a Designated Representative pursuant to
363 Section 10.

364

365 (b) *Purchase of Bonds.* The City reserves the right to accept an offer
366 to purchase any of the Bonds at any time at a price deemed reasonable by a
367 Designated Representative.

368

369 (c) *Selection of Bonds for Redemption.* If the Bonds are held in
370 book-entry only form, the selection of particular Bonds within a series and
371 maturity to be redeemed shall be made in accordance with the operational
372 arrangements then in effect at DTC. If the Bonds are no longer held by a
373 depository, the selection of such Bonds to be redeemed and the surrender and
374 reissuance thereof, as applicable, shall be made as provided in the following
375 provisions of this subsection (c). If the City redeems at any one time fewer than
376 all of the Bonds of a series having the same maturity date, the particular Bonds
377 or portions of Bonds of such series and maturity to be redeemed shall be
378 selected by lot (or in such manner determined by the Bond Registrar) in

379 increments of \$5,000. In the case of a Bond of a denomination greater than
380 \$5,000, the City and the Bond Registrar shall treat each Bond as representing
381 such number of separate Bonds each of the denomination of \$5,000 as is
382 obtained by dividing the actual principal amount of such Bond by \$5,000. In the
383 event that only a portion of the principal sum of a Bond is redeemed, upon
384 surrender of such Bond at the designated office of the Bond Registrar there shall
385 be issued to the Registered Owner, without charge therefor, for the then
386 unredeemed balance of the principal sum thereof, at the option of the Registered
387 Owner, a Bond or Bonds of like maturity and interest rate in any of the
388 denominations herein authorized.

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390 (d) *Notice of Redemption or Prepayment.*

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392 (1) Official Notice. For so long as the Bonds are held by a
393 depository, notice of redemption (which notice may be conditional) shall be given
394 in accordance with the operational arrangements of DTC as then in effect, and
395 neither the City nor the Bond Registrar will provide any notice of redemption to
396 any Beneficial Owners. Thereafter (if the Bonds are no longer held in
397 uncertificated form), notice of redemption shall be given in the manner
398 hereinafter provided. Unless waived by any owner of Bonds to be redeemed,
399 official notice of any such redemption shall be given by the Bond Registrar on
400 behalf of the City by mailing a copy of an official redemption notice by first class
401 mail at least 20 days and not more than 60 days prior to the date fixed for
402 redemption to the Registered Owner of the Bond or Bonds to be redeemed at
403 the address shown on the Bond Register or at such other address as is furnished
404 in writing by such Registered Owner to the Bond Registrar.

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

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408 (A) the redemption date,

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410 (B) the redemption price,

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412 (C) if fewer than all outstanding Bonds are to be
413 redeemed, the identification by maturity (and, in the case of partial redemption,
414 the respective principal amounts) of the Bonds to be redeemed,

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416 (D) any conditions to redemption,

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418 (E) that (unless such notice is conditional) on the
419 redemption date the redemption price will become due and payable upon each
420 such Bond or portion thereof called for redemption, and that interest thereon
421 shall cease to accrue from and after said date, and

422

423 (F) the place where such Bonds are to be surrendered
424 for payment of the redemption price, which place of payment shall be the
425 designated office of the Bond Registrar.

426

427 On or prior to any redemption date, unless any condition to such
428 redemption has not been satisfied or waived or notice of such redemption has
429 been rescinded, the City shall deposit with the Bond Registrar an amount of
430 money sufficient to pay the redemption price of all the Bonds or portions of
431 Bonds which are to be redeemed on that date. The City retains the right to
432 rescind any redemption notice and the related optional redemption of Bonds by
433 giving notice of rescission to the affected registered owners at any time on or
434 prior to the scheduled redemption date. Any notice of optional redemption that is
435 so rescinded shall be of no effect, and the Bonds for which the notice of optional
436 redemption has been rescinded shall remain outstanding.

437
438 (2) Effect of Notice; Bonds Due. If notice of redemption has
439 been given and not rescinded or revoked, or if the conditions set forth in a
440 conditional notice of redemption have been satisfied or waived, the Bonds or
441 portions of Bonds to be redeemed shall, on the redemption date, become due
442 and payable at the redemption price therein specified, and, if the Bond Registrar
443 then holds sufficient funds to pay such Bonds at the redemption price, then from
444 and after such date such Bonds or portions of Bonds shall cease to bear interest.
445 Upon surrender of such Bonds for redemption in accordance with said notice,
446 such Bonds shall be paid by the Bond Registrar at the redemption price.
447 Installments of interest due on or prior to the redemption date shall be payable
448 as herein provided for payment of interest. All Bonds which have been redeemed
449 shall be canceled by the Bond Registrar and shall not be reissued.

450
451 (3) Additional Notice. In addition to the foregoing notice,
452 further notice shall be given by the City as set out below, but no defect in said
453 further notice nor any failure to give all or any portion of such further notice shall
454 in any manner defeat the effectiveness of a call for redemption if notice thereof
455 is given as above prescribed. Each further notice of redemption given hereunder
456 shall contain the information required above for an official notice of redemption
457 plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue
458 of the Bonds as originally issued; (C) the rate of interest borne by each Bond
459 being redeemed; (D) the maturity date of each Bond being redeemed; and
460 (E) any other descriptive information needed to identify accurately the Bonds
461 being redeemed. Each further notice of redemption may be sent at least 20 days
462 before the redemption date to each party entitled to receive notice pursuant to
463 the Continuing Disclosure Certificate and with such additional information as the
464 City shall deem appropriate, but such mailings shall not be a condition precedent
465 to the redemption of such Bonds.

466
467 (4) Amendment of Notice Provisions. The foregoing notice
468 provisions of this Section 4, including but not limited to the information to be
469 included in redemption notices and the persons designated to receive notices,
470 may be amended by additions, deletions and changes in order to maintain
471 compliance with duly promulgated regulations and recommendations regarding
472 notices of redemption of municipal securities.

473
474 Section 5. Form of Bonds. The Bonds shall be in substantially the
475 form set forth in **Exhibit A**, which is incorporated herein by this reference.

476
477 Section 6. Execution of Bonds. The Bonds shall be executed on behalf
478 of the City with the manual or facsimile signatures of the Mayor and City Clerk of
479 the City and the seal of the City shall be impressed, imprinted or otherwise
480 reproduced thereon.

481
482 In case either of the officers who shall have executed the Bonds shall
483 cease to be an officer or officers of the City before the Bonds so signed shall
484 have been authenticated or delivered by the Bond Registrar, or issued by the
485 City, such Bonds may nevertheless be authenticated, delivered and issued and
486 upon such authentication, delivery and issuance, shall be as binding upon the
487 City as though those who signed the same had continued to be such officers of
488 the City. Any Bond may be signed and attested on behalf of the City by such
489 persons who at the date of the actual execution of such Bond, are the proper
490 officers of the City, although at the original date of such Bond any such person
491 shall not have been such officer of the City.

492
493 Only such Bonds as shall bear thereon a Certificate of Authentication in
494 the form set forth in **Exhibit A**, manually executed by the Bond Registrar, shall
495 be valid or obligatory for any purpose or entitled to the benefits of this
496 ordinance. Such Certificate of Authentication shall be conclusive evidence that
497 the Bonds so authenticated have been duly executed, authenticated and
498 delivered hereunder and are entitled to the benefits of this ordinance.

499
500 Section 7. Application of Bond Proceeds; Project Fund. The Director
501 of Finance and Administration is hereby authorized to create a fund or account
502 (the "Project Fund"), and subaccounts therein as necessary, for the purposes set
503 forth in this section. A portion of the proceeds of the Bonds, net of any
504 Underwriter's discount and fees, shall be deposited in the Project Fund in the
505 amounts specified in the closing memorandum prepared in connection with the
506 issuance of the Bonds. Such proceeds shall be used to pay and/or reimburse the
507 City for the costs of the Project and, unless otherwise provided by the City, to
508 pay costs of issuance of the Bonds.

509
510 The Director of Finance and Administration shall invest money in the
511 Project Fund and the subaccounts contained therein in such obligations as may
512 now or hereafter be permitted by law to cities of the State and which will mature
513 prior to the date on which such money shall be needed, but only to the extent
514 that the same are acquired, valued and disposed of at Fair Market Value. Any
515 remaining Bond proceeds (including interest earnings thereon) may be used for
516 other capital projects of the City or shall be transferred to the Debt Service Fund
517 for the applicable series of Bonds.

518
519 Section 8. Tax Covenants. The City will take all actions necessary to
520 assure the exclusion of interest on the Bonds from the gross income of the
521 owners of the Bonds to the same extent as such interest is permitted to be
522 excluded from gross income under the Code as in effect on the date of issuance
523 of the Bonds, including but not limited to the following:

524

525 (a) *Private Activity Bond Limitation.* The City will assure that the
526 proceeds of the Bonds are not so used as to cause the Bonds to satisfy the
527 private business tests of Section 141(b) of the Code or the private loan financing
528 test of Section 141(c) of the Code.

529
530 (b) *Limitations on Disposition of the Projects.* The City will not sell or
531 otherwise transfer or dispose of (1) any personal property components of the
532 Project financed with proceeds of the Bonds other than in the ordinary course of
533 an established government program under Treasury Regulation § 1.141-2(d)(4)
534 or (2) any real property components of such Project, unless it has received an
535 opinion of nationally recognized Bond Counsel to the effect that such disposition
536 will not adversely affect the treatment of interest on the Bonds as excludable
537 from gross income for federal income tax purposes.

538
539 (c) *Federal Guarantee Prohibition.* The City will not take any action or
540 permit or suffer any action to be taken if the result of such action would be to
541 cause any of the Bonds to be "federally guaranteed" within the meaning of
542 Section 149(b) of the Code.

543
544 (d) *Rebate Requirement.* The City will take any and all actions
545 necessary to assure compliance with Section 148(f) of the Code, relating to the
546 rebate of excess investment earnings, if any, to the federal government, to the
547 extent that such section is applicable to the Bonds.

548
549 (e) *No Arbitrage.* The City will not take, or permit or suffer to be
550 taken, any action with respect to the proceeds of the Bonds which, if such action
551 had been reasonably expected to have been taken, or had been deliberately and
552 intentionally taken, on the date of issuance of the Bonds would have caused the
553 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

554
555 (f) *Registration Covenant.* The City will maintain a system for
556 recording the ownership of each Bond that complies with the provisions of
557 Section 149 of the Code until all Bonds have been surrendered and canceled.

558
559 (g) *Record Retention.* The City will retain its records of all accounting
560 and monitoring it carries out with respect to the Bonds for at least three years
561 after the Bonds mature or are redeemed (whichever is earlier); however, if the
562 Bonds are redeemed and refunded, the City will retain its records of accounting
563 and monitoring at least three years after the earlier of the maturity or
564 redemption of the obligations that refunded the Bonds.

565
566 (h) *Compliance with Federal Tax Certificate.* The City will comply with
567 the provisions of the Federal Tax Certificate with respect to the Bonds, which are
568 incorporated herein as if fully set forth herein.

569
570 The covenants of this section will survive payment in full or defeasance of
571 the Bonds. In the event of any conflict between this Section and the Federal Tax
572 Certificate, the provisions of the Federal Tax Certificate will prevail.

573

574 Section 9. Debt Service Fund and Provision for Non-Voted Regular
 575 Tax Levy Payments. The City hereby authorizes the creation of one or more
 576 funds, and accounts held therein, to be used for the payment of debt service on
 577 each series of Bonds, designated as the "Limited Tax General Obligation Bond
 578 Debt Service Fund" or other such designation selected by the City (the "Debt
 579 Service Fund"). No later than the date each payment of principal of or interest
 580 on the Bonds becomes due, the City shall transmit sufficient funds, from the
 581 Debt Service Fund or from other legally available sources, to the Bond Registrar
 582 for the payment of such principal or interest. Money in the Debt Service Fund
 583 may be invested in legal investments for City funds, but only to the extent that
 584 the same are acquired, valued and disposed of at Fair Market Value. Any
 585 interest or profit from the investment of such money shall be deposited in the
 586 Debt Service Fund.

587
 588 The City hereby irrevocably covenants and agrees for as long as the
 589 Bonds are outstanding and unpaid that each year it will include in its budget and
 590 levy an *ad valorem* tax upon all the property within the City subject to taxation in
 591 an amount that will be sufficient, together with other revenues and money of the
 592 City legally available for such purposes, to pay the principal of and interest on
 593 the Bonds when due.

594
 595 The City hereby irrevocably pledges that the annual tax provided for
 596 herein to be levied for the payment of such principal and interest shall be within
 597 and as a part of the tax levy permitted to cities without a vote of the people, and
 598 that a sufficient portion of each annual levy to be levied and collected by the City
 599 prior to the full payment of the principal of and interest on the Bonds will be and
 600 is hereby irrevocably set aside, pledged and appropriated for the payment of the
 601 principal of and interest on the Bonds. The full faith, credit and resources of the
 602 City are hereby irrevocably pledged for the annual levy and collection of said
 603 taxes and for the prompt payment of the principal of and interest on the Bonds
 604 when due.

605
 606 Section 10. Sale of Bonds.

607
 608 (a) *Bond Sale.* The Council has determined that it would be in the
 609 best interest of the City to delegate to each Designated Representative for a
 610 limited time the authority to determine the method of sale for the Bonds, to
 611 authorize the Bonds to be issued in one or more series, and to approve the final
 612 interest rates, maturity dates, redemption terms and principal maturities for each
 613 series of Bonds.

614
 615 Each Designated Representative is hereby authorized to approve the
 616 issuance of one or more series of Bonds and to approve whether the Bonds of a
 617 series shall be sold to an Underwriter through a competitive public sale or a
 618 negotiated public sale, as set forth below.

619
 620 (b) *Negotiated Bond Sale.* If a Designated Representative determines
 621 that the Bonds of a series are to be sold by negotiated public sale, a Designated
 622 Representative shall select one or more qualified underwriting firms that is in the

623 best interest of the City. Such Bonds shall be sold to the Underwriter pursuant to
624 the terms of a Bond Purchase Contract.

625
626 (c) *Competitive Sale.* If a Designated Representative determines that
627 the Bonds of a series are to be sold at a competitive public sale, a Designated
628 Representative shall: (1) establish the date of the public sale; (2) establish the
629 criteria by which the successful bidder will be determined; (3) request that a
630 good faith deposit in an amount not less than one percent of the principal
631 amount of the offering accompany each bid; (4) cause notice of the public sale
632 to be given; and (5) provide for such other matters pertaining to the public sale
633 as he or she deems necessary or desirable. Such Bonds shall be sold to the
634 Underwriter pursuant to the terms of a Certificate of Award.

635
636 (d) *Sale Parameters.* Subject to the terms and conditions set forth in
637 this Section 10, each Designated Representative is hereby authorized to approve
638 the method of sale and the final interest rates, aggregate principal amount,
639 principal maturities, and redemption rights for each series of Bonds in the
640 manner provided hereafter so long as:

641
642 (1) the aggregate principal (face) amount of all Bonds issued
643 under this ordinance does not exceed \$42,500,000,

644
645 (2) the final maturity date for the Bonds is no later than
646 December 1, 2041,

647
648 (3) the true interest cost for the Bonds of a series (in the
649 aggregate) does not exceed 3.50%,

650
651 (4) the aggregate purchase price for the Bonds of a series
652 shall not be less than 98% of the aggregate stated principal amount of such
653 Bonds, and

654
655 (5) the Bonds of each series otherwise conform to the terms
656 of this ordinance.

657
658 Subject to the terms and conditions set forth in this section, each
659 Designated Representative is hereby authorized to execute the appropriate Sale
660 Document on behalf of the City. The signature of one Designated Representative
661 shall be sufficient to bind the City.

662
663 Following the execution of a Sale Document, a Designated Representative
664 shall provide a report to the Council describing the final terms of the Bonds
665 approved pursuant to the authority delegated in this section. The authority
666 granted to each Designated Representative by this Section 10 to execute any
667 Sale Document shall expire one year (365 days) after the effective date of this
668 ordinance. If a Sale Document for the Bonds has not been executed by such
669 date, the authorization for the issuance of such Bonds shall be rescinded, and
670 such Bonds shall not be issued nor their sale approved unless such Bonds shall
671 have been re-authorized by ordinance of the Council. The ordinance re-

672 authorizing the issuance and sale of such Bonds may be in the form of a new
 673 ordinance repealing this ordinance in whole or in part or may be in the form of
 674 an amendatory ordinance approving a Sale Document or establishing terms and
 675 conditions for the authority delegated under this Section 10.

676
 677 (e) *Delivery of Bonds; Documentation.* The proper officials of the City,
 678 including the Designated Representatives, the Mayor and the City Clerk, are
 679 authorized and directed to undertake all action necessary for the prompt
 680 execution and delivery of the Bonds to the Underwriter and further to execute all
 681 closing certificates and documents required to effect the closing and delivery of
 682 the Bonds in accordance with the terms of the Sale Document.

683
 684 Section 11. Preliminary and Final Official Statements. Each Designated
 685 Representative are hereby authorized to deem final the preliminary Official
 686 Statement(s) relating to the Bonds for the purposes of the Rule. Each Designated
 687 Representative are further authorized to approve for purposes of the Rule, on
 688 behalf of the City, the final Official Statement(s) relating to the issuance and sale
 689 of the Bonds and the distribution of the final Official Statement pursuant thereto
 690 with such changes, if any, as may be deemed to be appropriate.

691
 692 Section 12. Undertaking to Provide Ongoing Disclosure. The City
 693 covenants to execute and deliver at the time of Closing of a series of Bonds a
 694 Continuing Disclosure Certificate. Each Designated Representative is hereby
 695 authorized to execute and deliver a Continuing Disclosure Certificate upon the
 696 issuance, delivery and sale of a series of Bonds with such terms and provisions
 697 as such officer shall deem appropriate and in the best interests of the City.

698
 699 Section 13. Defeasance. In the event that money and/or noncallable
 700 Government Obligations, maturing at such time or times and bearing interest to
 701 be earned thereon in amounts (together with such money, if necessary)
 702 sufficient to redeem and retire part or all of the Bonds in accordance with their
 703 terms, are set aside in a special account of the City to effect such redemption
 704 and retirement, and such money and the principal of and interest on such
 705 Government Obligations are irrevocably set aside and pledged for such purpose,
 706 then no further payments need be made into the Debt Service Fund for the
 707 payment of the principal of and interest on the Bonds so provided for, and such
 708 Bonds shall cease to be entitled to any lien, benefit or security of this ordinance
 709 except the right to receive the money so set aside and pledged, and such Bonds
 710 shall be deemed not to be outstanding hereunder. The City shall give or cause to
 711 be given written notice of defeasance in accordance with the Continuing
 712 Disclosure Certificate.

713
 714 Section 14. Lost, Stolen or Destroyed Bonds. In case any Bond or
 715 Bonds shall be lost, stolen or destroyed, the Bond Registrar may authenticate
 716 and deliver a new Bond or Bonds of like date, number and tenor to the
 717 Registered Owner thereof upon the Registered Owner's paying the expenses and
 718 charges of the City and the Bond Registrar in connection therewith and upon
 719 their filing with the City evidence satisfactory to the City that such Bond was
 720 actually lost, stolen or destroyed and of their ownership thereof, and upon

721 furnishing the City and/or the Bond Registrar with indemnity satisfactory to the
722 City and the Bond Registrar.

723

724 Section 15. Severability; Ratification. If any one or more of the
725 covenants or agreements provided in this ordinance to be performed on the part
726 of the City shall be declared by any court of competent jurisdiction to be contrary
727 to law, then such covenant or covenants, agreement or agreements, shall be null
728 and void and shall be deemed separable from the remaining covenants and
729 agreements of this ordinance and shall in no way affect the validity of the other
730 provisions of this ordinance or of the Bonds. All acts taken pursuant to the
731 authority granted in this ordinance but prior to its effective date are hereby
732 ratified and confirmed.

733

734 Section 16. Corrections by Clerk. Upon approval of the City Attorney
735 and Bond Counsel and without further action of the Council, the City Clerk is
736 hereby authorized to make necessary corrections to this ordinance, including but
737 not limited to the correction of clerical errors; references to other local, state or
738 federal laws, codes, rules, or regulations; ordinance numbering and
739 section/subsection numbering; and other similar necessary corrections.

740

741 Section 17. Effective Date of Ordinance. This ordinance shall be in full
742 force and effect five days from and after its passage by the Kirkland City Council
743 and publication of a summary of this ordinance in accordance with Kirkland
744 Municipal Code 1.08.017.

745

746 Passed by majority vote of the Kirkland City Council in open meeting this
747 ____ day of _____, 2021.

748

749 Signed in authentication thereof this ____ day of _____, 2021.

Penny Sweet, Mayor

Attest:

Kathi Anderson, City Clerk

Approved as to Form:

Pacifica Law Group LLP, Bond Counsel

Exhibit A

Form of Bond

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. ____

\$ _____

STATE OF WASHINGTON

CITY OF KIRKLAND

LIMITED TAX GENERAL OBLIGATION BOND, 20[____]

INTEREST RATE: %

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER: CEDE & Co.

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 _____, 20__, 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 December 1, 2021, and semiannually thereafter on the first days of each succeeding June and December. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal thereof and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

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 Ordinance No. ____ duly passed by the City Council on _____, 2021 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms 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 or its duly designated agent.

This bond is one of an authorized issue of bonds of like date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$ _____ and is issued pursuant to the Bond Ordinance to provide a portion of the funds necessary (a) acquire, design, construct, develop, improve, equip and furnish City transportation projects and City fire and public safety facilities, and (b) to pay costs of issuance of the Bonds.

[insert description of redemption or prepayment terms]

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy ad valorem taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due on and after such date. 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 for payment of principal of and interest on the bonds 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.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and 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 signatures of the Mayor and the City Clerk and the seal of the City to be imprinted, impressed or otherwise reproduced hereon as of this ____ day of _____, 20__.

[SEAL]

CITY OF KIRKLAND, WASHINGTON

By _____ /s/ manual or facsimile
Mayor

ATTEST:

_____/s/ manual or facsimile
City Clerk

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 Bonds, 20____, of the City of Kirkland, Washington, dated _____, 20____.

WASHINGTON STATE FISCAL AGENT, as
Bond Registrar

By _____

PUBLICATION SUMMARY
OF ORDINANCE NO. 4753

AN ORDINANCE OF THE CITY OF KIRKLAND, WASHINGTON, AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$42,500,000 FOR THE PURPOSE OF FINANCING THE COSTS RELATED TO ACQUIRING, CONSTRUCTING, IMPROVING, EQUIPPING AND/OR RENOVATING CITY TRANSPORTATION PROJECTS AND CITY FIRE AND PUBLIC SAFETY FACILITIES AND PAYING COSTS OF ISSUING THE BONDS; DELEGATING CERTAIN AUTHORITY TO APPROVE THE METHOD OF SALE AND FINAL TERMS OF THE BONDS; AND AUTHORIZING OTHER RELATED MATTERS.

Section 1. Defines certain capitalized terms used in the Ordinance.

Section 2. Sets forth findings of the Council, and authorizes the issuance and sale of one or more series of the City's limited tax general obligation bonds in an aggregate principal amount not to exceed \$42,500,000 (the "Bonds") for the purpose of acquiring, designing, constructing, developing, improving, equipping and furnishing City transportation projects and City fire and public safety facilities (the "Project"), and to pay costs of issuance of the Bonds.

Section 3. Adopts a system of registration and exchange for the Bonds and describes the arrangements for paying principal of and interest on the Bonds.

Section 4. Provides for the redemption of the Bonds prior to their scheduled maturities to the extent, if any, set forth in the applicable bond purchase agreement or certificate of award (the "Sale Document") pursuant to which the Bonds will be sold to an underwriter.

Section 5. Describes the form of the Bonds.

Section 6. Specifies the manner of the execution and authentication of the Bonds.

Section 7. Authorizes the application of Bond proceeds for the Project and the creation of the Project Fund.

Section 8. Covenants that the City will take all actions necessary to exclude interest on the Bonds from the gross income of the owners for federal income tax purposes.

Section 9. Provides for the payment of debt service on the Bonds from property tax levies permitted to the City without a vote of the people or from other legally available sources, and pledges the full faith, credit and resources of the City for the levy and collection of such taxes and the prompt payment of debt service on the Bonds.

Section 10. Delegates authority, for a limited time, to determine whether the Bonds will be offered through a competitive public sale or a negotiated public sale and to execute a Sale Document specifying the financial terms of the Bonds within parameters adopted by the City Council; and authorizes all actions necessary to execute and deliver each series of Bonds in accordance with the terms of the Sale Document.

Section 11. Delegates authority to approve the preliminary and final Official Statements in connection with the offering of the Bonds to the public.

Section 12. Covenants that the City will execute and deliver at closing a continuing disclosure certificate for the benefit of the owners of the Bonds.

Section 13. Sets forth conditions under which the Bonds may be defeased.

Section 14. Provides for the authentication and delivery of new Bonds as may be necessary to replace any Bonds that are lost, stolen or destroyed.

Section 15. Provides for the severability of the Ordinance and ratifies prior actions taken in furtherance of the purposes of the Ordinance.

Section 16. Authorizes the City Clerk to correct any clerical errors in the Ordinance, with approval of the City Attorney and the City's bond counsel.

Section 17. States the effective date of the Ordinance.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the ____ day of _____, 2021.

I certify that the foregoing is a summary of Ordinance No. 4753 approved by the Kirkland City Council for summary publication.

Kathi Anderson, City Clerk