

CITY OF LYNNWOOD, WASHINGTON

ORDINANCE NO. 867

AN ORDINANCE of the City of Lynnwood, Washington, providing for the issuance of \$719,000.00 par value of "General Obligation Refunding Bonds, 1976," for the purpose of providing a part of the funds to redeem \$750,000.00 par value of its outstanding "General Obligation Bonds, 1976," dated April 1, 1976; fixing the date, form, denominations, maturities, interest rates, terms and covenants of such refunding bonds; providing for and authorizing the purchase of certain obligations out of the proceeds of the sale of such refunding bonds and for the use and application of the moneys to be derived from such investment; providing for the redemption of the outstanding bonds to be refunded; and confirming the sale of such refunding bonds to Foster & Marshall Inc. of Seattle, Washington.

WHEREAS, the City of Lynnwood, Washington (hereinafter called the "City"), now has outstanding \$750,000.00 principal amount of its "General Obligation Bonds, 1976" (hereinafter called the "Outstanding Bonds"), issued under date of April 1, 1976, which Outstanding Bonds mature serially on April 1 in each of the years 1978 to 1996, inclusive, and bear interest at various rates from 6.25% per annum to 6.50% per annum; and

WHEREAS, under the provisions of Ordinance No. 825, passed and approved on January 26, 1976, authorizing the issuance of the Outstanding Bonds and in such bonds, the City reserved the right to redeem any or all of such Outstanding Bonds at par plus accrued interest on any semiannual interest payment date on or after April 1, 1989; and

WHEREAS, after due consideration it appears to the City Council that all of the Outstanding Bonds may be refunded and

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finally called for redemption on October 1, 1989, being six months after the first par call date, by the issuance and sale of the bonds authorized herein (hereinafter called the "Refunding Bonds") so that a substantial saving will be effected by the difference between the principal and interest cost over the life of the Refunding Bonds and the principal and interest cost over the life of such Outstanding Bonds; and

WHEREAS, in order to effect such refunding in the manner that will be most advantageous to the City and its taxpayers, it is hereby found necessary and advisable that certain "Acquired Obligations" (hereinafter identified) bearing interest and maturing at such time or times as necessary to pay the principal of and interest on the Outstanding Bonds as the same shall become due up to and including October 1, 1989, and to redeem the Outstanding Bonds maturing after October 1, 1989, on October 1, 1989, be purchased out of the proceeds of the sale of the Refunding Bonds; NOW, THEREFORE,

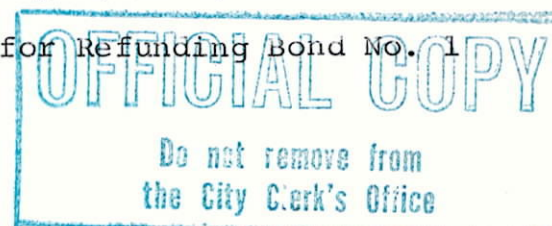
THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON,
DO ORDAIN, as follows:

Section 1. For the purpose of providing a part of the moneys required to pay the principal of and interest on the Outstanding Bonds coming due to and including October 1, 1989, and to redeem and retire on October 1, 1989, the Outstanding Bonds maturing after October 1, 1989, the City shall issue the Refunding Bonds in the aggregate principal amount of \$719,000.00.

The Refunding Bonds shall be dated July 1, 1976; shall be in denominations of \$5,000.00 each, except for Refunding Bond No. 1

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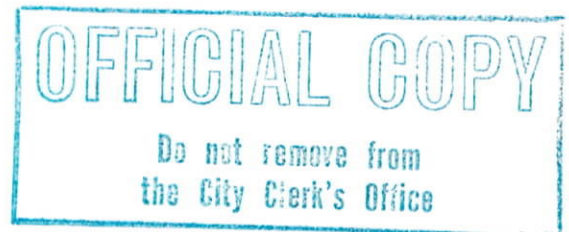


which shall be in the denomination of \$4,000.00; and shall bear interest at the rates hereinafter set forth, payable on July 1, 1977, and semiannually thereafter on the first days of January and July of each year, interest to maturity being evidenced by coupons to be attached to the Refunding Bonds with full obligation on the part of the City to pay interest at the bond rate from and after the bond maturity dates until the Refunding Bonds with interest are paid in full or funds sufficient to pay such Refunding Bonds with interest in full are on deposit in the bond redemption fund hereinafter referred to, and the Refunding Bonds have been called for redemption. The Refunding Bonds shall be numbered, shall bear interest and shall mature on January 1 of each year as follows:

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Interest Rates</u>	<u>Years</u>
1 to 2	\$ 9,000	6.00%	1979
3 to 7	25,000	6.00%	1980
8 to 12	25,000	6.00%	1981
13 to 17	25,000	6.00%	1982
18 to 23	30,000	6.00%	1983
24 to 29	30,000	6.00%	1984
30 to 35	30,000	6.00%	1985
36 to 42	35,000	6.00%	1986
43 to 49	35,000	6.00%	1987
50 to 57	40,000	6.00%	1988
58 to 65	40,000	6.00%	1989
66 to 74	45,000	6.10%	1990
75 to 84	50,000	6.20%	1991
85 to 94	50,000	6.30%	1992
95 to 105	55,000	6.40%	1993
106 to 117	60,000	6.45%	1994
118 to 130	65,000	6.50%	1995
131 to 144	70,000	6.50%	1996

Both principal of and interest on the Refunding Bonds shall be payable in lawful money of the United States of America at either

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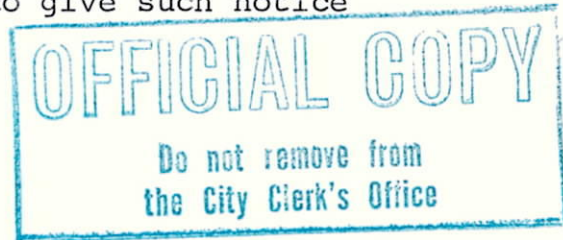
fiscal agency of the State of Washington in the cities of Seattle, Washington, or New York, New York, solely out of the "General Obligation Refunding Bond Fund, 1976" (herein called the "Bond Fund"), hereinafter created in the office of the Finance Officer of the City.

Section 2. The City hereby reserves the right to redeem any or all of the Refunding Bonds outstanding in whole, or in part in inverse numerical order, at par plus accrued interest to the date of redemption on January 1, 1989, or on any semiannual interest payment date thereafter.

Notice of any call for redemption of any of the Refunding Bonds prior to their stated maturity dates shall be published at least once in the official newspaper of the City not less than thirty nor more than forty-five days prior to the call date. Notice of said intended redemption shall also be mailed to Foster & Marshall Inc. at its main office in Seattle, Washington, or to the successor in business of said corporation, if any, at its main office. Interest on any Refunding Bond or Bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call.

In addition to such publication and mailing the City shall also mail notice of such intended redemption to Standard & Poor's Corporation and Moody's Investors Service, Inc., New York, New York, or to their successors, if any. The mailing of such notice shall not, however, be a condition precedent to the call of any of the Refunding Bonds for redemption, and failure to give such notice

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shall not affect the right of the City to redeem the Refunding Bonds called for redemption in the manner set forth in the preceding paragraph.

Section 3. The Refunding Bonds shall be designated "General Obligation Refunding Bonds, 1976," and shall be in substantially the following form:

No. _____ \$5,000.00
(\$4,000.00 on Bond No. 1)

UNITED STATES OF AMERICA

STATE OF WASHINGTON

CITY OF LYNNWOOD

GENERAL OBLIGATION REFUNDING BOND, 1976

_____ %

KNOW ALL MEN BY THESE PRESENTS: That the City of Lynnwood, Washington (hereinafter called the "City"), is justly indebted to and for value received hereby promises to pay to the bearer on the FIRST DAY OF JANUARY, 19__, the sum of

FIVE THOUSAND DOLLARS
(\$4,000.00 on Bond No. 1)

together with interest thereon at the rate of _____ % per annum, payable on July 1, 1977, and semiannually thereafter on the first days of January and July of each year, interest to maturity being evidenced by and payable upon the presentation and surrender of the attached interest coupons as they severally become due up to the bond maturity date and with full obligation on the part of the City to pay interest at the same rate from and after the bond maturity date until this bond with interest is paid in full or funds are available in the "General Obligation Refunding Bond Fund, 1976" (hereinafter called the "Bond Fund"), for payment in full and the bond has been duly called for redemption. Both principal of and interest on this bond are payable in lawful money of the United States of America at either fiscal agency of the State of Washington in the cities of Seattle, Washington, or New York, New York.

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The City reserves the right to redeem any or all of the bonds outstanding in whole, or in part in inverse numerical order, at par plus accrued interest to the date of redemption on January 1, 1989, or on any semiannual interest payment date thereafter.

Notice of any call for redemption of any of the bonds of this issue prior to their stated maturity dates shall be published at least once in the official newspaper of the City not less than thirty nor more than forty-five days prior to the call date. Notice of said intended redemption shall also be mailed to Foster & Marshall Inc. at its main office in Seattle, Washington, or to the successor in business of said corporation, if any, at its main office. In addition, notice of such intended redemption shall also be mailed to Standard & Poor's Corporation and Moody's Investors Service, Inc., New York, New York, or to their successors, if any, but the mailing of such notice to such corporations shall not be a condition precedent to the call of any of the bonds of this issue for redemption. Interest on any bond or bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call.

This bond is one of an issue of 144 bonds of like date and tenor, except as to number, denomination, interest rate and date of maturity, in the aggregate principal amount of \$719,000.00, issued by the City pursuant to the provisions of Chapter 138, Laws of 1965, Ex. Ses., of the Legislature of the State of Washington, as amended, known as the "Refunding Bond Act" (RCW Chapter 39.53), for the purpose of refunding its outstanding "General Obligation Bonds, 1976," originally issued by the City for capital purposes only, other than the replacement of equipment, pursuant to an election authorizing the same and under and in accordance with the laws of the State of Washington and the ordinances of the City.

The City hereby irrevocably covenants that it will levy taxes annually upon all the taxable property within the City without limitation as to rate or amount and in amounts sufficient 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.

It is hereby certified that all acts, conditions and things required to be done precedent to and in the

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issuance of this bond have been done, have happened and have been performed as required by law, and that the total indebtedness of the City, including this bond issue, does not exceed any constitutional or statutory limitations.

IN WITNESS WHEREOF, the City of Lynnwood, Washington, has caused this bond to be signed by the facsimile signature of its Mayor and attested by the manual signature of its Finance Officer/City Clerk and its corporate seal to be hereto affixed and the interest coupons attached to be signed with the facsimile signatures of those officials this first day of July, 1976.

CITY OF LYNNWOOD, WASHINGTON

By (facsimile signature)
Mayor

ATTEST:

Finance Officer/City Clerk

The form of the interest coupons shall be substantially as follows:

Coupon No. ___ (\$
on Coupon
No. 1)
\$
(\$ on Bond No. 1)

On the FIRST DAY OF (JANUARY) (JULY), 19__ the CITY OF LYNNWOOD, WASHINGTON, upon presentation and surrender of this coupon, will pay to the bearer at either fiscal agency of the State of Washington in the cities of Seattle, Washington, or New York, New York, the sum shown hereon in lawful money of the United States of America, said sum being the interest due that date upon its "General Obligation Refunding Bond, 1976," dated July 1, 1976, and numbered ____.

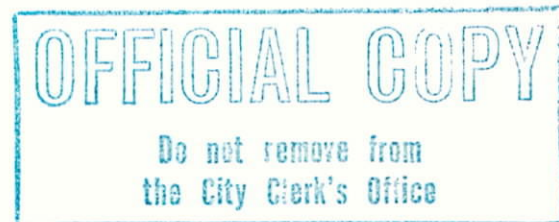
CITY OF LYNNWOOD, WASHINGTON

By (facsimile signature)
Mayor

ATTEST:

(facsimile signature)
Finance Officer/City Clerk

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Section 4. The Refunding Bonds shall be printed or lithographed on good bond paper and shall be signed by the facsimile signature of the Mayor and attested by the manual signature of the Finance Officer/City Clerk of the City, under the seal of the City, and the coupons shall bear the facsimile signatures of the Mayor and the Finance Officer/City Clerk.

Section 5. The Bond Fund is hereby created and established in the office of the Finance Officer of the City for the payment of the principal of and interest on the Refunding Bonds. All taxes collected for the payment of the principal of and interest on the Refunding Bonds shall be deposited in the Bond Fund.

Section 6. The City hereby irrevocably covenants that for as long as any of the Refunding Bonds are outstanding it will make annual levies of taxes without limitation as to rate or amount upon all the property within the City subject to taxation in amounts sufficient to pay the principal of and interest on the Refunding Bonds 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 7. The proceeds of the sale of the Refunding Bonds, exclusive of the accrued interest thereon which shall be paid into the Bond Fund, together with the sum of \$19,126.11 presently on hand in the "General Obligation Bond Fund, 1976," representing interest in the amount of \$19,071.52 accruing from the last payment date on the Outstanding Bonds to the date of delivery of the Refunding

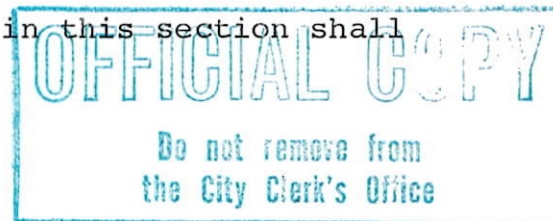
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Bonds to the purchaser thereof presently contemplated to be August 26, 1976, and \$54.59 of additional cash in such fund available therefor, shall be used immediately upon the receipt thereof to discharge the obligations of the City under Ordinance No. 825, passed and approved on January 26, 1976, authorizing the issuance of the Outstanding Bonds by providing for the payment as hereinafter set forth in this section of the principal of and interest on the Outstanding Bonds. To the extent practicable the City shall discharge such obligations by the purchase of Farmers Home Administration - Department of Agriculture Insured Notes (FHDA), Federal National Mortgage Association Debentures (FNMA), Federal Land Bank Bonds (FLB), Federal Intermediate Credit Bank Bonds (FICB) and Federal Home Loan Bank Bonds (FHLB) ("Acquired Obligations") bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide for the payment of the principal of and interest on the Outstanding Bonds which will become due and payable on or before October 1, 1989, and the redemption price payable on October 1, 1989, for the principal of the Outstanding Bonds maturing after October 1, 1989. Such Acquired Obligations and the prices to be paid for the same, including a beginning cash balance of \$7,336.25, are more particularly described in the proposal of Foster & Marshall Inc. hereinafter referred to.

Such Acquired Obligations shall be irrevocably deposited with Rainier National Bank, Seattle, Washington (hereinafter called the "Refunding Trustee"). Any amounts described in this section which are not provided for in full by the purchase and deposit of the Acquired Obligations described in this section shall

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be provided for by the irrevocable deposit of a portion of the proceeds of sale of the Refunding Bonds or other moneys of the City with the aforesaid Refunding Trustee.

Section 8. The City hereby irrevocably calls for redemption on October 1, 1989, all of the Outstanding Bonds maturing after October 1, 1989, at par plus accrued interest to such date of redemption. Such call for redemption shall be irrevocable after the delivery of the Refunding Bonds to the initial purchaser thereof.

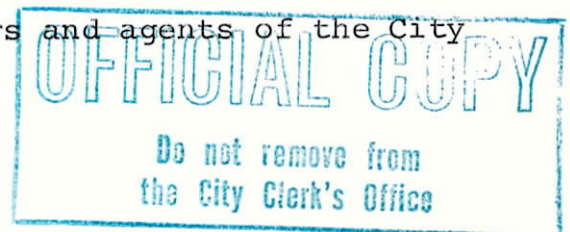
The Finance Officer/City Clerk and Refunding Trustee are hereby authorized and directed to give notice of the redemption of the Outstanding Bonds in accordance with the provisions of Ordinance No. 825 pertaining to the Outstanding Bonds.

The Refunding Trustee is hereby authorized and directed to pay the principal of and interest on the Outstanding Bonds when due from the Acquired Obligations and moneys deposited with the Refunding Trustee pursuant to the previous section of this ordinance. All Acquired Obligations and the moneys deposited with the Refunding Trustee and any income therefrom shall be held, invested and applied in accordance with the provisions of Ordinance No. 825 pertaining to the Outstanding Bonds, this ordinance and with the statutes of the State of Washington.

All necessary and proper fees, compensation and expenses of the Refunding Trustee for the Refunding Bonds and all other costs incidental to the refunding of the Outstanding Bonds, including, but not limited to, reasonable charges of bond counsel, rating services and bond printing, shall be paid when due by the initial purchaser of the Refunding Bonds. The proper officers and agents of the City

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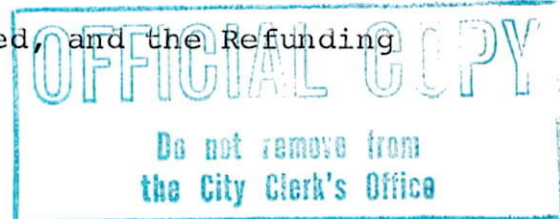
are directed to obtain from the Refunding Trustee an agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the redemption and retirement of the Outstanding Bonds as provided herein and stating that such provisions for the payment of the fees, compensation and expenses of such Refunding Trustee are satisfactory to it.

In order to carry out the purposes of the preceding section of this ordinance and this section, the Mayor and Finance Officer/ City Clerk of the City are authorized and directed to execute and deliver to Rainier National Bank, Seattle, Washington, an agreement substantially in the form attached hereto, marked Exhibit "A," and by this reference thereto hereby made a part of this ordinance.

Section 9. In the event that moneys and/or "Government Obligations," as such Obligations are defined in Ch. 39.53 RCW, as now or hereafter amended, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such moneys, if necessary) sufficient to redeem and retire the Refunding Bonds in accordance with their terms, are set aside in the Bond Fund of the City to effect such redemption and retirement, and such moneys and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Refunding Bonds, and the Refunding Bonds and the coupons appurtenant thereto 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 the Refunding

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Bonds and such coupons shall be deemed not to be outstanding hereunder.

Section 10. The City hereby covenants that it will not make any use of the proceeds of the sale of the Refunding Bonds or any other funds of the City which may be deemed to be proceeds of such Refunding Bonds pursuant to Section 103(d)(2) of the Internal Revenue Code and the applicable Regulations thereunder which, if such use had been reasonably expected on the date of delivery of the Refunding Bonds to the initial purchaser thereof, would have caused such Refunding Bonds to be "arbitrage bonds" within the meaning of said section and said Regulations. The City will comply with the requirements of subsection (d) of Section 103 of the Internal Revenue Code and the applicable Regulations thereunder throughout the term of the Refunding Bonds.

The City Council hereby finds and determines that the issuance and sale of the Refunding Bonds at this time will effect a saving to the City and its taxpayers. In making such finding and determination the City Council has given consideration to the interest to the fixed maturities of the Refunding Bonds and the Outstanding Bonds being refunded, the reduction in the principal amount of the Refunding Bonds over the Outstanding Bonds, the costs of issuance of the Refunding Bonds and the known earned income from the investment of the proceeds of sale of the Refunding Bonds pending redemption of the Outstanding Bonds.

The City Council hereby further finds and determines that the moneys and Acquired Obligations to be deposited with the Refunding

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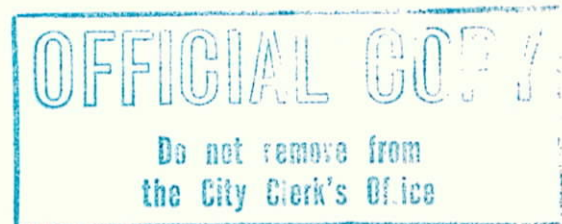
Trustee for the Outstanding Bonds in accordance with Section 7 of this ordinance will discharge and satisfy the obligations of the City under Ordinance No. 825 authorizing the issuance of the Outstanding Bonds and the pledges, charges, trusts, covenants and agreements of the City therein made or provided for as to said Outstanding Bonds and that said Outstanding Bonds shall no longer be deemed to be outstanding under said Ordinance No. 825 immediately upon the deposit of such moneys and Acquired Obligations with the Refunding Trustee.

Section 11. The action of the City Council of the City heretofore taken accepting on July 12, 1976, the written offer of Foster & Marshall Inc. to purchase the Refunding Bonds and to sell to the City the Acquired Obligations under the terms and conditions thereof as provided in said offer and in this ordinance is hereby in all respects ratified and confirmed, and such written offer on file with the Finance Officer/City Clerk is by this reference incorporated herein and made a part hereof.

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

Section 12. 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

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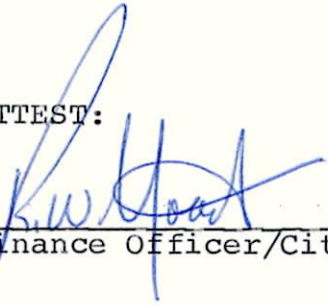


from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Refunding Bonds.

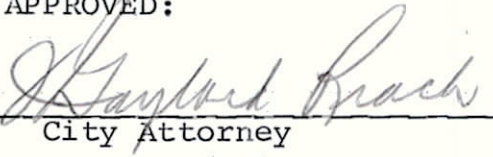
PASSED by the City Council of the City of Lynnwood, Washington, at a regular open public meeting thereof and APPROVED by the Mayor this 26th day of July, 1976.



Mayor

ATTEST:


Finance Officer/City Clerk

FORM APPROVED:


City Attorney

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A G R E E M E N T

THIS AGREEMENT made and entered into as of the 26th day of July, 1976, by and between the CITY OF LYNNWOOD, WASHINGTON, a municipal corporation of the State of Washington (the "City"), and RAINIER NATIONAL BANK, Seattle, Washington (the "Refunding Trustee");

W I T N E S S E T H:

SECTION 1. Recitals. The City now has outstanding its "General Obligation Bonds, 1976," issued under date of April 1, 1976, in the aggregate principal amount of \$750,000.00 (the "Outstanding Bonds"). Pursuant to Ordinance No. 825, the City in the manner therein provided may provide for the refunding prior to maturity of the Outstanding Bonds at par plus accrued interest on April 1, 1989, or any semiannual interest payment date thereafter. The City by Ordinance No. 867, passed by the City Council and approved by the Mayor on July 26, 1976, has determined to refund all of said Outstanding Bonds, including the final redemption on October 1, 1989, of all of the Outstanding Bonds maturing after October 1, 1989, in accordance with the terms of said Ordinance No. 867 out of the proceeds of the sale of its "General Obligation Refunding Bonds, 1976" (the "Refunding Bonds"), and other moneys of the City.

SECTION 2. Provisions for Refunding the Outstanding Bonds. To accomplish the refunding of the Outstanding Bonds, including the payment of principal of and interest on such bonds until October 1, 1989, the call date for the Outstanding Bonds, the City, simultaneously

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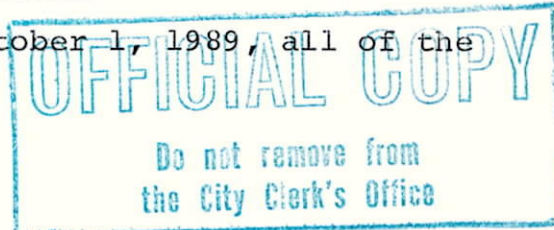


with the delivery of the Refunding Bonds issued pursuant to said Ordinance No. 867, does hereby agree to irrevocably deposit with the Refunding Trustee in trust for the security and benefit of the holders and owners of the Outstanding Bonds and the Refunding Bonds the sum of \$7,336.25 in cash and certain Farmers Home Administration - Department of Agriculture Insured Notes (FHDA), Federal National Mortgage Association Debentures (FNMA), Federal Land Bank Bonds (FLB), Federal Intermediate Credit Bank Bonds (FICB) and Federal Home Loan Bank Bonds (FHLB) with amounts, interest rates and maturities as more particularly set forth in Exhibit "A" attached to this Agreement and by this reference incorporated herein, which securities are hereinafter referred to as "Obligations," and such cash and Obligations, with the investment income therefrom, will be sufficient to provide for the payment of the principal of and interest on the Outstanding Bonds until October 1, 1989, the call date for the Outstanding Bonds, and the redemption price payable on October 1, 1989, upon the redemption of the Outstanding Bonds for bonds maturing after October 1, 1989.

On or before the delivery of the Refunding Bonds the City agrees that it will cause to be delivered to the Refunding Trustee a statement setting forth the amount of interest and the amount of principal to be paid on each semiannual interest payment date on the Outstanding Bonds up through October 1, 1989, and the amount of principal required on October 1, 1989, to pay and redeem all Outstanding Bonds then outstanding maturing after such call date.

The City by said Ordinance No. 867 has irrevocably called for redemption or prepayment on October 1, 1989, all of the

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Outstanding Bonds maturing after such call date. Such call for redemption or prepayment shall be irrevocable upon the delivery of the Refunding Bonds. The Refunding Bonds through the Finance Officer/ City Clerk of the City shall provide for publication and mailing of the proper notices of such redemption or prepayment in accordance with the applicable provisions of Ordinance No. 825 pertaining to the Outstanding Bonds.

Provision for the giving of such notice of redemption or prepayment has irrevocably been made by the City.

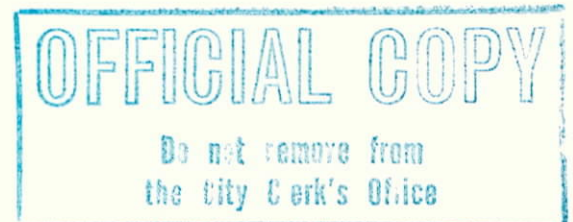
SECTION 3. Disbursements by the Refunding Trustee. The Refunding Trustee shall present for payment on the due date thereof the Obligations so deposited and shall apply the proceeds derived therefrom in accordance with the provisions of this section.

Moneys shall be transferred by the Refunding Trustee to either fiscal agency of the State of Washington in the cities of Seattle, Washington, or New York, New York, in amounts sufficient to pay the interest on and principal of the Outstanding Bonds becoming due and payable on or before October 1, 1989, and in amounts sufficient to pay on October 1, 1989, the redemption price with respect to the Outstanding Bonds maturing after October 1, 1989.

SECTION 4. Nonreinvestment of Funds; Custody and Safekeeping of Obligations. All moneys deposited with the Refunding Trustee or received by the Refunding Trustee as maturing principal or interest on Obligations prior to the time required to make the payments hereinbefore set forth shall be held by the Refunding Trustee and shall not be reinvested.

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All income derived from the Obligations and any moneys deposited with the Refunding Trustee pursuant to Section 2 hereof in the hands of the Refunding Trustee (which moneys are not required to make the payments hereinbefore required to be made) shall be paid to either fiscal agency of the State of Washington in the cities of Seattle, Washington, or New York, New York, for the credit of the "General Obligation Refunding Bond Fund, 1976," as and when realized and collected for use and application as other moneys deposited in such bond fund.

For as long as any of the Outstanding Bonds are outstanding, on or before the 10th day of each month, commencing with the month of September, 1976, the Refunding Trustee shall render a statement as of the last day of the preceding month to the Finance Officer of the City, which statement shall set forth the Obligations which have matured and the amounts received by the Refunding Trustee by reason of such maturity, the amounts paid to either fiscal agency of the State of Washington in the cities of Seattle, Washington, or New York, New York, on behalf of such Finance Officer for credit to the "General Obligation Bond Fund, 1975," the amount of cash delivered to either fiscal agency, and the dates of such delivery, for the payment of the interest on and principal of the Outstanding Bonds as the same shall become due and/or payable, and the final payment of the redemption price for the Outstanding Bonds on October 1, 1989, and any other transactions of the Refunding Trustee pertaining to its duties and obligations as set forth herein.

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All Obligations, moneys and investment income deposited with or received by the Refunding Trustee pursuant to this Agreement shall be subject to the trust created by this Agreement and the Refunding Trustee shall be liable for the preservation and safekeeping thereof.

SECTION 5. Duties and Obligations of Refunding Trustee.

The duties and obligations of the Refunding Trustee shall be as prescribed by the provisions of this Agreement, and the Refunding Trustee shall not be liable except for the performance of its duties and obligations as specifically set forth herein and to act in good faith in the performance thereof and no implied duties or obligations shall be incurred by such Refunding Trustee other than those specified herein.

The Refunding Trustee may consult with counsel of its choice and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or not taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

Provisions for the fees, compensation and expenses of the Refunding Trustee satisfactory to it have been made.

CITY OF LYNNWOOD, WASHINGTON

By *M. J. Bellido*
Mayor

ATTEST:

S. W. Hunt
Finance Officer/City Clerk

RAINIER NATIONAL BANK

By _____
Trust Officer

MICROFILMED
MAR 20 1978



DELIVERY DATE: 8/26/76

EXHIBIT A

DATE	350 9.000 % *FHDA	90 7.850 % FLB	30 7.950 % FNMA	20 7.950 % FICB	30 7.650 % FNMA	20 8.400 % FNMA	20 8.200 % FLB	20 8.625 % FHLB	10 7.600 % FHLB	20 6.875 % FNMA
4/23/89										
4/ 1/77		3532.50	1192.50	795.00	1147.50	840.00	820.00	862.50	380.00	687.50
10/ 1/77	31500.00	3532.50	1192.50	795.00	1147.50	840.00	820.00	862.50	380.00	687.50
4/ 1/78		3532.50	1192.50	795.00	1147.50	840.00	820.00	862.50	380.00	687.50
10/ 1/78	31500.00	3532.50	1192.50	795.00	1147.50	840.00	820.00	862.50	380.00	687.50
4/ 1/79		3532.50	1192.50	795.00	1147.50	840.00	820.00	862.50	380.00	687.50
10/ 1/79	31500.00	3532.50	1192.50	795.00	1147.50	840.00	820.00	862.50	380.00	687.50
4/ 1/80		3532.50	1192.50	795.00	1147.50	840.00	820.00	862.50	380.00	20687.50
10/ 1/80	31500.00	3532.50	1192.50	795.00	1147.50	840.00	820.00	862.50	380.00	
4/ 1/81		3532.50	1192.50	795.00	1147.50	840.00	820.00	862.50	10380.00	
10/ 1/81	31500.00	3532.50	1192.50	795.00	1147.50	840.00	820.00	862.50		
4/ 1/82		3532.50	1192.50	795.00	1147.50	840.00	820.00	20862.50		
10/ 1/82	31500.00	3532.50	1192.50	795.00	1147.50	840.00	820.00			
4/ 1/83		3532.50	1192.50	795.00	1147.50	840.00	20820.00			
10/ 1/83	31500.00	3532.50	1192.50	795.00	1147.50	840.00				
4/ 1/84		3532.50	1192.50	795.00	1147.50	20840.00				
10/ 1/84	31500.00	3532.50	1192.50	795.00	1147.50					
4/ 1/85		3532.50	1192.50	795.00	31147.50					
10/ 1/85	31500.00	3532.50	1192.50	795.00						
4/ 1/86		3532.50	1192.50	20795.00						
10/ 1/86	31500.00	3532.50	31192.50							
4/ 1/87		3532.50								
10/ 1/87	31500.00	3532.50								
4/ 1/88		93532.50								
10/ 1/88	31500.00									
4/ 1/89										
10/ 1/89	381500.00									
	759500.00	171247.50	53850.00	35105.00	49507.50	32600.00	30660.00	29487.50	13420.00	24812.50

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DELIVERY DATE: 8/26/76

DATE	10	20	30
	7.250 % FNMA 3/12/79	8.450 % FNMA 3/10/78	6.300 % FNMA 3/10/77
4/ 1/77	362.50	845.00	30945.00
10/ 1/77	362.50	845.00	
4/ 1/78	362.50	20845.00	
10/ 1/78	362.50		
4/ 1/79	10362.50		
10/ 1/79			
4/ 1/80			
10/ 1/80			
4/ 1/81			
10/ 1/81			
4/ 1/82			
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4/ 1/87			
10/ 1/87			
4/ 1/88			
10/ 1/88			
4/ 1/89			
10/ 1/89			
	11812.50	22535.00	30945.00

Any Government Obligations qualified under RCW 39.53.010, as amended, may be substituted at time of closing for any of the "Acquired Obligations" not available at time of closing, provided such substituted obligation shall provide the identical yield for the substituted security.

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