

ORDINANCE NO. 331

AN ORDINANCE of the Town of Gig Harbor, Washington, providing for the consolidation of Local Improvement Districts 1 and 2 into Consolidated Local Improvement District No. 1 and the issuance of bonds of Consolidated Local Improvement District No. 1 in the principal sum of \$37,330.56.

WHEREAS, by Ordinance 288, passed and approved on June 26, 1978, and Ordinance 304, passed and approved on December 26, 1978, Local Improvement Districts 1 and 2, respectively, of the Town of Gig Harbor, Washington (the "Town") were duly created and the issuance of bonds was authorized; and

WHEREAS, the improvements provided by said ordinances to be constructed in said Local Improvement Districts have been completed; and

WHEREAS, the assessment rolls in said Local Improvement Districts have been confirmed by Ordinances 318 and 319 in the total amount of \$46,254.75 of which \$8,924.19 was paid during the thirty (30) day period permitted by law for the payment of assessments without penalty or interest; and

WHEREAS, for the purpose of issuing bonds, it is deemed desirable that Local Improvement Districts 1 and 2 be consolidated into a single consolidated local improvement district pursuant to RCW 35.45.160.

WHEREAS, it is now necessary and advisable for the Town to issue bonds of said consolidated local improvement district in the principal sum of \$37,330.56 in order to pay for the cost and expense of said improvements;

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF GIG HARBOR, WASHINGTON DO ORDAIN as follows:

Section 1. For the purpose of issuing bonds to pay the costs of improvements made in Local Improvement Districts 1 and 2 of the Town of Gig Harbor, such Local Improvement Districts are

hereby consolidated into Consolidated Local Improvement District No. 1.

There is hereby created a special fund of the Town to be known as the Consolidated Local Improvement District No. 1 Fund. After full payment of the principal of and interest on all outstanding warrants issued to provide funds for the making of improvements in Local Improvement Districts 1 and 2, all moneys received by the Town in payment of principal of and interest and penalties, if any, on the assessments levied in Local Improvement Districts 1 and 2, and all moneys, if any, on hand in the Local Improvement District 1 and 2 Funds of the Town, shall be paid into said Consolidated Local Improvement District No. 1 Fund and used to pay the principal of and interest on the bonds authorized by this ordinance.

Section 2. In order to pay for the cost and expense of the improvements ordered by Ordinances 288 and 304 of the Town and constructed in Consolidated Local Improvement District No. 1, the Town shall now issue bonds of Consolidated Local Improvement District No. 1 in the principal sum of \$37,330.56. Said bonds shall be dated January 1, 1980, shall be in the denomination of \$1,000 each, except for Bond No. 1 which shall be in the denomination of \$330.56, shall be numbered from 1 to 38, inclusive, shall bear interest at the rate of 8 percent (8%) payable annually on January 1 of each year and shall mature on January 1, 1992.

All of said bonds shall be payable in lawful money of the United States of America at the office of the Town Treasurer of Gig Harbor, Washington.

Bonds of this issue shall be redeemable at par plus accrued interest to the date of redemption, in numerical order, on any interest payment date whenever there shall be sufficient money in the Consolidated Local Improvement District No. 1 Fund to pay the principal thereof and all unpaid interest due or to become due on

such interest payment date on all unpaid bonds of such consolidated improvement district, including the bond to be redeemed, on such date.

Notice of such intended redemption shall be given by one publication thereof in the Town's official newspaper not more than twenty (20) nor less than ten (10) days prior to such redemption date. Copies of such notice shall be mailed, at the same time, to H. Jackson Shirley & Co., Inc. at its offices in Bellevue, Washington.

Section 3. Said bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$1,000

STATE OF WASHINGTON

TOWN OF GIG HARBOR

CONSOLIDATED LOCAL IMPROVEMENT DISTRICT NO. 1

Laws of Washington 1965, Chapter 7 (RCW 35.45.070) provides, in part, as follows:

"Neither the holder nor owner of any bond, interest coupon, or warrant issued against a local improvement fund shall have any claim therefor against the city or town by which it is issued, except for payment from the special assessments made for the improvement for which the bond or warrant was issued and except also for payment from the local improvement guaranty fund of the city or town as to bonds issued after the creation of a local improvement guaranty fund of that city or town. The city or town shall not be liable to the holder or owner of any bond, interest coupon, or warrant for any loss to the local improvement guaranty fund occurring in the lawful operation thereof."

The Town of Gig Harbor (the "Town"), a municipal corporation, hereby promises to pay to bearer the sum of

ONE THOUSAND DOLLARS

on January 1, 1992, in lawful money of the United States of America, with interest thereon from the date hereof until payment of the principal sum has been made or duly provided for at the rate of 8 per cent per annum payable annually on January 1 of each year, upon presentation and surrender to the Town Treasurer of this bond and the annexed interest coupons as they severally become due.

This bond, both principal and interest, is payable only out of the Consolidated Local Improvement District No. 1 Fund created by Ordinance ____ of the Town, and from the local improvement guaranty fund of the Town created by Ordinance 316 of the Town pursuant to Chapter 209, Session laws, 1927. The remedy of the holder or owner of a bond in case of nonpayment, shall be confined to the enforcement of the assessments levied in Consolidated Local Improvement District No. 1 and to the guaranty fund.

This bond is one of an issue aggregating the principal sum of \$37,330.56 issued to pay part of the cost of certain improvements within Consolidated Local Improvement District No. 1 made pursuant to Ordinances 288 and 304 of the Town. Bonds of this issue are subject to call by the Treasurer of the Town at par, plus accrued interest to the date of redemption, on any interest payment date whenever there shall be sufficient money in said Consolidated Local Improvement District No. 1 Fund to pay the same and all unpaid bonds of this consolidated local improvement district over and above an amount sufficient for the payment of the interest due, or to become due on such date, on all of the unpaid bonds of this consolidated local improvement district.

In case this bond is called for payment before its final maturity, each and every interest coupon not accrued at the time of such payment shall be void. Call for payment of this bond shall be made by the Town Treasurer by mailing notice of such call to the original purchaser of the bonds and by one publication of such call in the Town's official newspaper not more than twenty (20) nor less than ten (10) days prior to said call date, and when such call is made this bond shall be paid on the date the next interest coupon thereof shall become due after such call.

IN WITNESS WHEREOF, the Town of Gig Harbor, Washington, has caused this bond to be signed by the facsimile signature of its Mayor and attested by the manual signature of its Clerk under the corporate seal of the Town and has caused the interest coupons hereto attached to be executed with the facsimile signatures of said officials this 1st day of January, 1980.

TOWN OF GIG HARBOR, WASHINGTON

By *Ruth M. Logue*
Mayor

ATTEST:

Town Clerk

The interest coupons to be attached to said bonds shall be in substantially the following form:

NO. _____ \$ _____

On the 1st day of January, 19____, the Town of Gig Harbor, Washington, will pay the bearer at the office of the Town Treasurer the sum shown hereon in lawful money of the United States of America out of the Consolidated Local

Improvement District No. 1 Fund of the Town, said sum being the interest due that date on bond numbered _____ of Consolidated Local Improvement District No. 1 of the Town. This coupon is subject to all the terms and conditions contained in the bond to which it is attached.

TOWN OF GIG HARBOR, WASHINGTON

By _____
Mayor

ATTEST:

Town Clerk

Section 4. The bonds shall be signed by the facsimile signature of the Mayor and the manual signature of the Town Clerk under the corporate seal of the Town, and the interest coupons shall bear the facsimile signatures of said officials. The appropriate Town officials are hereby authorized to do everything necessary for the prompt printing, issuance and delivery of said bonds and the proper application of the proceeds thereof.

Section 5. The Town covenants and agrees that throughout the term of the bonds of this issue no part of the proceeds of such bonds or any other moneys or obligations held in the Consolidated Local Improvement District No. 1 Fund or the guaranty fund shall at any time be used for any purpose, nor shall the Town take any other action, which would cause any bond to be (1) an "arbitrage bond" under Section 103(c) of the Internal Revenue Code of 1954, as amended, and the applicable regulations thereunder, or (2) an "industrial development bond" under Section 103(b) of the Internal Revenue Code of 1954, as amended, and the applicable regulations thereunder.

Section 6. The proposal dated _____, 1979 of H. Jackson Shirley & Co., Inc., Bellevue, Washington, to purchase the bonds on the terms provided for therein is hereby accepted.

PASSED by the Council of the Town of Gig Harbor, Washington,
and approved by its Mayor at a regular meeting of said Council
held on the 24 day of Dec, 1979.

TOWN OF GIG HARBOR, WASHINGTON

By Ruth M. Logue
Mayor

ATTEST:

Ronald J. Henry
Town Clerk