

ORDINANCE NO. 396

AN ORDINANCE of the City of Gig Harbor, Washington, providing for the issuance of bonds of Local Improvement District No. 3 in the principal amount of \$10,942.02 and confirming the sale of said bonds.

WHEREAS, by Ordinance No. 351, passed and approved October 27, 1980, Local Improvement District No. 3 of the City of Gig Harbor, Washington (the "City") was duly created, and the issuance of bonds was authorized; and

WHEREAS, the improvements provided by said ordinance to be constructed in Local Improvement District No. 3 ("LID No. 3") have been completed; and

WHEREAS, the assessment rolls in said LID No. 3 has been confirmed by Ordinance No. 396, passed on April 26, 1982 (the "Assessment Ordinance") in the total amount of \$18,131.00 of which \$7,188.98 was paid during the thirty (30) day period permitted by law for the payment of assessments without penalty or interest; and

WHEREAS, after applying the amount of prepaid assessments to the payment of the cost and expense of the improvements in said LID No. 3 and to the payment of all expenses incidental thereto, it is now necessary for the City to issue and sell bonds of said LID No. 3 in the principal sum of \$10,942.02 (the "Bonds") in order to pay for the cost and expense of said improvements;

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

Section 1. For the purpose of issuing bonds to pay the costs of improvements made in Local Improvement District No. 3 of the City, there is hereby created a special fund of the City to be known as the Local Improvement District No. 3 Fund. After full payment of the principal of and interest on all outstanding

warrants previously issued to provide funds for the making of improvements in Local Improvement District No. 3, all money received by the City in payment of principal of and interest on the assessments levied in Local Improvement District No. 3 shall be paid into said Local Improvement District No. 3 Fund and used to pay the principal of and interest on the bonds authorized by this ordinance.

Section 2. For the purpose of paying the costs of the improvements ordered by Ordinance No. 351 of the City and constructed in Local Improvement District No. 3, the City shall issue City of Gig Harbor Local Improvement District No. 3 Bonds (the "Bonds") in the aggregate principal amount of \$10,942.02.

The Bonds shall be dated May 1, 1982, shall be in the denomination of \$1,000 each, except Bond No. 1 which shall be in the denomination of \$942.02, shall be numbered from 1 to 11, inclusive, shall bear interest at the rate of 15.5% payable annually on May 1 of each year, commencing on May 1, 1983, and shall mature May 1, 1994.

The Bonds shall be payable in lawful money of the United States of America at the office of the City Finance Director of Gig Harbor, Washington, solely out of the Local Improvement District No. 3 Fund and the local improvement guaranty fund of the City, which has been created by Ordinance No. 316 pursuant to Chapter 35.54 of the Revised Code of Washington.

The Bonds shall be redeemed at par in advance of their scheduled maturity, plus accrued interest to the date of redemption, in numerical order, on any interest payment whenever there shall be sufficient money in the Local Improvement District No. 3 Fund to pay the principal of any unpaid Bonds over and above an amount sufficient for the payment of all unpaid interest due or to become due on such interest payment date and for the

payment of principal of all outstanding Bonds prior in number to the last such Bond then to be redeemed.

Notice of such intended redemption shall be given by one publication thereof in the official newspaper of the City not more than thirty (30) nor less than ten (10) days prior to such redemption date. Copies of such notice shall be mailed by certified or registered mail, at the same time, to H. Jackson Shirley & Company at its office in Bellevue, Washington, or to its successor in business, if any, at its main office.

Section 3. The City has, by the Assessment Ordinance, levied assessments payable into the Local Improvement District No. 3 Fund in the total amount of \$18,131.00, of which \$7,188.98 were prepaid within the 30-day prepayment period permitted by law and not less than \$10,842.02 remain payable into said Fund in ten equal annual installments together with interest and penalties thereon.

The Assessment Ordinance provides that the assessments remaining unpaid after the 30-day prepayment period shall bear interest at the rate to be fixed by the Council in this ordinance, which rate shall not be in excess of one percent greater than the rate of interest to be paid upon the Bonds. Accordingly, the City Council hereby fixes and establishes the rate of sixteen and one-half percent (16-1/2%) interest as the rate of interest which shall be payable on the remaining unpaid balance of such assessments within LID No. 3 from and after and until such assessments have been fully paid and discharged. Both principal of and interest on the Bonds shall be payable solely out of the Local Improvement District No. 3 Fund and from the local improvement guaranty fund of the City.

Section 4. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

CITY OF GIG HARBOR

LOCAL IMPROVEMENT DISTRICT NO. 3 BOND

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 City of Gig Harbor, a municipal corporation of the State of Washington (herein referred to as the "City"), hereby promises to pay to bearer the sum of

_____ DOLLARS

on May 1, 1994, 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 fifteen and one-half percent (15-1/2%) per annum payable on May 1, 1983 and annually thereafter on the first day of May of each year, upon presentation of the appurtenant interest coupons as they severally become due, until such principal amount shall have been paid or duly provided for.

Both principal of and interest on the bonds of this issue are payable in lawful money of the United States of America at the office of the City Finance Director in Gig Harbor, Washington, solely out of the Local Improvement District No. 3 Fund created by Ordinance No. 386 of the City, (the "Bond Ordinance"), and the local improvement guaranty fund of the City created by Ordinance No. 316, pursuant to Chapter 35.54 of the Revised Code of Washington. Neither the holder nor the owner of this bond shall have any claim therefor against the City of Gig Harbor except for payment from the special assessments made for the improvements for which the bonds of this issue were issued, and except as against the local improvement guaranty fund of the City and the City shall not be liable to any holder or owner of this bond for any loss to the guaranty fund occurring in the lawful operation thereof by the City. The remedy of the holder or owner of a bond of this issue, in case of nonpayment, shall be confined to the enforcement of the assessments levied in Local Improvement District No. 3 and to said guaranty fund.

This bond is one of an issue aggregating the principal amount of \$10,942.02 issued to pay part of the cost of certain improvements constructed within Local Improvement District No. 3 pursuant to the Bond Ordinance of the City. The bonds of this issue are subject to call by the Finance Director of the City of Gig Harbor at a price of par in advance of their scheduled maturity, plus accrued interest to the date of redemption, on any interest payment date whenever there shall be sufficient money in said Local Improvement District No. 3 Fund to pay the principal of any unpaid bonds over and above an amount sufficient for the payment of all unpaid interest due, or to become due on such date, and for the payment of principal of all of the unpaid bonds of this local improvement district prior in number to the last such bond then to be redeemed.

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 City Finance Director by mailing notice of such call to H. Jackson Shirley & Company or its successor in business, at its main office in Bellevue, Washington and by one publication of such call in the City's official newspaper not more than thirty (30) 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 City of Gig Harbor, Washington, has caused this bond to be signed by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its Clerk, and the corporate seal of the City to be impressed or imprinted hereon and has caused the interest coupons hereto attached to be executed with the facsimile signatures of said officials this 1st day of May, 1982.

CITY OF GIG HARBOR, WASHINGTON

By (manual or facsimile signature)
Mayor

ATTEST:

(manual or facsimile signature)
City Clerk

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

NO. _____ \$ _____

Unless the bond to which this coupon is appurtenant has previously been redeemed, the City of Gig Harbor, Washington, on May 1, 19__, will pay to the bearer hereof at the office of the City Finance Director in Gig Harbor, Washington, the amount shown hereon in lawful money of the

United States of America out of the Local Improvement District No. 3 Fund of the City, said amount being the interest due on that date on bond numbered _____ of Local Improvement District No. 3 of the City. This coupon is subject to all the terms and conditions contained in the bond to which it is attached.

CITY OF GIG HARBOR, WASHINGTON

By (facsimile signature)
Mayor

ATTEST:

(facsimile signature)
City Clerk

Section 5. The Bonds shall be signed by the manual or facsimile signature of the Mayor and the manual or facsimile signature of the City Clerk (at least one of which signatures shall be manual), the corporate seal of the City shall be impressed or imprinted thereon, and the interest coupons shall bear the facsimile signatures of said officials. The appropriate City officials are hereby authorized to do everything necessary for the prompt printing, issuance and delivery of the Bonds and the proper application of the proceeds thereof.

Section 6. The City covenants and agrees that throughout the term of the Bonds no part of the proceeds of such bonds or any other money or obligations held in the Local Improvement District No. 3 Fund or the local improvement guaranty fund of the City shall at any time be used for any purpose, nor shall the City take any other action, which would cause any of the Bonds to be (1) an "arbitrage bond" under Section 103(c) of the federal 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 7. The City Council hereby approves and accepts the proposal dated April 12, 1982 of H. Jackson Shirley & Company, Bellevue, Washington, to purchase the Bonds on the terms provided for therein.

Section 8. This ordinance shall become effective five days from and after its publication in the manner required by law.

PASSED AND APPROVED by the Council of the City of Gig Harbor, Washington, and approved by its Mayor at a regular meeting of said Council held on the 26th day of April, 1982.

CITY OF GIG HARBOR, WASHINGTON

By Ruth M. Logue
Mayor

ATTEST:

Jeffrey D. [Signature]
City Clerk

CERTIFICATE OF CLERK

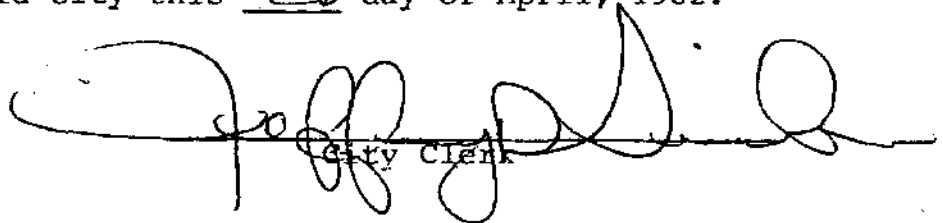
STATE OF WASHINGTON)
) ss.
COUNTY OF P I E R C E)

I, Jeffrey R. Snider DO HEREBY CERTIFY that I am the duly authorized, qualified and acting Clerk of the City of Gig Harbor, Washington, and the custodian of its records; that the attached and foregoing is a full, true and correct copy of Ordinance No. 396 entitled,

"AN ORDINANCE of the City of Gig Harbor, Washington, providing for the issuance of bonds of Local Improvement District No. 3 in the principal amount of \$10,942.02 and confirming the sale of said bonds.

and that said ordinance was duly passed and approved by the affirmative vote of each and all of the members of the Council of said City at a regular meeting regularly held on April 12, 1982, at which all members of the Council were present; that said ordinance has not been altered, amended or repealed and the same is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 26th day of April, 1982.


Clerk

(SEAL)