

CITY OF LACEY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BONDS, 1988

\$365,000

AN ORDINANCE of the City of Lacey, Washington authorizing the issuance of \$365,000 of limited tax general obligation bonds specifying the date, terms, and maturities thereof; creating a special bond redemption fund; pledging to pay the principal of and interest on the bonds from regular tax levies; and accepting the offer of Seattle Northwest Securities Corporation to purchase such bonds.

THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Authorization of Bonds. The City of Lacey, Washington (the "City"), shall issue \$365,000 par value, being the total par value, of limited tax general obligation bonds (the "Bonds") for the purpose of acquiring land on which to build a city library.

The Bonds shall be dated September 1, 1988, shall be fully registered, shall be in denominations of \$5,000 or any integral multiple of \$5,000, and shall bear interest from their date payable semiannually on the first days of June and December commencing June 1, 1989, to the registered owner thereof, with full obligation on the part of the City to pay interest at the Bond rate or rates until the Bonds, both principal and interest, are paid in full.

Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owner or nominee of such owner at the office of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York (the "Bond Registrar"). Interest on the Bonds shall be paid by check or draft mailed to the registered owner thereof or nominee of such owner at the address appearing on the registry books of the Bond Registrar on the 15th day of the month preceding the interest payment date. The Bonds shall be payable serially, shall bear interest at the following rates, and shall mature on December 1 of each of the following years in the following amounts:

<u>Maturity Year</u>	<u>Amount</u>	<u>Interest Rate</u>
1990	\$30,000	
1991	35,000	
1992	35,000	
1993	35,000	
1994	40,000	
1995	45,000	
1996	45,000	
1997	50,000	
1998	50,000	

Section 2. Redemption. The City has reserved the right to redeem bonds maturing on or after December 1, 1993, as a whole, or in part (maturities to be selected by the City and by lot within a maturity), on December 1, 1992 or any interest payment date thereafter at a price of par plus accrued interest, if any, to the date of redemption.

Notice of redemption will be given not less than 30 nor more than 60 days prior to the redemption date by first-class mail, postage prepaid, to the registered owner of any bond to be redeemed at the address appearing on the Bond Register. In addition, such redemption notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc., at its offices in New York, New York, or its successors, but such mailing shall not be a condition precedent to the redemption of such Bonds. Interest on bonds called for redemption shall cease to accrue on the date fixed for redemption unless the bond or bonds called are not redeemed when presented pursuant to the call.

Section 3. Pledge. The City hereby irrevocably pledges itself to budget and appropriate from annual tax levies available to the City without a vote of the people amounts sufficient, together with other monies legally available therefor, to pay the principal of and interest on the Bonds as the same shall become due, and the full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on such Bonds.

Section 4. Tax Code Covenant. The City covenants that it will take such action or refrain from such action as may be necessary to comply with Sections 103, 141, 148 and 149 of the United States Internal Revenue Code of 1986 (the "Code"), and applicable regulations promulgated thereunder to assure that the interest on the Bonds will not become includable in gross income under Section 103 of the Code.

The City Council hereby find and determine that the City does not expect to issue more than \$5,000,000 aggregate principal amount of obligations which are tax exempt under the Code including but not limited to general obligation bonds and notes, revenue bonds and notes, tax or revenue anticipation notes,

lease purchase or installment purchase contracts and registered warrants in calendar year 1988 and that the City has not created any public corporations or authorities under RCW 35.21.730 et seq. and therefore the City relies on the exception for small governmental units from the rebate requirement under the Code.

The City Council hereby find and determine that the Bonds are, and are hereby designated to be, qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code relating to financial institutions.

Section 5. Form of Bonds. The Bonds shall be printed, lithographed or typewritten on good bond paper in substantially the following form:

UNITED STATES OF AMERICA

No. \_\_\_\_\_

\$ \_\_\_\_\_

STATE OF WASHINGTON

CITY OF LACEY

LIMITED TAX GENERAL OBLIGATION BOND, 1988

INTEREST RATE:

MATURITY DATE:

CUSIP NO.:

SEE REVERSE SIDE FOR  
CERTAIN DEFINITIONS

REGISTERED OWNER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Lacey, Washington (the "City"), for value received, promises to pay to the Registered Owner identified above, or registered nominees, on the Maturity Date specified above, the Principal Amount indicated above and to pay interest thereon from the date of this bond or the most recent date to which interest has been paid or duly provided for at the Interest Rate set forth above, payable on June 1, 1989, and semiannually thereafter on the first days of June and December until this bond with interest is paid in full, or funds are available in the "City of Lacey Limited Tax General Obligation Bond Redemption Fund, 1988" created by Ordinance No. \_\_\_\_ of the City, for payment in full. Both principal of and interest on this bond are payable in lawful money of the United States of America. Principal shall be payable upon presentation and surrender of this certificate by the Registered Owner or nominee of such owner at the office of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York (the "Bond Registrar"). Interest is payable by check or draft mailed to the Registered Owner hereof or nominee of such owner at the address appearing on the registry books of the Bond Registrar on the 15th day of the month preceding the interest payment date.

This bond is one of an issue of \$365,000 of bonds of like date, tenor and effect issued by the City for the purpose of acquisition of land for a city

library and is issued in full compliance with the ordinances of the City and the laws and constitution of the State of Washington.

The City has reserved the right to redeem bonds maturing on or after December 1, 1993, as a whole, or in part (maturities to be selected by the City and by lot within a maturity), on December 1, 1992, or any interest payment date thereafter at a price of par plus accrued interest, if any, to the date of redemption.

Notice of redemption will be given not less than 30 nor more than 60 days prior to the redemption date by first-class mail, postage prepaid, to the registered owner of any bond to be redeemed at the address appearing on the Bond Register. In addition, such redemption notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc., at its offices in New York, New York, or its successors, but such mailing shall not be a condition precedent to the redemption of such Bonds. Interest on bonds called for redemption shall cease to accrue on the date fixed for redemption unless the bond or bonds called are not redeemed when presented pursuant to the call.

The City irrevocably pledges itself to budget and appropriate from annual tax levies available to the City without a vote of the people amounts sufficient together with other monies legally available therefor to pay the principal of and interest on the bonds of this issue as the same shall become due, and the full faith, credit and resources of the City as hereby irrevocably pledged for the payment of the principal of and interest on such bonds.

It is hereby certified that all acts, conditions and things required to be done, to happen or to be performed as conditions precedent to the issuance or in the 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 issue of bonds, does not exceed any constitutional or statutory limitation.

This bond is transferable only upon the registry books of the Bond Registrar, by surrender of this certificate to the Bond Registrar, duly assigned and executed as indicated on the reverse side hereof. The City may deem the person in whose name this bond is registered to be the absolute owner hereof for the purpose of receiving payment of the principal of and interest on the bond and for any and all purposes whatsoever.

The Bond Registrar is not required to issue, register, transfer or exchange any of the bonds during a period beginning at the opening of business on the twentieth (20th) day next preceding any interest payment date and ending at the close of business on such interest payment date, or, in the case of any proposed redemption of the bonds, after the mailing of notice of the call of such bonds for redemption. This bond shall not become valid or obligatory for any purpose until the certificate of authentication set forth hereon has been signed by the Bond Registrar.

IN WITNESS WHEREOF, the City has caused this bond to be signed by the facsimile signature of the Mayor and attested by the facsimile signature of the City Clerk and its corporate seal to be impressed or a facsimile imprinted hereon this 1st day of September, 1988.

CITY OF LACEY, WASHINGTON

BY: \_\_\_\_\_ (facsimile signature)  
Mayor

ATTEST:

\_\_\_\_\_  
(facsimile signature)  
City Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is one of the fully registered City of Lacey, Washington, "Limited Tax General Obligation Bonds, 1988," described in the within mentioned ordinance.

WASHINGTON STATE FISCAL AGENCY  
Bond Registrar

By \_\_\_\_\_ (manual)  
Authorized Officer

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Gifts to Minors

Act \_\_\_\_\_  
(State)

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

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

NUMBER OF TRANSFEREE / \_\_\_\_\_ /

(Please print or typewrite name and address, including zip code of Transferee)

the within bond and does hereby irrevocably constitute and appoint

\_\_\_\_\_ or its successor, as Bond Registrar to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

DATED: \_\_\_\_\_

SIGNATURE GUARANTEED:

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Section 6. Execution and authentication of the Bonds. The Bonds shall be signed on behalf of the City by the facsimile or manual signature of the Mayor, shall be attested by the facsimile or manual signature of the City

Clerk and shall have the corporate seal of the City impressed or a facsimile thereof imprinted thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

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

Section 7. Lost or Stolen Bonds. In case any Bonds shall be lost, stolen or destroyed, the Bond Registrar may deliver a new Bond or Bonds of like amount, maturity, interest rate, date, tenor, and effect to the registered owner or nominee thereof upon the payment to the City for expenses and charges in connection therewith and upon filing with the Bond Registrar evidence satisfactory to said Bond Registrar that such Bond or Bonds were actually lost, stolen or destroyed and of ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

Section 8. Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds. The Bond Registrar is authorized, on behalf of the City to deliver a substitute Bond or Bonds in authorized denominations for any Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance.

Section 9. Bond Redemption Fund. There is hereby created and established in the office of the City Treasurer an account to be known and designated as the City of Lacey Limited Tax General Obligation Bond Redemption Fund, 1988" (the "Bond Redemption Fund") for the sole purpose of payment of the principal of and interest on the Bonds. Accrued interest, if any, received from the sale of the Bonds shall be deposited in the Bond Redemption Fund. The City hereby covenants to deposit in the Bond Redemption Fund on or before each interest and/or principal payment date from annual tax levies available to the City without a vote of the people an amount sufficient together with monies otherwise available therein to pay principal of and interest due on the Bonds on such date.

Section 10. Acquisition Fund. There is hereby created and established in the office of the City Treasurer a special fund to be designated as the "City of Lacey Acquisition Fund, 1988" (the "Acquisition Fund). The principal proceeds received from the sale of the Bonds shall be deposited in the Acquisition Fund and shall be used for the purposes described in Section 1 of this ordinance and to pay the costs of issuance of the Bonds.

Pending their expenditure, the City may temporarily invest monies in the Acquisition Fund in any investments permitted by laws of the State of Washington. The investment earnings shall be retained in the Acquisition Fund and expended for the purposes of such Fund. No monies or investments of the City other than proceeds of the Bonds and earnings on investments thereof shall be deposited in the Acquisition Fund.

Section 11. Disposition of Bond Proceeds. Amounts received as proceeds of sale of the Bonds shall be deposited and applied as follows:

a. To the Bond Redemption Fund shall be paid the amount, if any, received on the date of delivery of the Bonds as accrued interest, which amount shall be applied to pay interest coming due on the Bonds on June 1, 1989; and

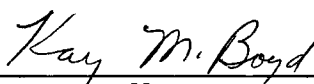
b. To the Acquisition Fund shall be paid the balance of the Bond proceeds, which shall be used for the sole purpose of paying the costs of the Project described in Section 1 of this ordinance and all costs incidental thereto and to the issuance of the Bonds.

Section 12. Sale of the Bonds. The proposal of Seattle-Northwest Securities, Inc. of Seattle, Washington, dated September 8, 1988 to purchase the Bonds, which is attached hereto as Exhibit A, is hereby accepted on the terms set forth therein insofar as consistent with this Ordinance.

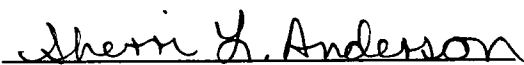
Section 13. Authorization to Officials and Agents. The proper officials of the City are hereby authorized and directed to do all things necessary for the prompt issuance, execution, authentication and delivery of the Bonds, and for the proper use and application of the proceeds of the sale thereof. The City Manager is hereby authorized to approve and execute, on behalf of the City, an official statement with respect to the Bonds.

Section 14. Ratification. All actions taken and things done on behalf of the City in connection with the issuance of the Bonds consistent with this ordinance but prior to its effective date are in all respects hereby ratified and confirmed.

PASSED by the City Council at a regular open public meeting on the 8th day of September, 1988.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

FORM APPROVED:

  
\_\_\_\_\_  
City Attorney

Passed: 09/08/88  
Approved: 09/08/88  
Published: 09/21/88