

POSTED

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Doris A. Ward
Treas. Clerk
Town Of Coupeville

TOWN OF COUPEVILLE, WASHINGTON

ORDINANCE NO. 348

AN ORDINANCE of the Town of Coupeville, Washington, relating to contracting indebtedness; providing for the issuance, specifying the maturities, maximum effective interest rate, terms and covenants of \$400,000 par value of "Unlimited Tax General Obligation Bonds, 1982," authorized by the qualified voters of the Town at a special election held therein pursuant to Ordinance No. 341, as amended by Ordinance No. 342; establishing a bond redemption fund and a construction fund; and providing for the sale of such bonds.

BE IT ORDAINED BY THE MAYOR AND THE TOWN COUNCIL OF THE TOWN OF COUPEVILLE, WASHINGTON, as follows:

Section 1. The Town of Coupeville, Washington (the "Town"), shall presently issue and sell the total \$400,000 par value of negotiable general obligation bonds authorized by the qualified voters of the Town at a special election held on May 18, 1982, pursuant to Ordinance No. 341 passed and approved March 8, 1982, as amended by Ordinance No. 342 passed and approved March 22, 1982, for the purpose of providing part of the cost of carrying out the system or plan of additions to and betterments and extensions of the Waterworks Utility of the Town as specified and adopted by Ordinance No. 341 of the Town. The bonds shall be designated "Unlimited Tax General Obligation Bonds, 1982" (the "Bonds"), of the Town; shall be dated September 1, 1982; shall be in the denomination of \$5,000 each; shall be numbered from 1 to 80, inclusive; and shall bear interest at the rate or rates specified in the winning bid for the Bonds, but not in excess of an effective rate of 16% per annum, payable on September 1, 1983, and semiannually thereafter on each succeeding March 1 and September 1, as evidenced by coupons to be attached to the Bonds representing interest to maturity.

If any Bond is not redeemed upon proper presentment at its maturity or call date thereof, the Town shall be obligated to pay interest at the coupon rate for each such Bond from and after the maturity or call date until such Bond, both principal and interest, shall have been paid in full or until sufficient money for such payment in full is on deposit in the "Unlimited Tax General Obligation Bond Fund, 1982" (the "Bond Fund"), hereinafter created, and such Bond has been duly called for payment. Both principal of and interest on the Bonds are to be paid in lawful money of the United States of America, which at the time of payment shall be legal tender for the payment of public and private debts, at the office of the Town Treasurer-Clerk, or, at the option of the holder, at either fiscal agency of the State of Washington in Seattle, Washington, or New York, New York. The Bonds shall mature serially, annually, in order of their numbers in the following amounts on September of each of the following years (such maturity schedule being computed at an assumed interest rate of 12.5% per annum):

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Maturity Years</u>
1 to 2	\$10,000	1984
3 to 5	15,000	1985
6 to 8	15,000	1986
9 to 11	15,000	1987
12 to 15	20,000	1988
16 to 19	20,000	1989
20 to 24	25,000	1990
25 to 29	25,000	1991
30 to 35	30,000	1992
36 to 42	35,000	1993
43 to 50	40,000	1994
51 to 59	45,000	1995
60 to 69	50,000	1996
70 to 80	55,000	1997

The Town reserves the right to redeem any or all of the Bonds prior to their stated maturity dates as a whole, or in part in inverse numerical order, on September 1, 1992, or any

semiannual interest payment date thereafter at par plus accrued interest to date of redemption.

Notice of such intended redemption shall be published in the official newspaper of the Town or, if there is no official newspaper, in a newspaper of general circulation in the Town, at least once not less than 30 nor more than 45 days prior to the call date, and a copy of such notice shall be mailed within the same period to the main office of the principal underwriter or account manager of the successful bidder for the Bonds, or its successor. In addition, such redemption notice shall be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation at their offices in New York, New York, but the mailing of such notice to such New York firms shall not be a condition precedent to the redemption of such Bonds. Interest on any Bonds so called for redemption shall cease on such call date upon payment of the redemption price into the Bond Fund.

The Town further reserves the right to purchase any or all of the Bonds in the open market at any time at a price not in excess of par plus accrued interest to date of purchase.

Section 2. The Town irrevocably pledges to levy taxes annually, without limitation as to rate or amount, on all property in the Town subject to taxation in an amount sufficient, together with other money legally available and to be used 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 Town are pledged irrevocably for the payment of the principal of and interest on such Bonds.

Section 3. The Town covenants that it will spend the principal proceeds of the Bonds with due diligence to completion of the purposes specified in this ordinance and will make no use of the proceeds of the Bonds or of its other money at any time .

during the term of the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations promulgated thereunder.

Section 4. The Bonds and coupons shall be printed or lithographed on good bond paper in a form consistent with the provisions of this ordinance. The Bonds shall be signed by the manual signature of the Mayor, attested by the facsimile signature of the Town Treasurer-Clerk under the seal of the Town, and the coupons shall bear the facsimile signatures of the Mayor and the Town Treasurer-Clerk.

Section 5. The Bond Fund is created and established in the office of the Town Treasurer-Clerk. The accrued interest received, if any, upon the sale and delivery of the Bonds shall be paid into the Bond Fund. The principal proceeds and premiums, if any, received from the sale and delivery of the Bonds shall be paid into the "Sewer Construction Fund, 1982," heretofore created and used for the purposes specified in Section 1 of this ordinance and to pay the costs of issuance and sale of the Bonds. Pending the expenditure of such principal proceeds, the Town may temporarily invest such proceeds in any legal investment and the investment earnings may be retained in the "Sewer Construction Fund, 1982," and expended for the purposes of such fund. All taxes collected for and allocated to the payment of the principal of and interest on the Bonds shall hereafter be deposited in the Bond Fund. Pending the receipt of the proceeds from the issuance of the Bonds, interest-bearing warrants may be drawn on the "Sewer Construction Fund, 1982," to provide interim funds to pay such costs, such loan to be repaid from the proceeds received from the issuance of the Bonds.

Section 6. The Bonds shall be sold for cash at public sale for not less than par, plus accrued interest.

The Town Treasurer-Clerk is authorized to give notice calling for bids to purchase the Bonds by publishing such notice as required by law and a short abbreviated form of such notice shall also be published once in The Seattle Daily Journal of Commerce and Northwest Construction Record of Seattle, Washington, at least ten days prior to the sale date. Such notice shall specify that sealed bids for the purchase of the Bonds shall be received by the Town Treasurer-Clerk at the offices of Roberts & Shefelman, 4100 Seafirst Fifth Avenue Plaza, 800 Fifth Avenue, Seattle, Washington, on August 23, 1982, up to 11:00 a.m., local time, at which time all bids will be publicly opened and read and an award made by the Town Council at its regular meeting to be held in the Town Council Chambers commencing at 1:00, p.m., local time, on the same date.

Bids shall be invited for the purchase of the Bonds with fixed maturities in accordance with the schedule specified in Section 1 hereof.

The notice shall specify the maximum effective rate of interest the Bonds shall bear, namely, 16% per annum, and shall require bidders to submit a bid specifying:

(a) The lowest rate or rates of interest and premium, if any, above par at which the bidder will purchase the Bonds; or

(b) The lowest rate or rates of interest at which the bidder will purchase the Bonds at par.

No bid will be considered for the Bonds for less than par and accrued interest or for less than the entire issue. The purchaser must pay accrued interest to date of delivery of the bonds.

Coupon rates shall be in multiples of 1/8 or 1/10 of 1%, or both. No more than one rate of interest may be fixed for any one maturity. Only one coupon will be attached to each of the Bonds for each installment of interest thereon, and bids providing for additional or supplemental coupons will be rejected. The maximum differential between the lowest and highest coupon rates named in any bid shall not exceed 3%.

For the purpose of comparing the bids only, the coupon rates bid being controlling, each bid shall state the total interest cost over the life of the Bonds and the net effective interest rate of the bid.

The Bonds shall be sold to the bidder making the best bid, subject to the right of the Town Council to reject any and all bids and to readvertise the Bonds for sale in the manner provided by law, and no bid for less than all of the Bonds shall be considered. The Town further reserves the right to waive any irregularity in any bid or in the bidding process.

All bids shall be sealed and, except the bid of the State of Washington, if one is received, shall be accompanied by a deposit of \$20,000. The deposit shall be by either a certified or cashier's check made payable to the Town Treasurer-Clerk and shall be returned promptly if the bid is not accepted. The Town reserves the right to invest the good faith deposit of the purchaser pending the payment for the Bonds. The purchaser shall not be credited for earnings on such investment. If the Bonds are ready for delivery and the successful bidder shall fail or neglect to complete the purchase of the Bonds within forty days following the acceptance of its bid, the amount of its deposit shall be forfeited to the Town and in that event the Town may accept the bid of the one making the next best bid. If there be two or more equal bids for not less than par plus accrued

interest and such bids are the best bids received, the Town Council shall determine by lot which bid shall be accepted. The Bonds will be delivered to the successful bidder upon payment of the purchase price plus accrued interest to the date of delivery, less the amount of the good faith deposit, at the office of the Town Treasurer-Clerk or in Seattle, Washington, at the Town's expense, or at such other place as the Town Treasurer-Clerk and the successful bidder may mutually agree upon at the purchaser's expense. Settlement shall be made in federal funds immediately available at the time of delivery of the Bonds. A no-litigation certificate in the usual form will be included in the closing papers.

CUSIP numbers will be printed on the Bonds, if requested in the bid of the successful bidder, but neither failure to print such numbers on any bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the Town, but the fee of the CUSIP Service Bureau for the assignment of those numbers shall be the responsibility of and shall be paid by the purchaser.

Any bid presented after the time specified for the receipt of bids will not be received, and any bid not accompanied by the required bid deposit at the time of opening will not be read or considered.

If, prior to the delivery of the Bonds, the interest receivable by the holders thereof shall become taxable, directly or indirectly, by the terms of any federal income tax law, the successful bidder may at its option be relieved of its obligation to purchase the Bonds, and in such case the deposit accompanying its bid will be returned, without interest.

The notice of bond sale shall provide that the Town will cause the Bonds to be printed or lithographed and signed and will furnish the approving legal opinion of Messrs. Roberts & Shefelman (Roberts, Shefelman, Lawrence, Gay & Moch), bond counsel of Seattle, Washington, covering the Bonds without cost to the purchaser, the opinion also being printed on each bond. Bond counsel shall not be required to review or express any opinion concerning the completeness or accuracy of any official statement, offering circular or other sales material issued or used in connection with the Bonds, and bond counsel's opinion shall so state. Such notice shall also provide that further information regarding the details of the Bonds may be received upon request made to the Town Treasurer-Clerk or to Foster & Marshall/American Express Inc., 205 Columbia Street, Seattle, Washington 98104, the Town's financial consultant.

PASSED by the Town Council and APPROVED by the Mayor of the Town of Coupeville, Washington, at a regular open public meeting thereof, this 26 day of July, 1982.

ATTEST:

Dennis A. Ward
Town Treasurer-Clerk

FORM APPROVED:

Paul C. Cline
Town Attorney

Lawrence J. Moch
Mayor

I, DORIS A. WARD, Town Treasurer-Clerk of the Town of Coupeville, Washington, certify that the attached copy of Ordinance No. 348 is a true and correct copy of the original ordinance passed on the 26th day of July, 1982, as such ordinance appears on the Minute Book of the Town.

DATED this 26th day of July, 1982.



Doris A. Ward
Town Treasurer-Clerk