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CITY OF LYNNWOOD, WASHINGTON

ORDINANCE NO. 85

AN ORDINANCE providing for the guarantee of local improvement bonds and warrants for the City of Lynnwood, Washington; and creating a fund for the purpose of guaranteeing, to the extent of such fund, bonds and warrants issued against local improvement districts therein, in accordance with Chapter 141, Laws of 1923, and Acts amendatory thereof (being Chapter 35.54, RCW).

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

Section 1. In accordance with Chapter 141, Laws of 1923, and Acts amendatory thereof (being Chapter 35.54, RCW), the City of Lynnwood hereby establishes and creates a fund for the purpose of guaranteeing, to the extent of such fund, the payment of its bonds and warrants issued to pay for any local improvement ordered in Local Improvement Districts Nos. 1960-2 and 1961-1, heretofore created, and in any local improvement districts in the City of Lynnwood created subsequent to the effective date of this Ordinance. This fund shall be known and designated as "Local Improvement Guaranty Fund."

Section 2. After the passage of this Ordinance, there shall be levied, from time to time as other taxes are levied, such sums as may be necessary to meet the financial requirements of the Local Improvement Guaranty Fund created by this Ordinance; and whenever the City of Lynnwood shall have paid out of said "Guaranty Fund" any sum on account of principal and interest on a local improvement bond or warrant hereunder guaranteed, the City of Lynnwood, as Trustee for such fund, shall be subrogated to all of the rights of the holder of the bond, interest coupon, or warrant so paid and the proceeds thereof, or of the underlying assessments, shall become a part of said fund.



Section 3. Whenever any interest coupon, bond or warrant guaranteed under the provisions of the laws of the State of Washington in pursuance of which this Ordinance is passed shall be in default, the City Clerk shall be and is hereby authorized and directed, upon the presentation and delivery of such defaulted bond, coupon or warrant, to execute, sign and deliver to the person or persons presenting the same, in the order of their presentation, and the Treasurer shall honor and pay, a warrant on the Local Improvement Guaranty Fund in such amount as may be necessary to pay in full any such coupon, bond or warrant with any interest that may be due thereon. Any defaulted coupon, bond or warrant received by the City Clerk under the provisions of this Ordinance shall be held for the benefit of said Local Improvement Guaranty Fund.

Section 4. Warrants drawing interest at a rate not to exceed six per cent shall be issued, as other warrants are issued by the City, against the said Local Improvement Guaranty Fund to meet any liability accruing against it; and at the time of making its annual budget and tax levy, the City shall provide for the levying of a sum sufficient, with the other resources of the fund, to pay warrants so issued during the preceding fiscal year and to establish such balance therein as the City Council shall deem to be advisable; PROVIDED, that the levy in any one year shall not exceed five per cent of the outstanding obligations guaranteed by the fund.

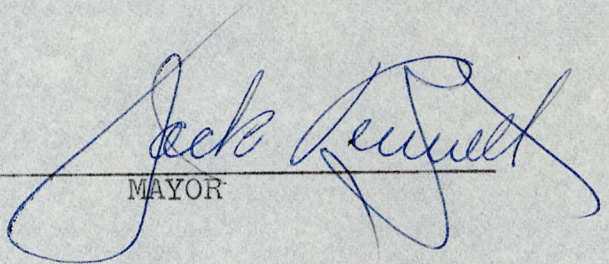
Section 5. The City Treasurer is hereby authorized and directed to pay into such Local Improvement Guaranty Fund all interest received from bank deposits of said fund, as well as any surplus remaining in any local improvement district fund guaranteed under State laws after the payment of all outstanding bonds or warrants payable primarily out of such



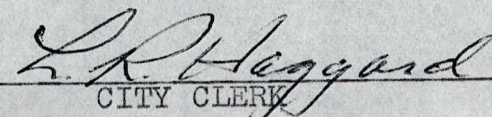
local improvement district fund.

Section 6. Neither the owner nor the holder of any bond, interest coupon, or warrant issued against a local improvement fund after the passage of this Ordinance shall have any claim therefor against the City of Lynnwood, except for payment from the special assessments made for the improvement for which said bond or warrant was issued, and except as against the Local Improvement Guaranty Fund created by this Ordinance, and the City shall not be liable to any holder or owner of such bond, interest coupon, or warrant for any loss to the said Guaranty Fund occurring in the lawful operation thereof by the City. The remedy of the holder or owner of a bond or warrant in case of nonpayment shall be confined to the enforcement of the assessment and to the Guaranty Fund. A copy of Section 35.45.070, Revised Code of Washington, the provisions of which are included in this section, shall be plainly written, printed or engraved on each bond issued and guaranteed hereunder.

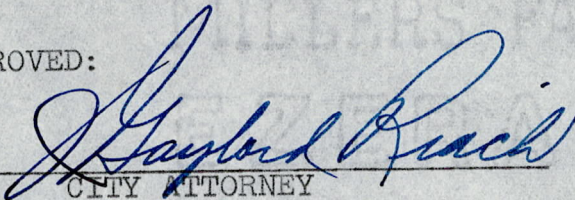
PASSED by the City Council of the City of Lynnwood, Washington, at a regular meeting thereof, and APPROVED by the Mayor, this 13th day of July, 1961.

  
MAYOR

ATTEST:

  
CITY CLERK

APPROVED:

  
CITY ATTORNEY