

CITY OF LIBERTY LAKE, WASHINGTON

GENERAL OBLIGATION BONDS

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ORDINANCE NO. 167

AN ORDINANCE of the City Council of the City of Liberty Lake, Washington, providing for a form of the ballot proposition and specifying certain other details concerning submission to the qualified electors of the city at a special election to be held therein on April 22, 2008, for the issuance of its general obligation bonds in the aggregate principal amount of not to exceed \$9,800,000, or so much thereof as may be issued under the laws governing the indebtedness of cities, for the purpose of providing funds to construct and equip a community center and library facility.

ADOPTED: February 19, 2008

Prepared by:

K&L PRESTON GATES ELLIS LLP  
SPOKANE, WASHINGTON

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WHEREAS, the City of Liberty Lake, Washington (the "City") proposes to construct and equip a new community center to be used for general community and library purposes (the "Improvements"); and

WHEREAS, in order to provide all or a part of the funds to enable the City to undertake the construction and equipping of the Improvements, it is deemed necessary and advisable that the City issue and sell its unlimited tax general obligation bonds to provide funds for such purposes in the principal amount of not to exceed \$9,800,000 (the "Bonds"); and

WHEREAS, the Constitution and laws of the State of Washington provide that the question of whether or not such Bonds may be issued and sold for such purposes shall be submitted to the qualified electors of the City for their ratification or rejection;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LIBERTY LAKE ORDAINS, as follows:

Section 1.     Findings. This City Council (the "Council") hereby finds and declares that the best interest of the residents and property owners of the City require the City to carry out the plans hereinafter provided at the time or times and in the order deemed most necessary and advisable by the Council.

Section 2. Capital Improvements. The City shall construct and equip a new community center to be used for general community and library purposes on land currently owned by the City (the "Improvements").

The cost of all necessary architectural, engineering and other consulting services, inspection and testing, administrative and relocation expenses, site acquisition, on and off-site utilities, related improvements and other costs incurred in connection with the foregoing improvements shall be deemed a part of the costs of such Improvements. Such Improvements shall be complete with all necessary furniture, equipment and appurtenances.

If available funds are sufficient from the proceeds of Bonds authorized for the above purposes, and state or local circumstances require, the City shall use such funds to pay the principal of or interest on the Bonds, as the Council may determine.

The City shall determine the application of available moneys so as to accomplish, as nearly as may be, all of the Improvements. The City shall determine the exact extent and specifications for construction of structures or other improvements.

If the Council shall determine that it has become impractical to accomplish any portion of the Improvements by reason of state or local circumstances, including changed conditions, incompatible development, or costs substantially in excess of those estimated, the City shall not be required to accomplish such portions of the Improvements and may apply the Bond proceeds or any portion thereof, to payment of principal of or interest on the Bonds, as the Council may determine.

In the event that the proceeds of sale of the Bonds, plus any other moneys of the City legally available, are insufficient to accomplish all of the Improvements, the City shall use the available funds for paying the cost of those portions of the Improvements for which the Bonds

were approved deemed by the Council most necessary and in the best interest of the City.

Section 3. Authorization of Bonds. For the purpose of providing all or a part of the funds necessary to pay the cost of the Improvements described in Section 2 hereof and/or to reimburse the City for such costs to the extent that City funds have been used for such purpose, together with incidental costs and costs related to the sale and issuance of the Bonds, the City shall issue and sell its unlimited tax general obligation bonds in the principal amount of not to exceed \$9,800,000. The balance of the cost of the Improvements shall be paid out of any money which the City now has or may later have on hand which are legally available for such purposes. None of said Bond proceeds shall be used for the replacement of equipment or for any other than a capital purpose relating to the Improvements. Such Bonds shall be issued in an amount not exceeding the amount approved by the qualified electors of the City as required by the Constitution and laws of the State of Washington or exceeding the amount permitted by the Constitution and laws of the State of Washington.

Section 4. Details of Bonds. The Bonds provided for in Section 3 hereof shall be sold in such amounts and at such time or times as deemed necessary and advisable by this Council and as permitted by law, shall bear interest at a rate or rates not to exceed the maximum rate permitted by law at the time the Bonds are sold, and shall mature in such amounts and at such times within a maximum term of not to exceed twenty (20) years from date of issue, but may mature at an earlier date or dates, as authorized by this Council and as provided by law. Said Bonds shall be general obligations of the City and, unless paid from other sources, both principal thereof and interest thereon shall be payable out of annual tax levies to be made upon all the taxable property within the City without limitation as to rate or amount and in excess of any constitutional or statutory tax limitations. The exact date, form, terms and maturities of said

Bonds shall be as hereafter fixed by ordinance of the Council. After voter approval of the bond proposition and in anticipation of the issuance of such bonds, the City may issue short term obligations as authorized and provided by chapter 39.50 RCW. The proceeds of such bonds may be used to redeem and retire short term obligations or to reimburse the City for expenditures previously made for such Improvements.

Section 5.     Bond Election. It is hereby found and declared that the best interests of the City requires the submission to the qualified electors of the City of the proposition of whether the City shall issue the Bonds at a special election to be held on April 22, 2008. The Spokane County Auditor as ex officio supervisor of elections in Spokane County, Washington is hereby requested to call and conduct said special election to be held within the City on said date and to submit to the qualified electors of the City the proposition set forth below. The Clerk of the City is hereby authorized and directed to certify said proposition to said official in the following form:

PROPOSITION NO. 1

CITY OF LIBERTY LAKE, WASHINGTON

LIBRARY/COMMUNITY CENTER  
GENERAL OBLIGATION BONDS - \$9,800,000

The City Council of the City of Liberty Lake approved a proposition for bonds. This proposition authorizes the City to construct and equip a community center for general community and library purposes, to issue \$9,800,000 of general obligation bonds maturing within a maximum term of twenty years and to levy excess property taxes annually to repay such bonds, all as provided in Ordinance No. 167. Should this proposition be:

APPROVED ?     

REJECTED ?     

The City Clerk is hereby authorized to deliver a certified copy of this ordinance to the

Spokane County Auditor.

Section 6.     Severability. In the event that any provision of this ordinance shall be held to be invalid, such invalidity shall not affect or invalidate any other provision of this ordinance or the Bonds, but they shall be construed and enforced as if such invalid provision had not been contained herein; provided, however, that any provision which shall for any reason be held by reason of its extent to be invalid shall be deemed to be in effect to the extent permitted by law.

Section 7.     Effective Date. This ordinance shall become effective as provided by law.

APPROVED by the City Council of the City of Liberty Lake, Washington, at a regular meeting thereof held the 19th day of February, 2008, after first reading of the Ordinance on February 5, 2008.

CITY OF LIBERTY LAKE,  
WASHINGTON

By Wendy VanOrman  
Mayor

ATTEST:

Cynthia Smith  
City Clerk

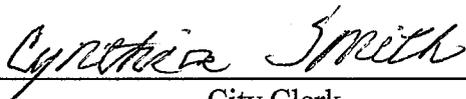
CERTIFICATE

I, the undersigned, City Clerk of the City of Liberty Lake, Washington (the "City"), and keeper of the records of the City Council (the "Council"), DO HEREBY CERTIFY:

1. That the attached Ordinance is a true and correct copy of Ordinance No. 167 of the City of Liberty Lake (herein called the "Ordinance"), duly approved at a regular meeting of the Council held on the 19th day of February, 2008.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of February, 2008.

  
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City Clerk

OFFICIAL BALLOT  
CITY OF LIBERTY LAKE, WASHINGTON  
April 22, 2008

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INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "APPROVED"; to vote against the following proposition, place a cross (X) in the square opposite the word "REJECTED."

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