

CITY OF GIG HARBOR, WASHINGTON

ORDINANCE NO. 635

AN ORDINANCE of the City Council of Gig Harbor, Washington, approving an amendment to Ordinance No. 633, of the City to change the first interest payment date of the bonds authorized therein.

WHEREAS, the City of Gig Harbor, Washington (the "City") now operates and maintains a combined system of water and sewerage (the "System"), and

WHEREAS, the City formed Utility Local Improvement District No. 3 on January 27, 1992, by the passage of Ordinance No. 617 for the purpose of undertaking an extension of the System to certain areas outside the boundaries of the City; and

WHEREAS, to finance a portion of the cost of certain road improvements to the system, the City Council of the City passed on August 10, 1992 Ordinance No. 633, authorizing the issuance and sale of subordinate lien water and sewer bond anticipation notes in the aggregate principal amount of \$1,800,000 (the "Notes")

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF GIG HARBOR, WASHINGTON, AS FOLLOWS:

Section 1. Definitions. Unless otherwise defined, capitalized terms used in this ordinance shall have the same meanings given to such terms in Ordinance No. 633 of the City Council.

Section 2. Amendment of Section 4 of Ordinance No. 633. The first paragraph of Section 4 of Ordinance No. 633, of the City Council is hereby amended to read as follows (with additions underlined and deletions stricken through):

Section 4. Authorization of Notes. For the purpose of providing interim financing of the Project pending its completion and the issuance of the Bonds, the Council hereby authorizes the issuance and sale of its subordinate lien water and sewer revenue bond anticipation notes (the "Notes"). The Notes shall be designated as the "City of Gig Harbor, Washington, Subordinate Lien Water and Sewer Revenue Bond Anticipation Notes, 1992," shall be dated as of August 1, 1992, shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof, shall bear interest at a per annum rate of 4.25%, payable on August 1 ~~February~~ 1, 1993 and each February 1 and August 1 thereafter and shall mature on August 1, 1994. Interest on the Notes shall be calculated on the basis of a 360-day year with 30-day months.

Section 3. Amendment of Section 18 of Ordinance No. 633. The front page in Section 18 of Ordinance No. 633 of the City Council is hereby amended to read as follows (with additions underlined and deletions stricken through).

Section 18. Form of Notes and Certificate of Authentication. The Notes shall be in substantially the following form:

UNITED STATES OF AMERICA

\$ _____

No. _____

STATE OF WASHINGTON

CITY OF GIG HARBOR

SUBORDINATE LIEN WATER AND SEWER REVENUE BOND
ANTICIPATION NOTE, 1992

INTEREST RATE:

MATURITY DATE:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Gig Harbor, Washington, a municipal corporation of the State of Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay, but solely from the Note Fund (hereinafter defined), to the Registered Owner identified above, or registered assigns, on the Maturity Date the Principal Amount specified above and to pay interest thereon from August 1, 1992, or the most recent date to which interest has been paid or duly provided for until payment of this note, at the rate of 4.25% per annum, payable on August 1 ~~February 1~~, 1993 and on each February 1 and August 1 thereafter for as long as this note remains outstanding. Both principal of and interest on this note are payable in lawful money of the United States of America. Interest shall be paid by mailing a check or draft to the registered owner or assigns at the address shown on the Note Register as of the 15th day of the month prior to the interest payment date. Principal shall be paid to the registered owner or assigns upon presentation and surrender of this Note at the principal office of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York (collectively the "Note Registrar"). Interest shall be calculated on the basis of a year of 360 days and twelve 30-day months. Both principal of and interest on this note are payable solely out the special fund of the City known as the "Subordinate Lien Water and Sewer Revenue Bond Anticipation Note Fund, 1992" (the "Note Fund") as provided by Ordinance No. 633 of the City (the "Note Ordinance"). The definitions contained in the Note Ordinance shall apply to capitalized terms contained herein.

This note is one of an authorized issue of notes of like date and tenor, except as to number and amount, in the aggregate principal amount of \$1,800,000. The notes of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and the Note Ordinance for the purpose of paying part of the costs of industrial sewer and water improvements to the combined water and sewer system of the City. The notes of this issue are issued in anticipation of the issuance of subordinate lien water and sewer revenue bonds authorized by the City to be issued.

This note is a special obligation of the City and is payable solely from the Note Fund of the City into which the City has covenanted and agreed to deposit the proceeds of water and sewer revenue bonds. The City has further covenanted to deposit money in the Note Fund from the proceeds of water and sewer revenue bonds and Assessments or from other sources, other than tax revenues (limited to earnings and revenue of the System), or from the

proceeds of additional water and sewer revenue bond anticipation notes in amounts sufficient to pay when due the principal of and interest on any and all outstanding notes of this issue. The obligation to apply such funds shall constitute a lien and charge upon available moneys in the Revenue Fund as provided in the Note Ordinance.

The City has reserved the right to redeem any or all of the outstanding notes of this issue on August 1, 1993, or on the first day of any month thereafter, at a price of 100% of the principal amount thereof plus accrued interest to the date of redemption.

Notice of any such intended redemption shall be given not fewer 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 Note Register. The requirements of the Note Ordinance shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the owner of any note. Interest on all of such notes so called for redemption shall cease to accrue on the date fixed for redemption unless such note or notes so called for redemption are not redeemed upon presentation made pursuant to such call. The Note Registrar shall not be required to register, transfer or exchange any note called for redemption within 20 days next preceding the date fixed for such redemption.

Portions of the principal sum of this note in installments of \$5,000 or any integral multiple thereof may also be redeemed in accordance with the provisions set forth above, and if less than all of the principal sum hereof is to be redeemed, upon the surrender of this note at the principal office of the Note Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum hereof, at the option of the Registered Owner, a note or notes of like maturity and interest rate in any of the denominations authorized by the Note Ordinance.

The City hereby irrevocably covenants and agrees with the Registered Owner of this note that it will keep and perform all the covenants of this note and of the Note Ordinance to be by it kept and performed. Reference is hereby made to the Note Ordinance for a complete statement of such covenants and for the definition of capitalized terms used herein.

This note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Note Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Note Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this note have happened, been done and performed and that the issuance of this note and the notes of this series does not violate any constitutional, statutory or other limitation upon the amount of indebtedness that the City may incur.

IN WITNESS WHEREOF, City of Gig Harbor, Washington, has caused this note to be signed with the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and the seal of the City to be impressed or a facsimile thereof to be imprinted hereon, as of this 1st day of August, 1992.

CITY OF GIG HARBOR, WASHINGTON

By Aritcha Ohlendorf
Mayor

ATTEST:

Mark E. W.

City Clerk

Section 4. Ratification. As amended by this ordinance, Ordinance No. 633 of the City Council, is hereby ratified, approved and confirmed.

Section 5. Effective Date. This ordinance shall become effective five days after its passage and publication as provided by law.

INTRODUCED ON September 14, 1992 AND FINALLY PASSED by
the City Council of the City of Gig Harbor, Washington, at a
regular meeting thereof and approved by the Mayor of the City, on
this 28th day of September 1992.

CITY OF GIG HARBOR, WASHINGTON

By Patricia Johnson
Mayor

ATTEST:

J. L. Johnson
City Clerk

Filed with city clerk: 9/10/92
Passed by city council: 9/28/92
Date published: 10/7/92
Date effective: 10/12/92

CERTIFICATE OF CLERK

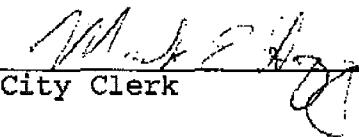
I DO HEREBY CERTIFY that I am the duly chosen, qualified and acting City Clerk of the City Council (the "Council") of Gig Harbor, Washington (the "City"), and keeper of the records of the City; and

I HEREBY CERTIFY:

1. That the attached ordinance is a true and correct copy of Ordinance No. 635 of the City (the "Ordinance"), as finally passed at a regular meeting of the Council held on the 28th day of September, 1992 and duly recorded in my office.

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 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 the Ordinance; that all other requirements and proceedings incident to the proper passage of the 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 and affixed the official seal of the City this 5th day of October, 1992.



City Clerk

(SEAL)