

CITY OF GIG HARBOR, WASHINGTON

UNLIMITED TAX GENERAL OBLIGATION BONDS, 1987

\$1,300,000

ORDINANCE NO. 516

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF UNLIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY IN THE PRINCIPAL SUM OF \$1,300,000, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY PART OF THE COSTS OF CAPITAL IMPROVEMENTS TO ITS DOMESTIC SEWER SYSTEM; PROVIDING THE DATE, FORM, TERMS AND MATURITIES OF SAID BONDS; CREATING A BOND FUND; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE OF SUCH BONDS; PROVIDING FOR THE ANNUAL LEVY OF TAXES TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AND PROVIDING FOR THE SALE THEREOF.

INTRODUCED: August 5, 1987

PASSED: August 10, 1987

Prepared By:

PRESTON, THORGRIMSON, ELLIS & HOLMAN

SEATTLE, WASHINGTON

CITY OF GIG HARBOR, WASHINGTON

ORDINANCE NO. \_\_\_\_\_

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\* Neither this Table of Contents nor the preceding cover page  
is a part of this ordinance.

ORDINANCE NO. 510

AN ORDINANCE of the City Council of the City of Gig Harbor, Washington, providing for the issuance and sale of unlimited tax general obligation bonds of the City in the principal sum of \$1,300,000, for the purpose of providing funds to pay part of the costs of capital improvements to its domestic sewer system; providing the date, form, terms and maturities of said bonds; creating a bond fund; providing for the disposition of the proceeds of sale of such bonds; providing for the annual levy of taxes to pay the principal of and interest on said bonds; and providing for the sale thereof.

WHEREAS, the City of Gig Harbor, Washington (the "City"), by Ordinance No. 495, passed on September 17, 1986, has found it necessary for the public welfare and for the benefit of the residents of the City that improvements to the domestic sewer system of the City be undertaken (the "Project"); and

WHEREAS, at an election held on November 4, 1986, the voters of the City authorized issuance of unlimited tax levy general obligation bonds in the principal amount of \$1,300,000 (the "Bonds") to pay the costs of the Project; and

WHEREAS, the City has received the offer of Boettcher & Company, Inc. to purchase the Bonds; and

WHEREAS, the Council has reviewed said offer and finds it acceptable,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, DOES ORDAIN as follows:

Section 1. Definitions. As used in this ordinance, the following words shall have the following meanings, unless a different meaning clearly appears from the context.

"Bond Fund" means the "City of Gig Harbor Unlimited Tax General Obligation Bond Redemption Fund, 1987" created by Section 5 of this ordinance.

"Bond Register" means the books or records maintained by the Bond Registrar containing the name and mailing address of the owner of each Bond or nominee of such owner and the principal amount and number of Bonds held by each owner or nominee.

"Bond Registrar" means the fiscal agencies of the State of Washington, currently Seattle-First National Bank, Seattle, Washington, and IBJ Schroder Bank & Trust Company, New York, New York, or any fiscal agent of the State of Washington that may hereafter be designated as successor to such banks.

"Bonds" means the \$1,300,000 principal amount of City of Gig Harbor, Washington, Unlimited Tax General Obligation Bonds, 1987, issued pursuant to this ordinance for the purpose of paying the costs of the Project authorized by Section 2 hereof.

"City" means the City of Gig Harbor, Washington, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of Washington.

"Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time, together with any applicable regulations thereunder.

"Construction Fund" means the City of Gig Harbor Sewer Capital Assets Fund heretofore created in the office of the City Administrator/Treasurer.

"Council" means the City Council, as general legislative authority of the City as the same shall be duly and regularly constituted from time to time.

"Project" means the capital improvements to the System, as authorized by Section 2 of this ordinance.

"System" means the combined system of water and sewerage now maintained by the City, as the same shall be improved, added to and extended from time to time.

"Treasurer" means the Treasurer of the City appointed by the Mayor, or any successor to the functions of such Treasurer.

Section 2. Findings and Authorization of Project. It is hereby found and declared that the public interest and benefit of the inhabitants of the City require that the City expand and improve the City's sewage treatment plant in order to comply with the requirements of the State of Washington Department of Ecology. The foregoing, together with the costs of issuance of the Bonds (hereinafter authorized), are herein referred to as the "Project." The estimated cost of the Project and of all costs incidental thereto and to the issuance of the Bonds hereby declared to be as near as may be, \$2,500,000, which shall be provided from the proceeds of sale of the Bonds and from a grant received from the State of Washington Department of Ecology.

The Council shall approve plans and specifications for the Project and proceed with the acquisition, construction and equipping of the Project in such stages and at such times as shall hereafter be determined by the Council. If the Council shall determine that it has become impractical to undertake any part or all of the planning, development, acquisition, construction or equipping of the Project by reason of changed conditions, insufficient funding or increased costs, the Council may make such changes in the size, scope or details of the Project as it shall deem reasonable.

Section 3. Authorization of Bonds. The City hereby authorizes the issuance and sale of the Bonds in the aggregate principal amount of \$1,300,000 to provide the funds necessary to pay the cost of the Project and all costs incidental thereto and to the issuance of the Bonds. The Bonds shall be general obligations of the City; shall be designated "City of Gig Harbor, Washington, Unlimited Tax General Obligation Bonds, 1987," shall be dated as of August 1, 1987; shall be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof, provided that no Bond shall represent more than one maturity, shall be numbered separately and in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear interest from their date, until the Bonds have been paid or their payment duly provided for, at the following rates, payable on June 1, 1988, and semiannually there-

after on the first day of each June and December; and shall mature on December 1 of each year as follows:

<u>Maturity Year</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
1989	\$35,000	
1990	35,000	
1991	40,000	
1992	45,000	
1993	50,000	
1994	50,000	
1995	55,000	
1996	60,000	
1997	65,000	
1998	70,000	
1999	75,000	
2000	80,000	
2001	85,000	
2002	95,000	
2003	100,000	
2004	110,000	
2005	120,000	
2006	130,000	

The City hereby specifies and adopts the system of registration for the Bonds approved by the State Finance Committee, and the fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York, shall act as authenticating trustee, transfer agent, paying agent and registrar for the Bonds (collectively, the "Bond Registrar"). Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by check or draft of the Bond Registrar mailed (on the date such interest is due) to the registered owners or nominees at the addresses appearing on the Bond Register as of the fifteenth (15th) day of the month prior to the interest payment date. Principal of the Bonds shall be payable upon presentation and

surrender of the Bonds to the Bond Registrar by the registered owners or nominees at the principal offices of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, or New York, New York.

The Bonds may be transferred only on the Bond Register maintained by the Bond Registrar for that purpose upon the surrender thereof by the registered owner or nominee or his duly authorized agent and only if endorsed in the manner provided thereon, and thereupon a new fully registered Bond of like principal amount, maturity and interest rate shall be issued to the transferee in exchange therefor. Such transfer shall be without cost to the registered owner or transferee. The City and Bond Registrar may deem the person in whose name each Bond is registered to be the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Bonds and for any and all other purposes whatsoever.

Upon surrender thereof to the Bond Registrar, the Bonds are interchangeable for Bonds in any authorized denomination of an equal aggregate principal amount and of the same interest rates and maturities.

The Bond Registrar shall not be required to issue, register, transfer or exchange any of the Bonds during a period beginning at the opening of business on the fifteenth (15th) day of the month next preceding any interest payment date and ending at the close of business on the 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.

Section 4. Prior Redemption. The Bonds maturing in the years 1989 through 1996 are not callable for redemption prior to their scheduled maturity. The City reserves the right to redeem the Bonds maturing on and after December 1, 1997, in whole, or in part, in inverse order of maturity (and by lot within a maturity) in such manner as the Bond Registrar in his discretion shall determine, on December 1, 1996, and on any interest payment date thereafter, at a price of 100% of the principal amount thereof plus accrued interest thereon to the redemption date. If the City redeems at any one time fewer than all of the Bonds having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of the Bond at the principal office of the Bond Registrar there shall be issued to the registered owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the owner, a Bond or Bonds of like maturity and interest rate in any of the denominations herein authorized.

The City further reserves the right to use at any time any available funds, to purchase any of the Bonds in the open market for retirement only, if the same may be purchased at a price not exceeding that at which they could be called for redemption on the first succeeding date on which they may be called, plus accrued interest.

Unless waived by any registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if fewer than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion

thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

On or prior to any redemption date, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be so redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further

notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

1. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

2. Each further notice of redemption may be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, Pacific Securities Depository Trust Company of San Francisco, California and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and shall be sent to one or more national information services that disseminate notices of redemption of obligations such as the Bonds (such as Moody's Investors Service and Standard & Poor's Corporation) at their respective offices in New York, New York.

3. Each such further notice shall be published one time in The Bond Buyer of New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the owners of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

4. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

The foregoing notice provisions of this Section 4, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 5. Creation of Bond Fund and Provision for Tax Levy Payments. A special fund of the City known as the "City of Gig Harbor Unlimited Tax General Obligation Bond Redemption Fund, 1987" (the "Bond Fund"), is hereby authorized and directed to be created in the office of the City Administrator/Treasurer. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Bonds.

The City hereby further irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid, that each year it will include in its budget and levy an ad valorem tax, without limitation as to rate or amount, upon all the property within the City subject to taxation, together with all other moneys of the City which may legally be used and which the City may apply for such purposes, including but not limited to sewer connection fees and other revenues of the System, sufficient to pay the principal of and interest on the Bonds as the same shall become due. All of such taxes and any of such other moneys so collected shall be paid into the Bond Fund. None of the moneys in the Bond Fund shall be used for any other purpose than the payment of the principal of and interest on the Bonds. Moneys in the Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in such institutions or invested in such any obligations as may be lawful for the investment of City moneys. Any interest or profit from the investment of such moneys shall be deposited in the Bond Fund.

The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds as the same shall become due.

Section 6. Defeasance. In the event that money and/or "Government Obligations," as such Obligations are now or may hereafter be defined in Ch. 39.53 RCW (provided that such obligations are direct obligations of or guaranteed by the United States

Government or an agency or instrumentality thereof), maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire the Bonds in accordance with their terms, are set aside in a special account to effect such redemption or retirement and such money and the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bonds so provided for and such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the funds so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

Section 7. Special Tax Covenants and Designation.

(a) The City hereby covenants to comply with any and all applicable requirements set forth in the Code that may be enacted into law to the extent that such compliance shall be necessary for the exemption from federal income taxes of the interest on the Bonds. The City shall not take any action which would cause the Bonds to arbitrage bonds under Section 148 of the Code.

(b) The City hereby designates the Bonds as "qualified tax-exempt obligations" for investment by financial institutions under Section 265 of the Code. The City does not intend to issue more than \$10,000,000 in tax-exempt obligations in 1987.

Section 8. Lost or Destroyed Bonds. In case the Bonds or any of them shall be lost, stolen or destroyed, the Bond Registrar

may execute and deliver a new Bond or Bonds of like amount, date, and tenor to the registered owner thereof upon the owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his filing with the City and the Bond Registrar evidence satisfactory to said City and Bond Registrar that such Bond or Bonds were actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City and Bond Registrar with indemnity satisfactory to the City and Bond Registrar.

Section 9. Form of the Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. \_\_\_\_\_

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

STATE OF WASHINGTON

CITY OF GIG HARBOR

UNLIMITED TAX GENERAL OBLIGATION BOND, 1987

INTEREST RATE:

MATURITY DATE:

SEE REVERSE SIDE FOR CERTAIN DEFINITIONS

CUSIP NO. \_\_\_\_\_

REGISTERED OWNER:

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

The City of Gig Harbor, Washington, a municipal corporation organized and existing under and by virtue of the laws and Constitution of the State of Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount specified above, unless redeemed prior thereto as provided herein, together with interest on such Principal Amount from the date hereof or the



most recent date to which interest has been paid or duly provided for at the Interest Rate set forth above payable June 1, 1988, and semiannually thereafter on each June 1 and December 1 until payment of the principal sum has been made or duly provided for. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest on this bond is payable by check or draft of the Bond Registrar mailed (on the date such interest is due) to the Registered Owner hereof at the address appearing on the records maintained by the Bond Registrar as of the 15th day of the month prior to the interest payment date. Principal shall be paid to the registered owner hereof upon presentation and surrender of this bond at the principal offices of either of the fiscal agencies of the State of Washington in Seattle, Washington or New York, New York (collectively, the "Bond Registrar").

Reference is hereby made to additional provisions of this bond set forth on the reverse side hereof and such additional provisions shall for all purposes have the same effect as if set forth in this space. Reference also is made to the Bond Ordinance (defined on the reverse side hereof) as more fully describing the covenants with and the rights of registered owners of the bonds or registered assigns and the meanings of capitalized terms appearing on the bonds which are defined in such Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance (defined on the reverse side hereof) until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually without limitation as to rate or amount sufficient, together with all other moneys legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

It is hereby certified and declared that this bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and ordinances of the City, that all acts, conditions and things required to be done precedent to and in the issuance of this bond and the bonds of this issue have happened, been done and performed and that this bond and the bonds

of this issue do not exceed any Constitutional or statutory limitations.

IN WITNESS WHEREOF, the City of Gig Harbor, Washington, has caused this bond to be signed on behalf of the City with the facsimile signature of the Mayor, to be attested by the facsimile signature of the Clerk of the City, and a facsimile of the seal of the City to be reproduced or impressed hereon, as of this 1st day of August, 1987.

CITY OF GIG HARBOR, WASHINGTON

By /s/facsimile  
Mayor

ATTEST:

/s/facsimile  
Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is one of the bonds described in the within-referenced Ordinance No. \_\_\_\_\_ of the City of Gig Harbor, Washington, and is one of the Unlimited Tax General Obligation Bonds, 1987, dated August 1, 1987, of such City.

WASHINGTON STATE FISCAL AGENCY  
As Bond Registrar

By \_\_\_\_\_  
Authorized Officer

ADDITIONAL BOND PROVISIONS

This bond is one of an issue of unlimited tax general obligation bonds of the City of like date and tenor, except as to number, interest rate and date of maturity, in the aggregate principal amount of \$1,300,000, issued pursuant to Ordinance No. \_\_\_\_\_ of the City, passed August 10, 1987 (the "Bond Ordinance"), and approved by the electors of the City at a special election held therefor on November 4, 1987 to provide funds for the payment of the costs of acquisition and construction of improvements to the City's domestic sewer system.

The bonds maturing prior to December 1, 1997 are not subject to redemption prior to their scheduled maturity. The bonds maturing on or after December 1, 1997 are subject to redemption in whole or in part on any interest payment date on or after December 1, 1996 in inverse order of maturity and by lot within a maturity, in such manner as the Bond Registrar shall determine at a price of 100% of the principal amount thereof plus accrued interest to the date of redemption.

If the City redeems at any one time fewer than all of the Bonds having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City shall treat each such Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of the Bond at the principal office of the Bond Registrar, there shall be issued to the registered owner, a bond or bonds of like maturity and interest rate in any of the denominations herein authorized.

Notice of any such intended redemption shall be given not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of any bond to be redeemed at the address appearing on the Bond Register. The requirements of the Bond 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 bond. Notice shall also be mailed within the same time period, postage prepaid, to Standard & Poor's Corporation and to Moody's Investors Service, Inc., at their offices in New York, New York, or to their business successors, if any, but mailing of these notices shall not be a condition precedent to the call of any bonds for redemption.

Interest on any bond so called for redemption shall cease to accrue on the date fixed for redemption unless such bond or bonds so called are not redeemed upon presentation made pursuant to such call.

Portions of the principal sum of this bond in installments of \$5,000 or any integral multiple thereof may also be redeemed at the times set forth above, and if less than all of the principal sum hereof is to be redeemed, upon the surrender of this bond at the principal office of the Bond 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 owner, a bond or bonds of like maturity and interest rate in any of the denominations authorized by the Bond Ordinance.



Additional abbreviations may also be used although not listed 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 all rights thereunder and does hereby irrevocably constitute and appoint \_\_\_\_\_ of \_\_\_\_\_, or its successor, as Agent to transfer said bond on the books kept by the Bond Registrar for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_, 19 \_\_\_\_.

SIGNATURE GUARANTEED:

\_\_\_\_\_

NOTE: The signature of 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 10. Execution of the Bonds. The Bonds shall be signed on behalf of the City by the facsimile signature of the Mayor, shall be attested by the facsimile signature of the City Clerk, and shall have the official corporate seal of the City impressed or 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 of the City who shall have executed the Bonds shall cease to be such 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.

Section 11. Bond Registrar. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient records for the registration and transfer of the Bonds which shall at all times be open to inspection by the City. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver 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.

The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds. The Bond Registrar may become the owner of Bonds with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of registered owners of the Bonds.

Section 12. Application of Proceeds of Bonds. A special fund of the City known as the "City of Gig Harbor Sewer Capital Assets Fund" (the "Construction Fund") has heretofore been created in the office of the City Administrator/Treasurer. At the time of delivery of the Bonds, the proceeds of the Bonds, with the exception of accrued interest to the date of delivery which shall be deposited in the Bond Fund, and any other moneys that the City may now have on hand or may later receive that are to be used for the purpose of paying part of the costs of the Project, shall be paid into the Construction Fund to be used for the purpose of paying the costs of the Project authorized in Section 2 hereof, including all costs of legal, engineering, inspection, and supervision and the costs necessary, and incidental thereto and the costs of issuance of the Bonds, or for the purpose of reimbursing any fund or funds of the City for advances, if any, made to pay such costs.

Moneys in the Construction Fund may be deposited in such institutions or invested in such obligations as may be lawful for the investment of City money and may be temporarily advanced to the Bond Fund in such amount as the City Administrator/Treasurer shall deem necessary to pay principal and interest on the Bonds pending receipt of taxes levied therefor.

The proceeds of sale of the Bonds deposited in the Construction Fund together with any other moneys received and applicable to the Project are hereby appropriated to, and shall be applied and used solely for the acquisition and development of the Project and the costs incident thereto, and none of the bond proceeds shall be used for, other than a capital purpose. Any interest or profit received from the investment of such proceeds or moneys shall be deposited in the Construction Fund as received and shall be applied and used solely for costs of the Project.

If the Council shall determine that it has become impractical to substantially accomplish any portion of the Project by reason of changed conditions or increased costs, the Council shall not be required to accomplish such portion of the Project. If available funds are sufficient, the Council may make such other capital improvements for sewer purposes as are deemed necessary or desirable by the Council. Upon completion of the Project modified by the Council from time to time as authorized herein, any unexpended Bond proceeds shall be applied to the redemption of the Bonds.



Section 13. Sale of the Bonds and Approval of Official Statement. The Bonds shall be sold to Boettcher & Company, Inc. of Seattle, Washington (the "Underwriter") pursuant the terms of this ordinance and its written offer delivered to the City Council on this date. It is hereby found and determined that such negotiated sale is in the best interests of the City. Upon the passage of this ordinance, the proper officials of the City are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the Underwriter.

The City hereby ratifies the distribution of the preliminary Official Statement, dated July 22, 1987, by the Underwriter in connection with the offering of the Bonds to prospective purchasers and provided that the Underwriter includes the additions and modification suggested by the City, the City approves the delivery of the final Official Statement to purchasers and others in connection with the sale and delivery of the Bonds. The City Clerk is hereby authorized to execute the final Official Statement.

Section 14. Temporary Bonds. Until the definitive Bonds are prepared, the City may execute a temporary Bond which shall be typewritten, and which shall be delivered to the Bond purchaser or purchasers in lieu of definitive Bonds, but subject to the same provisions, limitations, and conditions as the definitive Bonds. Temporary Bonds shall be dated as of the date of the Bonds, shall be in the denomination equal to the principal amount of the Bonds, shall be numbered from T-1 upward, shall be substantially of the

tenor of such definitive Bonds, but with such omissions, insertions, and variations as may be appropriate to temporary bonds, shall be issued in fully registered form, shall be signed by the Mayor and the Clerk of the City Council, and shall have the seal of the City impressed thereon.

Upon surrender to the City of any such temporary Bond, the City, without charge to the registered owner, shall execute and deliver to the registered owner of the temporary Bond in exchange therefor, definitive Bonds of the same maturities, interest rates, redemption provisions, and aggregate principal amount as the temporary Bond surrendered. Until so exchanged, the temporary Bond shall be in all respects entitled to the same benefit and security as definitive Bonds, executed and issued pursuant to this ordinance.

Section 15. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of

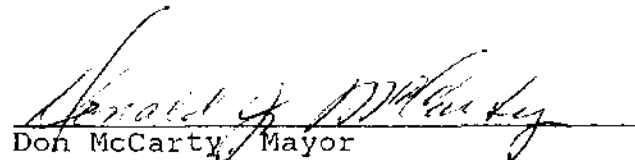
this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.

Section 16.    Effective Date.    This ordinance shall take effect and be in force five days from and after its passage, approval and publication as required by law.


INTRODUCED at a continued regular meeting of the City Council held on August 5, 1987 and FINALLY PASSED AND APPROVED at a regular meeting of the City Council of the City of Gig Harbor, Washington held on the 10th day of August, 1987, and approved by the Mayor on August 11, 1987.

CITY OF GIG HARBOR, WASHINGTON

By

  
Don McCarty, Mayor

ATTEST:

  
Michael R. Wilson  
City Administrator/Clerk

Filed with the City Clerk: August 4, 1987

Passed by the City Council: August 10, 1987

Date Published: August 12, 1987

Date Effective: August 17, 1987

CERTIFICATE

I, the undersigned, Clerk of the of the City of Gig Harbor, Washington (herein called the "City"), and custodian of the official records of the City Council ("Council") DO HEREBY CERTIFY:

1. That the attached ordinance numbered 516 (herein called the "Ordinance") is a true and correct copy of an ordinance of the City, as finally passed at a regular meeting of the Council held on the 10th day of August, 1987, 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 of the Council 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 and affixed the official seal of the City this 2<sup>nd</sup> day of August, 1987.

  
\_\_\_\_\_  
Clerk

[City Seal]