

CITY OF GIG HARBOR, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BONDS, 1991

ORDINANCE NO. 604

AN ORDINANCE of the City Council of the City of Gig Harbor, Washington, providing for the issuance and sale of general obligation bonds of the city in the aggregate principal amount of \$900,000, for the purpose of providing funds to pay part of the costs of road improvements; providing the date, form, terms and maturities of said bonds and for limited tax levies to pay the principal thereof and interest thereon; authorizing a preliminary official statement; approving the sale of such bonds; and declaring an emergency.

Approved: July 22, 1991

Prepared by:

PRESTON THORGRIMSON SHIDLER GATES & ELLIS

Seattle, Washington

TABLE OF CONTENTS*

	<u>Page</u>
Section 1. Definitions	1
Section 2. Authorization of Project	3
Section 3. Authorization of Bonds	3
Section 4. Redemption Prior to Maturity and Purchase of Bonds	5
Section 5. Notice of Redemption	6
Section 6. Form of Bonds	9
Section 7. Execution of Bonds	14
Section 8. Bond Registrar	15
Section 9. Application of Bond Proceeds	15
Section 10. Creation of Bond Fund and Provision for Tax Levy Payments	17
Section 11. Defeasance	17
Section 12. Tax Covenants and Designation	18
Section 13. Sale of Bonds	19
Section 14. Authorization of Temporary Bond	19
Section 15. Severability	20
Section 16. Effective Date	20

* This table of contents is not a part of this ordinance; it is included for convenience of the reader only.

ORDINANCE NO. 604

AN ORDINANCE of the City Council of the City of Gig Harbor, Washington, providing for the issuance and sale of general obligation bonds of the city in the aggregate principal amount of \$900,000, for the purpose of providing funds to pay part of the costs of road improvements; providing the date, form, terms and maturities of said bonds and for limited tax levies to pay the principal thereof and interest thereon; authorizing a preliminary official statement; approving the sale of such bonds; and declaring an emergency.

WHEREAS, the City of Gig Harbor, Washington (the "City") has determined that Soundview Drive is in need of certain improvements to the road surface, the costs of which are in excess of immediately available funds; and

WHEREAS, the City is authorized to issue and sell its general obligation bonds for such purposes without a vote of the electors upon approval of the Council within statutory limitations; and

WHEREAS, the City has received the offer of Security Pacific Securities, Inc., Seattle, Washington to purchase said bonds in the aggregate principal amount of \$900,000; and

WHEREAS, the City has been advised that changing market conditions require that this offer be accepted immediately, necessitating a waiver of the two-reading requirement of Chapter 1.08 of the City Code;

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:

"Bond Fund" means the special fund of the City designated as the Fund No. 207 - 1991 General Obligation Bond Redemption Fund - Soundview Drive.

"Bond Registrar" means the fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

"Bonds" means the \$900,000 of the City of Gig Harbor, Washington, Limited Tax General Obligation Bonds, 1991, issued pursuant to this ordinance.

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

"Code" means the federal Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

"Council" means the duly constituted City Council as the general legislative authority of the City.

"City Treasurer" means the City Treasurer of the City, or any successor to the functions of the City Treasurer.

"Government Obligations" means those obligations now or hereafter defined as such in chapter 39.53 RCW; provided that such

obligations are indirect obligations or guaranteed by the United States Government or an agency or instrumentality thereof.

"Project Fund" means the special fund of the City established in the office of the City Treasurer, designated as Fund No. 108 - Soundview Drive Construction Project Fund, into which fund the proceeds of the Bonds shall be deposited.

Section 2. Authorization of Project. The City hereby authorizes the undertaking of improvements to Soundview Drive within the City, including repaving, sidewalks, landscaping, addition of a bicycle lane, parking and turning lanes (the "Project"). The total cost of the Project, including costs of issuance of the Bonds hereinafter authorized, is estimated to be \$975,000, of which \$97,500 is expected to be paid from funds on hand in the City. The remaining costs shall be paid from the proceeds of the Bonds herein authorized.

Section 3. Authorization of Bonds. The City shall now issue and sell \$900,000 of bonds required to pay the cost of the Project (the "Bonds"). The Bonds shall be designated "City of Gig Harbor, Washington, Limited Tax General Obligation Bonds, 1991," shall be dated as of July 1, 1991, shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each, or any integral multiple thereof, provided no Bond shall represent more than one maturity, shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, and shall

bear interest from their date at the following per annum rates, payable on June 1, 1992, and semiannually thereafter on the first days of each succeeding December and June and shall mature on December 1 of the following years in the following principal amounts:

<u>Maturity Years</u> <u>(December 1)</u>	<u>Principal</u> <u>Amounts</u>	<u>Interest</u> <u>Rates</u>
1992	\$ 40,000	5.25%
1993	40,000	5.5
1994	40,000	5.75
1995	45,000	6.0
1996	50,000	6.15
1997	50,000	6.3
1998	55,000	6.4
1999	55,000	6.6
2000	60,000	6.7
2001	65,000	6.8
2002	70,000	6.9
2003	75,000	7.0
2004	80,000	7.10
2005	85,000	7.20
2006	90,000	7.30

The Bonds shall be in registered form as to both principal and interest. The Bond Registrar shall maintain the Bond Register. Such Bond Register shall contain 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.

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 rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Such

exchange or transfer shall be without cost to the owner or transferee.

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 mailed (on the date such interest is due) to the registered owners or assigns at the addresses appearing on the Bond Register as of the 15th day of the month preceding the interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owners 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, at the option of such owners.

Section 4. Redemption Prior to Maturity and Purchase of Bonds.

(a) Optional Redemption. The Bonds maturing on and prior to December 1, 1998 shall not be subject to redemption in advance of scheduled maturity. The Bonds maturing on and after December 1, 1999 shall be subject to redemption at the option of the City on and after December 1, 1998, in whole at any time or in part in inverse order of maturity on any interest payment date and, if in part, by lot (or in such random manner as the Bond Registrar shall determine), at a price of par plus accrued interest to the date of redemption.

(b) Selection of Bonds for Redemption. Upon any redemption of Bonds, portions of the principal amount of such Bonds, in installments of \$5,000 or any integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such 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 amount thereof, a new Bond or Bonds, at the option of the registered owner, of like maturity and interest rate in any denomination authorized by this ordinance.

(c) Purchase of Bonds on Open Market. The City also reserves the right to purchase any of the Bonds in the open market at any time at a price determined to be reasonable by the City Treasurer.

Section 5. Notice of Redemption. Unless waived by any 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:

(a) the redemption date,

(b) the redemption price,

(c) 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,

(d) 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

(e) 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 so to be 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 The 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) and to Security Pacific Securities, Inc.

(3) 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 5, 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 6. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

CITY OF GIG HARBOR
LIMITED TAX GENERAL OBLIGATION BOND, 1991

INTEREST RATE: % MATURITY DATE: CUSIP NO.:

Registered Owner:

Principal Amount:

THE CITY OF GIG HARBOR, 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 indicated above and to pay interest thereon from July 1, 1991, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on June 1, 1992, and semiannually thereafter on the first days of each succeeding December and June. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid by mailing a check or draft (on the date such interest is due) to the Registered Owner or assigns at the address shown on the Bond 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 bond at the principal office of the fiscal agencies of the State of Washington in either Seattle, Washington or New York, New York (collectively the "Bond Registrar").

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. ____ duly passed by the City Council on July 22, 1991 (the "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 until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

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.

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 bond have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Gig Harbor, Washington has caused this bond to be executed by the manual or facsimile signatures of the Mayor and Clerk of the City and the seal of the City imprinted or impressed hereon as of this first day of July, 1991.

CITY OF GIG HARBOR, WASHINGTON

By /s/ manual or facsimile
Mayor

ATTEST:

/s/ manual or facsimile
Clerk

[SEAL]

ADDITIONAL PROVISIONS

This bond is one of an authorized issue of bonds of like date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$900,000, and is issued pursuant to the Bond Ordinance for certain improvements to roads within the City.

The bonds of this issue maturing on or after December 1, 1999 are subject to redemption on and after December 1, 1998 in whole at any time and in part in inverse order of maturity on any interest payment date and, if in part, by lot within a maturity, in increments of \$5,000, with the manner of selection to be as chosen by the Bond Registrar), at a price of par plus accrued interest to the date of redemption.

Notice of any such intended redemption as provided above shall be given no fewer than 30 nor more than 60 days prior to said redemption date 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. Interest on any bond so called for redemption shall cease on such redemption date unless the same is not paid in full 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 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 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.

The bonds of this issue are not "private activity bonds" as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). The bonds of this issue are qualified tax-exempt obligations under Section 265(b) of the Code, and banks, thrift institutions and other financial institutions will not be denied a deduction of 100% of their interest and expenses allocable to this bond.

The City hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the City within the levy limits permitted to cities without a vote of the electors and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on the bonds of this issue 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. The pledge of tax levies may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

Bonds are interchangeable for bonds of any authorized denomination of equal aggregate principal amount and of the same interest rate and maturity upon presentation and surrender to the Bond Registrar.

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation Bonds, 1991 of the City of Gig Harbor, Washington, dated July 1, 1991.

WASHINGTON STATE FISCAL AGENCY
as Bond Registrar

By _____
Authorized Signer

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.

UNIF GIFTS (TRANSFERS)

MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts (Transfers) to
Minors Act

(State)

Additional abbreviations may also be used though not in the list above.

(form of assignment)

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 does hereby irrevocably constitute and

appoint _____ of _____, or its successor, as Bond Registrar to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

DATED: _____, _____.

NOTE: The signature on 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.

SIGNATURE GUARANTEED:

Section 7. Execution of Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk and the 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 who shall have executed the Bonds shall cease to be an 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 who are at the actual date of delivery of such Bond are the proper officers of the City although at the original date of such Bond any such person shall not have been such officer of the City.

Section 8. Bond Registrar. The City hereby adopts the system of registration specified and approved by the Washington State Finance Committee. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books 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 the 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 Bond owners.

Section 9. Application of Bond Proceeds. From the moneys derived from the sale of the Bonds, (a) the accrued interest to the date of delivery shall be deposited in the Bond Fund and shall be used to pay the interest on the Bonds coming due on June 1, 1992, and (b) the balance of said proceeds shall be deposited in the Project Fund and shall be expended solely to pay the cost of issuing and selling the Bonds and undertaking the Project.

There is hereby authorized to be created in the office of the City Treasurer a special fund of the City to be known as the "Fund No. 108 - Soundview Drive Construction Project Fund" (the "Project Fund"). 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, shall be paid into the Project Fund to be used for the purpose of paying the costs of the Project authorized in Section 2 hereof, including 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. Other money of the City may be deposited in the Project Fund for the purpose of paying costs of the Project. The City Council will amend its current annual budget, if necessary, to include an appropriation for expenditure of funds for the Project. Money on

hand in the Project Fund shall be invested as provided by direction of the City Treasurer in legal investments for City funds.

Upon completion of the Project, any remaining money in the Project Fund shall be transferred to the Bond Fund, and the Project Fund shall be closed.

Section 10. Creation of Bond Fund and Provision for Tax Levy Payments. A special fund of the City known as the "Fund No. 207 - 1991 General Obligation Bond Redemption Fund - Soundview Drive" (the "Bond Fund") is hereby authorized and directed to be created in the office of the City 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 that, unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes upon all of the property in the City subject to taxation within and as a part of the tax levy permitted to cities without a vote of the electors in amounts sufficient to pay such principal and interest 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 for the prompt payment of such principal and interest.

Section 11. Defeasance. In the event that money and/or "Government Obligations," as such Obligations are defined in Ch. 39.53 RCW, as now or hereafter amended, maturing at such time

or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds in accordance with their terms, are set aside in a special account of the City to effect such redemption and retirement, and such moneys 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 redemption fund of the City 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 moneys so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

Section 12. Tax Covenants and Designation.

(a) Covenants Regarding Arbitrage and Private Activity Bonds. The City hereby covenants that it will not make any use of the proceeds of sale of the Bonds or any other funds of the City which may be deemed to be proceeds of such Bonds pursuant to section 148 of the Code which will cause the Bonds to be "arbitrage bonds" within the meaning of said section and said Regulations. The City will comply with the requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) and the applicable Regulations thereunder throughout the term of the Bonds.

The City further covenants that it will not take any action or permit any action to be taken that would cause the Bonds to constitute "private activity bonds" under Section 141 of the Code.

(b) Bonds Designated "Qualified Tax-Exempt Obligations."

The City hereby designates the Bonds as "qualified tax-exempt obligations" for purchase by financial institutions pursuant to Section 265 of the Code. The City does not anticipate that it will issue more than \$10,000,000 in "qualified tax-exempt obligations" during the year 1991.

Section 13. Sale of Bonds. The Bonds shall be sold by negotiated sale to Security Pacific Securities, Inc., Seattle, Washington, under the terms and conditions thereof as provided in its purchase offer and in this ordinance.

The Mayor and City Administrator of the City are hereby authorized to review and approve on behalf of the City the preliminary and final Official Statements relative to the Bonds with such additions and changes as may be deemed necessary or advisable to them. The proper City officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Bonds to said purchaser and for the proper application and use of the proceeds of sale thereof.

Section 14. Authorization of Temporary Bond. Until the definitive Bonds are prepared, the City may, if deemed necessary by the City Administrator, utilize a temporary Bond which shall be typewritten, and which shall be delivered to the purchaser or

purchasers of the Bonds in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds. The temporary Bond shall be dated July 1, 1991, shall be in the denomination of \$900,000, shall be substantially of the tenor of such definitive Bonds, but with such omissions, insertions and variations as may be appropriate to temporary bonds, and shall be signed by the Mayor and the City Clerk.

Upon surrender to the City of the temporary Bond, the City, without charge to the holder, shall execute and deliver to the holder 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, if any, 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. Declaring an Emergency and Effective Date. The underwriter for the Bonds, Security Pacific Securities, Inc., has

advised this Council that market conditions are changing, and that the interest rates offered to this Council will not be continued to the next regular meeting of this Council. Accordingly, the Council hereby determines that such conditions constitute an emergency sufficient to constitute a waiver of the requirement of two readings of an ordinance prior to its adoption, as set forth in Chapter 1.08 of the City Code. This ordinance shall be introduced and considered for final reading on this date, July 22, 1991.

This ordinance shall become effective five days following its passage, approval and publication as required by law.

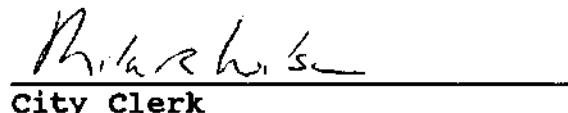
INTRODUCED ON July 22, 1991 and PASSED by the City Council of the City of Gig Harbor, Washington, at a regular meeting thereof held this 22nd day of July, 1991 and APPROVED by the Mayor on the same date.

CITY OF GIG HARBOR, WASHINGTON



Gretchen Ahlert
Mayor

ATTEST:



Barbara Johnson
City Clerk

CERTIFICATE

I, the undersigned, Clerk of the City of Gig Harbor, 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. 604 of the Council (the "Ordinance"), duly passed at a regular meeting thereof held on the 22nd day of July, 1991.

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 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 this 22nd day of July, 1991.


Mark L
City Clerk