AN ORDINANCE providing for the issuance of $327,000.00 par value of "Water Revenue Bonds, 1963, Issuc No. 1," for the purpose of refunding the outstanding "Water Revenue Bonds, 1959," of the City; fixing the form, date, maturities, interest rates, covenants and terms, of the bonds; and providing for the exchange thereof for the outstanding "Water Revenue Bonds, 1959."

WHEREAS, the City owns and operates its water supply and distribution system; and

WHEREAS, the City has heretofore issued, under date of November 1, 1948, its "Water Revenue Bonds, 1948," of which issue there are now outstanding bonds in the total principal sum of $78,000.00, which bonds are a first and prior charge and lien upon the gross revenues of the water supply and distribution system of the City; and

WHEREAS, pursuant to Ordinance Nos. 949-A and 956, the City has heretofore issued, under date of July 1, 1957, its "Water Revenue Bonds, 1957," of which issue there are now outstanding bonds in the total principal sum of $725,000.00, which bonds are a second charge and lien upon the gross revenues of the water supply and distribution system of the City, subject only to the prior charge and lien thereon for the 1948 bonds; and

WHEREAS, pursuant to Ordinance No. 982, the City has heretofore issued, under date of June 1, 1958, its "Water Revenue Bonds, 1958," of which issue there are now outstanding bonds in the total principal sum of $139,000.00, which bonds are a third charge and lien upon the gross revenues of the water supply and distribution system of the City, subject only to the prior
charge and lien thereon for the 1948 bonds and the 1957 bonds; and

WHEREAS, pursuant to Ordinance No. 1032, the City has heretofore issued, under date of June 1, 1959, its "Water Revenue Bonds, 1959," of which issue there are now outstanding bonds (numbered 24 to 350, inclusive) in the total principal sum of $327,000.00, which bonds are on a parity of lien with the 1958 bonds; and

WHEREAS, the City Council intends to pass on this 1st day of April, 1963, the date this Ordinance is passed, an ordinance authorizing the issuance of $1,000,000.00 par value "Water Revenue Bonds, 1963, Issue No. 2," on a parity of lien with the bonds to be authorized by this Ordinance, and the proceeds of those bonds of Issue No. 2 shall be used to refund all outstanding 1948 bonds, 1957 bonds, and 1958 bonds as well as paying the costs of construction of certain additions and betterments to the existing water supply and distribution system of the City; and

WHEREAS, the City has obtained agreements from the holders of all of the 1959 bonds that the bonds authorized by this Ordinance may be exchanged and substituted for the 1959 bonds; and

WHEREAS, the City Council believes that it is necessary and in the best interests of the City to refund the 1959 bonds by the bonds authorized to be issued pursuant to this Ordinance and that the rates of interest on the bonds authorized to be issued pursuant to this Ordinance shall be the same as those presently established on the bonds being refunded; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DO ORDAIN, as follows:
Section 1. As used in this Ordinance the following words shall have the following meanings:

(a) "Bonds" shall mean the "Water Revenue Bonds, 1963, Issue No. 1," authorized to be issued by this Ordinance.

(b) "Bond Fund" shall mean the "Water Revenue Bonds Redemption Fund, 1963," created by this Ordinance.

(c) "1959 Bonds" shall mean the "Water Revenue Bonds, 1959," of the City to be refunded pursuant to this Ordinance.

(d) "1958 Bond Fund" shall mean the "Kent 1958 Water Revenue Bond Redemption Fund."

(e) "Parity Revenue Bonds" shall mean any revenue bonds of the City, other than the Bonds, where the City has pledged to pay the principal of and interest on such bonds out of the gross revenue of the Water System on a parity with the payments required by this Ordinance to be made out of that gross revenue for the Bonds.

(f) "Term Bond Year" shall mean any calendar year or years in which the Bonds or any Parity Revenue Bonds of any one issue or series mature (regardless of reservation of prior redemption rights) in an amount which is more than 1.25 times the average annual maturities of the outstanding bonds of that issue or series for three calendar years immediately preceding such calendar year or years.

(g) "Water System" shall mean the existing water supply and distribution system of the City as the same may be added to, improved and extended at any time for as long as any of the Bonds and any Parity Revenue Bonds are outstanding, and which additions, improvements and extensions shall include the sanitary sewerage system of the City should that ever be combined with the water supply and distribution system in the manner authorized by law.
Section 2. It is found and declared that it is necessary and in the best interests of the City to refund the 1959 bonds, and that the rates of interest on the Bonds authorized by this Ordinance shall be the same as the rates of interest on the 1959 bonds.

Section 3. For the purpose of refunding the "Water Revenue Bonds, 1959," of the City, there shall be issued $327,000.00 par value of the Bonds. The Bonds shall be in denominations of $1,000.00 each; shall be numbered from 24 to 350, inclusive, corresponding to the same numbers of the outstanding 1959 bonds to be refunded; shall be dated May 1, 1963; shall bear interest payable semiannually on June 1 and December 1 of each year, interest to maturity to be evidenced by coupons to be attached to the Bonds, with full obligation on the part of the City to pay interest at the same rate or rates from and after the Bond maturity dates until the Bonds with interest are paid in full. Interest payable on June 1, 1963, shall be the equivalent of a full six-months' interest on the Bonds. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America at the office of the City Treasurer of Kent, Washington, solely out of the Bond Fund.

The Bonds shall mature and bear interest in accordance with the following schedule, to-wit:

<table>
<thead>
<tr>
<th>Bond Numbers (Inclusive)</th>
<th>Amounts</th>
<th>Interest Rates</th>
<th>Maturities</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 to 34</td>
<td>$11,000</td>
<td>4.20</td>
<td>June 1, 1963</td>
</tr>
<tr>
<td>35 to 45</td>
<td>$11,000</td>
<td>4.20</td>
<td>June 1, 1964</td>
</tr>
<tr>
<td>46 to 56</td>
<td>$11,000</td>
<td>4.20</td>
<td>June 1, 1965</td>
</tr>
<tr>
<td>57 to 60</td>
<td>$ 4,000</td>
<td>4.40</td>
<td>June 1, 1966</td>
</tr>
<tr>
<td>61 to 64</td>
<td>$ 4,000</td>
<td>4.40</td>
<td>June 1, 1967</td>
</tr>
<tr>
<td>65 to 74</td>
<td>$10,000</td>
<td>4.40</td>
<td>June 1, 1968</td>
</tr>
<tr>
<td>75 to 81</td>
<td>$ 7,000</td>
<td>4.40</td>
<td>June 1, 1969</td>
</tr>
<tr>
<td>82 to 88</td>
<td>$ 7,000</td>
<td>4.60</td>
<td>June 1, 1970</td>
</tr>
<tr>
<td>89 to 95</td>
<td>$ 7,000</td>
<td>4.60</td>
<td>June 1, 1971</td>
</tr>
<tr>
<td>96 to 103</td>
<td>$ 8,000</td>
<td>4.60</td>
<td>June 1, 1972</td>
</tr>
<tr>
<td>104 to 110</td>
<td>$ 7,000</td>
<td>4.60</td>
<td>June 1, 1973</td>
</tr>
</tbody>
</table>

-4-
Interest Bond Numbers
(Inclusive) Amounts Rates Maturities

<table>
<thead>
<tr>
<th>Bond Numbers (Inclusive)</th>
<th>Amounts</th>
<th>Interest Rates</th>
<th>Maturities</th>
</tr>
</thead>
<tbody>
<tr>
<td>111 to 118</td>
<td>$8,000</td>
<td>4.60</td>
<td>June 1, 1975</td>
</tr>
<tr>
<td>119 to 126</td>
<td>$8,000</td>
<td>4.60</td>
<td>June 1, 1976</td>
</tr>
<tr>
<td>127 to 134</td>
<td>$8,000</td>
<td>4.60</td>
<td>June 1, 1977</td>
</tr>
<tr>
<td>135 to 143</td>
<td>$9,000</td>
<td>4.60</td>
<td>June 1, 1978</td>
</tr>
<tr>
<td>144 to 153</td>
<td>$10,000</td>
<td>4.60</td>
<td>June 1, 1979</td>
</tr>
<tr>
<td>154 to 163</td>
<td>$10,000</td>
<td>4.60</td>
<td>June 1, 1980</td>
</tr>
<tr>
<td>164 to 172</td>
<td>$9,000</td>
<td>4.60</td>
<td>June 1, 1981</td>
</tr>
<tr>
<td>173 to 182</td>
<td>$10,000</td>
<td>4.60</td>
<td>June 1, 1982</td>
</tr>
<tr>
<td>183 to 193</td>
<td>$11,000</td>
<td>4.60</td>
<td>June 1, 1983</td>
</tr>
<tr>
<td>194 to 203</td>
<td>$10,000</td>
<td>4.60</td>
<td>June 1, 1984</td>
</tr>
<tr>
<td>204 to 275</td>
<td>$72,000</td>
<td>4 5/8</td>
<td>June 1, 1985</td>
</tr>
<tr>
<td>276 to 350</td>
<td>$75,000</td>
<td>4 5/8</td>
<td>June 1, 1986</td>
</tr>
</tbody>
</table>

Section 4. The City of Kent reserves the right to redeem the Bonds solely for refunding purposes, as a whole or in part, in inverse numerical order on June 1, 1969, or on any subsequent interest payment date, at the following redemption prices if redeemed in the following dates, plus accrued interest to date of redemption in each case:

June 1 or December 1, 1969, at $102.50 per each $100 par value thereof;
June 1 or December 1, 1970, at $102.00 per each $100 par value thereof;
June 1 or December 1, 1971, at $101.50 per each $100 par value thereof;
June 1 or December 1, 1972, at $101.00 per each $100 par value thereof;
June 1 or December 1, 1973, at $100.50 per each $100 par value thereof;
June 1, 1974, and thereafter, at par.

The City of Kent reserves the right to redeem the Bonds solely from surplus earnings of the Water System, in inverse numerical order, on June 1, 1969, or on any subsequent interest payment date, at par, plus accrued interest to date of redemption.

Notice of any call for redemption of any of the Bonds prior to their stated maturity dates shall be published at least once in the official newspaper of the City not less than thirty nor more than forty-five days prior to the call date. Notice of the intended redemption shall also be mailed to: McLean & Company, Inc., 772 Commerce Street, Tacoma 2, Washington, or
its successor, not less than thirty nor more than forty-five
days prior to the call date. Interest on any Bonds so called
for redemption shall cease on the date fixed for such redemp-
tion upon payment of the redemption price into the Bond Fund.

Section 5. There is created a Bond Fund in the office
of the City Treasurer. There is created within the Bond Fund
a "Principal and Interest Account." So long as any of the
Bonds are outstanding against the Bond Fund, the City Treasurer
of the City of Kent shall set aside and pay into the Principal
and Interest Account of the Bond Fund out of the gross revenues
of the Water System, a fixed amount without regard to any fixed
proportion, on or before the twentieth day of each month, as
follows:

(a) An amount equal to at least one-sixth of
the interest to become due and payable on the next interest
payment date on all of the Bonds outstanding, and
(b) An amount equal to at least one-twelfth
of the principal of the Bonds to become due and payable on
the next principal payment date.

Immediately upon the delivery of the Bonds, there
shall be transferred from the 1958 Bond Fund into the Principal
and Interest Account of the Bond Fund an amount equal to five-
sixths of the interest to become due and payable on the Bonds
in June 1, 1963, and eleven-twelfths of the principal to become
due and payable on the Bonds on June 1, 1963.

Section 6. There is created in the Bond Fund a
"Reserve Account." The City shall pay into that "Reserve
Account" immediately upon the exchange of the Bonds for the
outstanding 1959 bonds, by way of transfer from the 1958 Bond
Fund, an amount which will be at least equal to the next year's
debt service on all outstanding Bonds, and will maintain that
Reserve Account so that there will be on deposit within that

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account at all times; except for withdrawals therefrom as authorized herein, an amount at least equal to the next succeeding year's debt service on the Bonds.

The City further agrees that when the required amounts have been paid into the Reserve Account, it will at all times, except for withdrawals therefrom as authorized herein, maintain those amounts therein until there is a sufficient amount in the Principal and Interest Account and Reserve Account to pay the principal of, premium, if any, and interest on all Bonds payable out of the Bond Fund outstanding, at which time the money in the Reserve Account may be used to pay such principal, premium, if any, and interest.

In the event that there shall be a deficiency in the Principal and Interest Account to meet maturing installments of either principal or interest, as the case may be, on Bonds payable out of the Bond Fund, such deficiency shall be made up from the Reserve Account by the withdrawal of cash therefrom for that purpose. Any deficiency created in the Reserve Account by reason of any such withdrawal shall then be made up from the monies from the revenues of the Water System first available after making necessary provisions for the required payments into the Principal and Interest Account.

All money in the Reserve Account may be kept on deposit in the official bank depository of the City of Kent, or may be invested in direct obligations of the United States Government having a guaranteed redemption price prior to maturity or maturing not later than twelve years from day of purchase and, in no event, maturing later than the last maturity of the Bonds outstanding at the time of such purchase. Interest earned on any such investment or on such bank deposit shall be deposited and become a part of the Reserve Account until the total required reserve amount shall have been
accumulated therein, after which such interest shall be deposited in the Principal and Interest Account.

Section 7. The gross revenues from the Water System are pledged to such payments as are required by this Ordinance and, after the refunding, payment and retirement of the outstanding 1948, 1957, and 1958 bonds, the Bonds shall constitute a charge or lien upon such revenues prior and superior to any other charge whatsoever, excluding charges for maintenance and operation, except that the charge or lien upon such gross revenues for the Bonds shall be on a parity with the charge or lien upon such gross revenues for any Parity Revenue Bonds.

Section 8. The City of Kent covenants and agrees with the owner and holder of each Bond at any time outstanding as follows:

(a) It will establish, maintain and collect such rates and charges for water service (and for sanitary sewage disposal service should the sanitary sewage system of the City ever be combined with the Water System) so long as any of the Bonds and any Parity Revenue Bonds are outstanding, as will make available for the payment of the principal of and interest on all of such bonds as the same shall become due, an amount equal to at least 1.35 times the average annual amount required for the payment of all principal of and interest on such bonds, exclusive of the principal requirement in any Term Bond Year, after necessary costs of maintenance and operation of the Water System shall have been paid, but before depreciation.

(b) It will at all times maintain and keep the Water System and all additions thereto and betterments and replacements and extensions thereof in good repair, working order and condition and also will at all times operate the Water System and the business in connection therewith in an efficient manner and at a reasonable cost.
(c) It will not sell, lease, mortgage, or in any manner encumber or dispose of all of the property of the Water System unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal of and interest on all Bonds and Parity Revenue Bonds at that time outstanding, and it will not sell, lease, mortgage, or in any manner encumber or dispose of any part of the property of the Water System that is used, useful and material to the operation of the Water System unless provision is made for replacement thereof or for payment into the Bond Fund of the total amount of revenue received, which shall not be less than an amount which shall bear the same ratio to the amount of outstanding bonds as the revenue available for debt service for those outstanding bonds for the twelve months preceding such sale, lease, mortgage, encumbrance, or disposal from the portion of the Water System sold, leased, mortgaged, encumbered, or disposed of bears to the revenue available for debt service for such bonds from the entire Water System for the same period. Any money so paid into the Bond Fund shall be used to retire such outstanding bonds at the earliest possible date.

(d) It will while any of the Bonds remain outstanding keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to its Water System. It will furnish the original purchaser or purchasers of the Bonds or any subsequent holder or holders thereof at the written request of such holder or holders, complete operating and income statements of the Water System in reasonable detail covering any calendar year. It will grant any holder or holders of at least twenty-five percent of the outstanding Bonds, the right at all reasonable times to inspect the entire Water System and all records, accounts and data of the City relating thereto. Upon the
request of any holder of any of the Bonds, it will furnish such holder a copy of the most recently completed audit of the City accounts by the State Auditor of Washington.

(e) It will not furnish any water (or any sanitary sewage disposal service should the sanitary sewerage system of the City ever be combined with the Water System) to any customer whatsoever free of charge, and it will promptly take legal action to enforce collection of all delinquent accounts.

(f) It will carry the types of insurance on its Water System properties in the amounts normally carried by private water companies engaged in the operation of water systems, and the cost of such insurance shall be considered a part of operating and maintaining the Water System. If, as, and when, the United States of America or some agency thereof shall provide for war risk insurance, the City further agrees to take out and maintain such insurance on all or such portions of the Water System on which such war risk insurance may be written in an amount or amounts to cover adequately the value thereof.

(g) It will pay all costs of maintenance and operation of the Water System and the debt service requirements for the outstanding Bonds and Parity Revenue Bonds, and otherwise meet the obligations of the City, as herein set forth.

Section 9. The City of Kent covenants and agrees with the holder and owner of each Bond at that time outstanding that it will not issue any Parity Revenue Bonds unless it shall first satisfy the following conditions:

(a) At the time of the issuance of such Parity Revenue Bonds there shall be no deficiency in either the Principal and Interest Account or Reserve Account of the Bond Fund.
(b) The City shall have covenanted in each ordinance authorizing the issuance of Parity Revenue Bonds that it will establish, maintain and collect rates and charges for water (and for sanitary sewage disposal service in the event that the sanitary sewerage system of the City ever becomes a part of the Water System) for as long as any of the Bonds and any Parity Revenue Bonds are outstanding as will make available for payment of the principal of and interest on all of such bonds, as the same shall become due, an amount equal to at least 1.35 times the average annual amount required for the payment of all such principal and interest, exclusive of the principal requirements in any Term Bond Year, after necessary costs of maintenance and operation of the Water System shall have been paid, but before depreciation.

(c) The City shall have covenanted in each ordinance authorizing the issuance of Parity Revenue Bonds that it will pay into the Reserve Account of the Bond Fund within five years of the date of issuance of such Parity Revenue Bonds an amount which, with the money in the Reserve Account, will be at least equal to the next year's debt service on all outstanding bonds, the principal of and interest on which are payable out of the Bond Fund, and will further provide in each such ordinance for additional payments to be made into the Reserve Account if necessary so that there shall be on deposit therein at all times after each of those five-year periods an amount at least equal to the next succeeding year's debt service on all bonds payable out of the Bond Fund. To satisfy the Reserve Account requirement, the whole or any part of the money in any other reserve fund or account of the City created to secure the payment of the principal of or interest on any revenue bonds or revenue coupon warrants being refunded by such Parity Revenue Bonds may be transferred to
the Reserve Account at the time such outstanding bonds or warrants are redeemed.

(d) At the time of the issuance of such Parity Revenue Bonds, except the "Water Revenue Bonds, 1963, Issue No. 2," the City shall have on file a certificate from an independent licensed professional engineer showing that in his professional opinion the net revenue of the Water System which will be available in each succeeding year for the payment of the principal of and interest on the Bonds, any Parity Revenue Bonds then outstanding, and the Parity Revenue Bonds to be issued as all of the same shall become due (except for those Bonds or any then outstanding Parity Revenue Bonds that are to be refunded by the Parity Revenue Bonds to be issued) will equal at least 1.35 times the average annual amount required for the payment of the principal of and interest on all such bonds, exclusive of the principal requirement in any Term Bond year.

For the purpose of the engineer's certificate, the words "net revenue of the Water System which will be available . . . for the payment of the principal of and interest on all of such bonds" shall mean the gross operating revenues and receipts of the Water System after deducting therefrom all necessary expenses of maintenance and operation thereof, but before depreciation and annual debt service on any outstanding revenue bonds or revenue coupon warrants that may have a lien on the gross revenue of the Water System junior and inferior to the lien thereon for the payment of the principal of and interest on the Bonds. The net revenue may be based on any increase in revenues to be derived by an increase in water rates and charges (and any charges for sanitary sewage disposal service should the sanitary sewerage system of the City ever be combined with the Water System) authorized by the City Council to be effective by the time delivery of such Parity Revenue Bonds is made.
Nothing contained in this section 9 shall prevent the City from issuing revenue bonds or warrants, the payment of the principal of and interest on which is a charge upon the gross revenue of the Water System junior and inferior to the payments required to be made out of that gross revenue into the Bond Fund.

Section 10. The Bonds shall be in substantially the following form:

No. __________ $ __________

UNITED STATES OF AMERICA
STATE OF WASHINGTON
CITY OF KENT
WATER REVENUE BOND, 1963
ISSUE NO. 1

(4.20) (4.40) (4.60) (4 5/8)%

KNOW ALL MEN BY THESE PRESENTS: That the City of Kent, a municipal corporation of the State of Washington, for value received promises to pay to bearer on the 1ST DAY OF JUNE, 19___,

ONE THOUSAND DOLLARS

together with interest thereon at the rate of four and (twenty hundredths) (forty hundredths) (sixty hundredths) (five-eights) percent per annum, payable semiannually on the first days of June and December of each year upon the presentation and surrender of the attached interest coupons as they severally mature up to the bond maturity date and with full obligation on the part of the City to pay interest at the same rate from and after the bond maturity date until this bond with interest is paid in full. Both principal and interest are payable in lawful money of the United States of America at the office of the City Treasurer of Kent, Washington, solely out of the special fund of the City known as the "Water Revenue Bond Redemption Fund, 1963," created by Ordinance No. 1178 of the City, and hereinafter called the "Bond Fund."

This bond is one of a total issue of $327,000.00 par value of bonds, numbered
from 24 to 350, inclusive, all of like date, tenor and effect, except as to maturities and interest rates, all payable from the Bond Fund and all issued by the City of Kent under and pursuant to the laws of the State of Washington and Ordinance No. 1178 of the City for the purpose of refunding an equal amount of outstanding "Water Re­venue Bonds, 1959," of the City. Reference is made to that ordinance as more fully describing the covenants with and rights of holders of the bonds of this issue.

The City of Kent reserves the right to redeem the bonds of this issue solely for refunding purposes, as a whole or in part, in inverse numerical order, on June 1, 1969, or on any subsequent interest payment date, at the following redemption prices if redeemed on the following dates, plus accrued interest to date of redemption in each case, to-wit:

June 1 or December 1, 1969, at $102.50 per each $100 par value thereof;
June 1 or December 1, 1970, at $102.00 per each $100 par value thereof;
June 1 or December 1, 1971, at $101.50 per each $100 par value thereof;
June 1 or December 1, 1972, at $101.00 per each $100 par value thereof;
June 1 or December 1, 1973, at $100.50 per each $100 par value thereof;
June 1, 1974, and thereafter, at par.

The City of Kent reserves the right to redeem the bonds of this issue solely from surplus earnings of the water supply and distribution system of the City in inverse numerical order on June 1, 1969, or on any subsequent interest payment date, at par, plus accrued interest to date of redemption.

Notice of any call for redemption of any of the bonds of this issue prior to their stated maturity date shall be published at least once in the official newspaper of the City not less than thirty nor more than forty-five days prior to the call date. Notice of such intended redemption shall also be mailed to McLean & Company, Inc., 772 Commerce Street, Tacoma 2, Washington, or its successors, not less than thirty nor more than forty-five days prior to the call date. Interest on any bonds so called for redemption shall cease on the date fixed for such redemption upon payment of the redemption price into the Bond Fund.

The bonds of this issue constitute a charge or lien upon the gross revenues from the water supply and distribution system of the City prior and superior to any other
charges whatsoever, excluding charges for
maintenance and operation of the system,
except that the charge or lien upon such
gross revenues for the bonds of this issue
shall be on a parity with the charge or lien
upon such gross revenues for any additional
and/or refunding revenue bonds hereafter
issued on a parity of lien with the bonds
in accordance with the provisions of section
9 of Ordinance No. 1178.

The City of Kent has covenanted to
establish, maintain and collect such rates
and charges for water service (and for san­i-
tary sewage disposal service should the san­i-
tary sewerage system of the City ever
be combined with the water supply and dis-
tribution system) for so long as any bonds
of this issue and any revenue bonds which
may be hereafter issued on a parity with
the bonds of this issue are outstanding,
as will make available for the payment of
the principal or and interest on such out-
standing bonds as the same shall become due,
an amount equal to at least 1.35 times the
average annual amount required (exclusive
of the principal requirement in any
"Term Bond Year" as such words are defined
in Ordinance No. 1178) for the payment of
all such principal and interest, and for
necessary costs of maintenance and operation
of such system have been paid, but before
depreciation.

The City has further covenanted and
agreed to maintain in good condition and to
operate the water distribution and supply
system and all additions thereto and better-
ments, replacements and extensions thereof
and to establish, maintain, and collect such
rates for water as will produce such gross
revenues from the water system sufficient
to permit payment into the Bond Fund of the
amounts required for payment of principal
of and interest on all bonds payable out of
the Bond Fund as the same shall become due
and the amounts required to be paid into
the Reserve Account in the Bond Fund, and
in addition thereto to pay all costs of
maintenance and operation and the debt ser-
vices requirements of all outstanding water
revenue bonds, and otherwise to meet the
obligations of the City as herein set forth.

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

IN WITNESS WHEREOF, the City of Kent, Washington, has caused this bond to be signed by its Mayor and attested by its Clerk and its corporate seal to be hereto affixed and the interest coupons attached to be signed with the facsimile signatures of these officials this first day of May, 1963.

CITY OF KENT, WASHINGTON

By [Signature]
MAYOR

ATTEST:

[Signature]
CLERK

The interest coupons attached to the Bonds shall be in substantially the following form:

Coupon No. ______

$__________

On the FIRST DAY OF (JUNE) (DECEMBER) 19__, the City of Kent, Washington, upon presentation and surrender of this coupon, will pay to the bearer at the office of the City Treasurer the sum of _______ DOLLARS ($__________) in lawful money of the United States of America from the special fund of the City known as the "Water Revenue Bond Redemption Fund, 1963," that sum being six months' interest then due on its "Water Revenue Bond, 1963, Issue No. 1," dated May 1, 1963, and numbered ______.

CITY OF KENT, WASHINGTON

By [Signature]
MAYOR

ATTEST:

[Signature]
CLERK

The Bonds shall be printed on lithographed forms, shall be signed by the Mayor and attested by the Clerk, and

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shall have the seal of the City of Kent affixed thereto. The
coupons shall bear the facsimile signatures of the Mayor and
the Clerk.

Section 11. The holders of the outstanding 1959 bonds
have heretofore agreed individually to exchange their respective
bonds with all unmatured interest coupons attached thereto,
including the June 1, 1963, coupon, for a like number of the
Bonds, prior to June 1, 1963. The Bonds shall immediately upon
their execution be delivered to the holders of the 1959 bonds
in exchange for the correspondingly numbered 1959 bonds so
surrendered, which 1959 bonds and interest coupons attached thereto
shall thereupon be cancelled.

PASSED by the City Council of the City of Kent, Wash-
ington and APPROVED by its Mayor, at a regular meeting held
on the 1st day of April, 1963.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY