CITY OF KENT, WASHINGTON

ORDINANCE NO. 1179

AN ORDINANCE specifying and adopting a system or plan of additions to and betterments and extensions of the water supply and distribution system of the City of Kent, Washington; declaring the estimated cost thereof as near as may be; providing for the issuance and sale of $1,000,000.00 par value of "Water Revenue Bonds, 1963, Issue No. 2," for the purpose of obtaining funds to pay the cost of carrying out the system or plan for making additions to and betterments and extensions of the existing water supply and distribution system of the City, and for the purpose of refunding all outstanding "Water Revenue Bonds, 1948," "Water Revenue Bonds, 1957," and "Water Revenue Bonds, 1958," of the City; fixing the form, date, maturities, interest rates, covenants and terms of the "Water Revenue Bonds, 1963, Issue No. 2," and providing for the sale thereof to McLean & Company, Inc., Tacoma, Washington.

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

WHEREAS, pursuant to Ordinance No. 802, 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 distribution system of the City and are subject to call for prior redemption on May 1, 1953, at par; and

WHEREAS, pursuant to Ordinance Nos. 949-A, 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 are subject to call for prior redemption on July 1, 1963, at $102.00 per $100.00 of par value thereof; 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 are subject to call for prior redemption on July 1, 1963, at $102.50 per each $100.00 par value thereof; and

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

WHEREAS, pursuant to Ordinance No. 1178, adopted this 1st day of April, 1963, the City has authorized the issuance of $327,000.00 par value of "Water Revenue Bonds, 1963, Issue No. 1," for the purpose of refunding the 1959 bonds; and

WHEREAS, the City Council believes that it is in the best interest of the City to refund the 1948 bonds, 1957 bonds, and 1958 bonds by issuing its "Water Revenue Bonds, 1963, Issue No. 2," on a parity of lien with the "Water Revenue Bonds, 1963, Issue No. 1," on the terms hereinafter set forth whereby an interest saving may be realized by the City; and

WHEREAS, the City desires to adopt a plan or system of additions to and betterments and extensions of the water supply and distribution system of the City which shall be paid for out of part of the proceeds of the "Water Revenue Bonds, 1963, Issue No. 2;" NOW, THEREFORE,
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. 2," authorized to be issued by this Ordinance.
(b) "Bond Fund" shall mean the "Water Revenue Bond Redemption Fund, 1963," created by Ordinance No. 1178, adopted April 1, 1963.
(c) "1948 Bonds," shall mean the "Water Revenue Bonds, 1948," of the City issued pursuant to Ordinance No. 802.
(d) "1948 Bond Fund" shall mean the "Kent 1948 Water Revenue Bond Redemption Fund," created by section 6 of Ordinance No. 802 for the payment of the principal of and interest on the 1948 bonds.
(e) "1957 Bonds" shall mean the "Water Revenue Bonds, 1957," of the City issued pursuant to Ordinances Nos. 949-2 and 956.
(f) "1957 Bond Fund" shall mean the "Kent 1957 Water Revenue Bond Redemption Fund," created by section 8 of Ordinance No. 956.
(g) "1958 Bonds" shall mean the "Water Revenue Bonds, 1958," of the City issued pursuant to Ordinance No. 982.
(h) "1958 Bond Fund" shall mean the "Kent 1958 Water Revenue Bond Redemption Fund," created by section 6 of Ordinance No. 982.
(i) "1959 Bonds" shall mean the "Water Revenue Bonds, 1959," issued pursuant to Ordinance No. 1032.
(k) "Parity Revenue Bonds," shall mean any revenue
bonds of the City hereafter issued in accordance with the provisions of section 9 of Ordinance No. 1178, 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 Ordinance No. 1178 to be made out of those revenues for the 1963 Bonds, Issue No. 1, and by this Ordinance for the Bonds.

(1) "Term Bond Year" shall mean any calendar year or years in which the 1963 Bonds, Issue No. 1, 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.

(m) "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 the 1963 Bonds, Issue No. 1, 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 interest of the City to refund the 1948 bonds, 1957 bonds, and 1958 bonds, and that the rates of interest on the Bonds authorized by this Ordinance will not exceed the rates of interest on the 1948 bonds, 1957 bonds, and 1958 bonds.

Section 3. The City of Kent, Washington, specifies and adopts a system or plan for making additions to and betterments and extensions of the existing Water System which shall consist of the following:
(a) There shall be constructed and installed an extension of the intake facilities at Clark Springs (also known as Rock Creek) in the South 1/2 of Section 26, Township 22 N., Range 6 East, W.M., by the installation of additional infiltration pipe.

(b) There shall be acquired a reservoir and elevated tank site at appropriate locations within and outside the City.

There shall be included in the foregoing construction and installation all necessary valves, fittings, couplings, connections, equipment and appurtenances and the acquisition of any easements, rights-of-way, water rights, and land that may be required; and there shall be included the performance of such work as may be incidental and necessary to the foregoing construction and installation.

The above described additions to and betterments and extensions of the Water System shall be connected to the existing Water System wherever necessary with the installation of all necessary appurtenances therefor.

The City Council may modify the details of the foregoing system or plan where in its judgment it appears advisable if such modifications do not substantially alter the purposes herein set forth.

Section 4. The life of the additions, betterments and extensions set forth in section 3 of this Ordinance is declared to be at least thirty years.

Section 5. The estimated cost of the acquisition, construction and installation of the additions, betterments and extensions set forth in section 3 of this Ordinance is fixed as nearly as may be at the sum of $58,000.00.

Section 6. The cost of acquiring, constructing and installing the additions, betterments and extensions described
in section 3 of this Ordinance and the cost of refunding the bonds described in section 2 of this Ordinance shall be paid from the proceeds received from the issuance and sale of the Bonds. It is the intention of the City to acquire, construct, install and complete such portions of the foregoing system or plan of additions, betterments and extensions as from time to time the City Council shall deem advisable.

Section 7. For the purposes set forth in section 6 of this Ordinance, there shall be issued and sold $1,000,000.00 par value of the Bonds. The Bonds shall be in denominations of $1,000.00 each; shall be numbered from 1 to 1000, inclusive; shall be dated May 1, 1963; shall bear interest payable semi-annually on June 1 and December 1 of each year, with the first interest coupon being payable on December 1, 1963, covering the seven months' period from May 1, 1963, through November 30, 1963, 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. Both principal of and interest on the Bonds shall be paid 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>1 to 18</td>
<td>$18,000</td>
<td>3 %</td>
<td>December 1, 1963</td>
</tr>
<tr>
<td>19 to 37</td>
<td>$19,000</td>
<td>3 %</td>
<td>December 1, 1964</td>
</tr>
<tr>
<td>38 to 57</td>
<td>$20,000</td>
<td>3 %</td>
<td>December 1, 1965</td>
</tr>
<tr>
<td>58 to 89</td>
<td>$32,000</td>
<td>3 1/2%</td>
<td>December 1, 1966</td>
</tr>
<tr>
<td>90 to 118</td>
<td>$29,000</td>
<td>3 1/2%</td>
<td>December 1, 1967</td>
</tr>
<tr>
<td>119 to 148</td>
<td>$30,000</td>
<td>3 1/2%</td>
<td>December 1, 1968</td>
</tr>
<tr>
<td>149 to 173</td>
<td>$25,000</td>
<td>3 1/2%</td>
<td>December 1, 1969</td>
</tr>
<tr>
<td>174 to 203</td>
<td>$30,000</td>
<td>3 1/2%</td>
<td>December 1, 1970</td>
</tr>
<tr>
<td>204 to 234</td>
<td>$31,000</td>
<td>3 1/2%</td>
<td>December 1, 1971</td>
</tr>
<tr>
<td>235 to 266</td>
<td>$32,000</td>
<td>3 1/2%</td>
<td>December 1, 1972</td>
</tr>
</tbody>
</table>
Bond Numbers (Inclusive) | Amounts | Interest Rates | Maturities
--- | --- | --- | ---
267 to 299 | $33,000 | 3 1/2% | December 1, 1973
300 to 335 | $36,000 | 3 3/4% | December 1, 1974
336 to 371 | $36,000 | 3 3/4% | December 1, 1975
372 to 409 | $38,000 | 3 3/4% | December 1, 1976
410 to 449 | $40,000 | 3 3/4% | December 1, 1977
450 to 490 | $41,000 | 3 3/4% | December 1, 1978
491 to 532 | $42,000 | 3 3/4% | December 1, 1979
533 to 576 | $44,000 | 3 3/4% | December 1, 1980
577 to 623 | $47,000 | 3 3/4% | December 1, 1981
624 to 671 | $48,000 | 3 3/4% | December 1, 1982
672 to 720 | $49,000 | 3 3/4% | December 1, 1983
721 to 773 | $53,000 | 3 3/4% | December 1, 1984
774 to 838 | $65,000 | 3 3/4% | December 1, 1985
839 to 905 | $67,000 | 3 3/4% | December 1, 1986
896 to 974 | $69,000 | 3 3/4% | December 1, 1987
975 to 1000 | $26,000 | 3 3/4% | December 1, 1988

The City of Kent reserves the right to redeem the Bonds, as a whole or in part, in inverse numerical order, on December 1, 1973, or on any interest payment date thereafter 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, 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 redemption upon payment of the redemption price into the Bond Fund.

Section 8. The Bond Fund has, by Ordinance No. 1178, been divided into a Principal and Interest Account and a Reserve 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 1/6th of the interest to become due and payable on the next interest payment date on all of the Bonds outstanding, except that from May through November, 1963, inclusive, the amount shall be equal to at least 1/7th of the interest to become due and payable on December 1, 1963,

(b) An amount equal to at least 1/12th of the principal of the Bonds to become due and payable on the next principal payment date, except that from May through November, 1963, inclusive, the amount shall be equal to at least 1/7th of the principal of the Bonds to become due and payable on December 1, 1963.

Section 9. The City shall pay into the Reserve Account of the Bond Fund by no later than May 1, 1968, an amount which will be at least equal to the next year's debt service on all outstanding Bonds and outstanding 1963 Bonds, Issue No. 1, and will maintain that Reserve Account so that there will be on deposit within that 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 outstanding 1963 Bonds, Issue No. 1, and any Parity Revenue Bonds hereafter issued.

In addition to using the gross revenues therefor, the Reserve Account may be accumulated from any monies which the City of Kent may have available for such purpose.

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 the Reserve Account to pay the principal of, call 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, call 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 any bonds payable out of the Bond Fund, such deficiency shall be made up from the Reserve Account by withdrawal of cash therefrom for that purpose. Any deficiency created in the Reserve Account by reason of any such withdrawals 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 monies 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 the day of purchase, and, in no event, maturing later than the last maturity of any bonds payable out of the Bond Fund outstanding at the time of such purchase. Interest earned on any such investment or on such bank deposit shall be deposited and become 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 10. The gross revenues from the Water System of the City are pledged to such payments as are required by this Ordinance, and the bonds shall constitute a charge or lien upon such revenues prior and superior to any other charge.
whatever, 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 the 1963 Bonds, Issue No. 1, and for any Parity Revenue Bonds.

Section 11. 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, any 1963 Bonds, Issue No. 1, and any Parity Revenue Bonds, are outstanding, as will make available for the payment of the principal of and interest on all 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, 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 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 payable from the Bond Fund 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 and 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 not more than ninety
days after the close of such calendar year. It will grant any
holder or holders of at least twenty-five percent of the out­
standing Bonds the right at all reasonable times to inspect the
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
ever be combined with the Water System) to any customer what­
soever free of charge, and it will promptly take legal action to
enforce the 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 and 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, 1963 Bonds, Issue No. 1, and Parity Revenue Bonds, and otherwise meet the obligations of the City, as herein set forth.

**Section 12.** The City of Kent covenants and agrees with the holder and holders of each Bond at any time outstanding that it will not issue any Parity Revenue Bonds unless it shall first satisfy the conditions set forth for the issuance of such Parity Revenue Bonds in Section 9 of Ordinance No. 1178, which section is by this reference incorporated herein and made a part hereof and shall be applicable so long as any Bonds are outstanding.

Nothing contained in this section 12 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 13. The Bond shall be in substantially
the following form:

No. ______  $1,000.00

UNITED STATES OF AMERICA
STATE OF WASHINGTON
CITY OF KENT
WATER REVENUE BOND, 1963,
ISSUE NO. 2
(3) (3-1/2) (3-3/4)%

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 DECEMBER, 19__,
ONE THOUSAND DOLLARS
together with interest thereon at the rate of
(three) (three and one-half) (three and three-
fourths) percent per annum payable on December 1,
1963, and semiannually thereafter on the
1st 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, Wash-
ington, 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 $1,000,000.00 par value of bonds, 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. 1179 of the City for the purpose of paying the cost of acquisition, construction and installation of certain additions to and betterments and extensions of the water supply and distribution system of the City, and for the purpose of refunding the outstanding "Water Revenue Bonds, 1948," "Water Revenue Bonds, 1957," and "Water Revenue Bonds, 1958," of the City. Reference is made to that Ordinance as more fully describing the covenants with and rights of the bonds of this issue.

The City of Kent reserves the right to redeem the bonds of this issue, as a whole or in part, in inverse numerical order, on December 1, 1973, 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 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 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 pay-
ment of the redemption price into the Bond Fund.

The bonds of this issue constitute a charge
or lien upon the gross revenues of 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 water 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 the outstanding
"Water Revenue Bonds, 1963, Issue No. 1," and
any additional and/or refunding bonds of the City
hereafter issued on a parity of lien with the
bonds in accordance with the provision of Section
9 of Ordinance No. 1178 and section 12 of
Ordinance No. 1179.

The City of Kent has covenanted to establish,
maintain and collect such rates and charges for
water (and for sanitary sewage disposal service
should the sanitary sewerage system of the City
ever be combined with the water supply and
distribution system of the City) for so long as
any bonds of this issue, any "Water Revenue Bonds,
1963, Issue No. 1," and any revenue bonds which
may hereafter be issued on a parity therewith are
outstanding, as will make available for the payment
of the principal of 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

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requirement in any "Term Bond Year" as such words are defined in Ordinance No. 1179) for the payment of all such principal and interest, after 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 betterments, 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 service requirements of all outstanding 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 hereeto affixed and the interest coupons attached to be signed with the facsimile signatures of those officials, this first day of May, 1963.

CITY OF KENT, WASHINGTON

By ________________________________

MAYOR

ATTEST:

______________________________

CITY 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' (seven months' on Coupon No. 1) interest then due on its "Water Revenue Bond, 1963, Issue No. 2," dated May 1, 1963, and numbered ____.

CITY OF KENT, WASHINGTON

By ________________________________

MAYOR
The bonds shall be printed on lithographed forms, shall be signed by the Mayor and attested by the Clerk, and 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 14. McLean & Company, Inc., of Tacoma, Washington, heretofore offered to purchase the Bonds at the price of par, plus accrued interest from the date of issuance to the date of delivery of the Bonds, the City to furnish at its expense the Bonds, together with the approving legal opinion of Messrs. Roberts, Shefelman, Lawrence, Gay & Moch, municipal bond counsel of Seattle, Washington. The City Council, deeming that no better offer could be received for the Bonds, and that it was in the best interests of the City to accept that offer, duly accepted the same on March 4, 1963, and such acceptance is now ratified and confirmed. The Bonds shall, therefore, immediately upon their execution be delivered to McLean & Company, Inc., upon payment therefor in accordance with that offer. The accrued interest received shall be deposited in the Principal and Interest Account of the Bond Fund, and the principal proceeds shall be deposited in the following manner:

$58,000.00 shall be deposited into the "Water Construction Fund" of the City, and there shall be deposited in the 1948 Bond Fund, the 1957 Bond Fund and the 1958 Bond Fund such sums which, together with the monies in those respective funds on May 1, 1963, will be sufficient to fully redeem all of the
outstanding 1948 Bonds, 1957 Bonds and 1958 Bonds, and to pay fully the interest and any call premiums on the earliest dates on which those bonds may respectively be redeemed. Any remaining principal proceeds of the Bonds and any remaining monies in the 1948 Bond Fund, 1957 Bond Fund and 1958 Bond Fund, after the redemption of the 1948 Bonds, 1957 Bonds and 1958 Bonds, shall be deposited in or transferred to, as the case may be, the Reserve Account of the Bond Fund.

The City Treasurer, pursuant to City Council direction has heretofore issued a call for redemption of all outstanding 1948 Bonds, such redemption to occur on May 1, 1963, and such action is now ratified and confirmed. The City Treasurer is directed to issue a call for redemption of all outstanding 1957 Bonds and 1958 Bonds to be redeemed at the earliest dates on which those respective bonds may be so redeemed.

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

ATTEST:

CITY CLERK

FORM APPROVED:

CITY ATTORNEY