AN ORDINANCE ordering the carrying out of a portion of the system or plan of additions to and betterments and extensions of the sewage collection and disposal system of the City as adopted by Ordinance No. 1226; providing for the issuance and sale of $325,000.00 par value of "Sewer Revenue Bonds, 1964, Series A," for the purpose of providing the funds with which to carry out said portion of the system or plan of additions to and betterments and extensions of the sewage collection and disposal system of the City; fixing the date, form, maturities, interest rates, terms and covenants of such bonds; providing for the sale thereof to McLean & Company, Inc., Tacoma, Washington; and declaring an emergency.

WHEREAS, the City of Kent, Washington, by Ordinance No. 1226, passed by the City Council and approved by the Mayor on the 6th day of January, 1964, specified and adopted a system or plan of additions to and betterments and extensions of the sewage collection and disposal system of the City and authorized the issuance and sale of not to exceed $850,000.00 par value of sewer revenue bonds in one or more series to obtain funds with which to pay the cost of said system or plan; and

WHEREAS, the City Council has determined to proceed with the carrying out of a portion of said system or plan and it is necessary to issue and sell $325,000.00 par value as a first series of the total authorized not to exceed $850,000.00 par value of sewer revenue bonds to provide the funds required to pay the cost of carrying out such portion of said system or plan; and

WHEREAS, the City of Kent has heretofore issued, pursuant to Ordinance No. 871, passed and approved February 1, 1954, under date of April 1, 1954, $270,000.00 par value of "Sewer Revenue Bonds, 1954," and pursuant to Ordinance No. 932, passed and approved October 1, 1956, $120,000.00 par value of "Sewer Revenue Bonds, 1956," and pursuant to Ordinance No. 1033, passed and approved June 15, 1959, $300,000.00 par
value of "Sewer Revenue Bonds, 1959," on a parity of lien with said "Sewer Revenue Bonds, 1954," and by Section 8 of said Ordinance No. 871, the City of Kent reserved the right to issue additional or refunding revenue bonds and to create a special fund for the payment of the principal and interest thereof, into which fund or funds payments may be made from the "Sewer Revenue Fund," created by Ordinance No. 871 (or any Water and Sewer Revenue Fund which may later be created), sufficient to pay the principal of and interest on such additional or refunding bonds, and to maintain adequate reserves therefor, if required, which such payments may rank equally with the payments out of the "Sewer Revenue Fund" (or such Water and Sewer Revenue Fund) into the "Kent 1954 Sewer Revenue Bond Redemption Fund," created by Ordinance No. 871, for the payment of said "Sewer Revenue Bonds, 1954," (which include payments into the "Kent 1956 Sewer Revenue Bond Redemption Fund," created by Ordinance No. 932 for payment of the outstanding "Sewer Revenue Bonds, 1956," and into the "Sewer Revenue Bond Fund, 1959," created by Ordinance No. 1022 for payment of outstanding "Sewer Revenue Bonds, 1959," issued on a parity with the "Sewer Revenue Bonds, 1954,") upon compliance with the following conditions:

"First, that at the time of the issuance of such additional or refunding bonds there is no deficiency in the Bond Redemption Fund or the Reserve Account created herein, or in any bond redemption fund or reserve account which may have been created for the payment of the principal of and interest on any revenue bonds issued on a parity with the bonds authorized herein and prior to the issuance of such additional or refunding bonds.

"Second, that the ordinance providing for the issuance of such additional or refunding bonds and providing for the payment of the principal and interest thereof out of a bond redemption fund shall create a reserve account in such bond redemption fund for the purpose of making up any deficiency therein, and such ordinance shall provide for the payment into such reserve account within five years from the date of the issuance of such additional or refunding bonds, of a sum at least equal to the average annual amount required for debt service on such additional or refunding bonds.

"Third, that at the time of the issuance of such additional or refunding bonds the city shall have on file a certified audit from a certified public accountant showing that the net income of the sewage disposal system (or the combined water and sewerage system) for a period of any
twelve consecutive months out of the fifteen months immediately preceding the month of delivery of such additional or refunding bonds shall have been at least 1.3 times the average annual debt service required for the outstanding bonds of this issue, for any revenue bonds which may have been issued on a parity therewith, and for such additional or refunding bonds.

"The words 'net income' as used in subparagraph Third immediately preceding shall be construed as the gross revenue of the entire sewage disposal system (or such combined water and sewerage system), including all additions and improvements thereto and extensions thereof less expenses of maintenance and operation of such system but before depreciation. Or,

"Fourth, in the event that the certified audit required in subparagraph Third immediately above may not be obtained, such additional or refunding bonds may still be issued on a parity with these bonds and other outstanding parity bonds if, at the time of the issuance of such additional or refunding bonds, the city shall have on file a certificate from an independent licensed professional engineer or engineering firm not then employed by the city except for the purpose of giving such certificate, showing that in his or its professional opinion the net income of the sewage disposal system (or combined water and sewerage system) for each future calendar year will equal at least 1.3 times the average annual debt service required for the outstanding bonds of this issue, for any revenue bonds which may have been issued on a parity therewith, and for such additional or refunding bonds.

"The words 'net income' as used in subparagraph Fourth immediately preceding shall be construed as the gross revenue of the entire sewage disposal system (or such combined water and sewerage system), including all additions and improvements thereto and extensions thereof, to be constructed or installed out of the proceeds of the sale of such additional bonds, less expenses of maintenance and operation of such system but before depreciation, and such 'net income' may include any increase in revenues to be derived by any increase in rates authorized by the Council up to the time of delivery of such additional or refunding bonds."

WHEREAS, the City Council hereby finds and declares that all payments required by said Ordinance No. 871 pertaining to the "Sewer Revenue Bonds, 1954," have been made into the "Kent 1954 Sewer Revenue Bond Redemption Fund," and that all payments required by said Ordinance No. 932
pertaining to the "Sewer Revenue Bonds, 1956," have been made into the "Kent 1956 Sewer Revenue Bond Redemption Fund," and that all payments required by Ordinance No. 1033 pertaining to the "Sewer Revenue Bonds, 1959," have been made into the "Sewer Revenue Bond Fund, 1959," including the Reserve Accounts created in such funds, and that provision is hereinafter made for the creation of a Reserve Account for the additional sewer revenue bonds herein authorized to be issued, into which account shall be paid, within five years from the date of the issuance of the additional bonds herein authorized to be issued, a sum at least equal to the average annual amount required for debt service on such additional bonds, and that

Carl H. Berglund, a certified public accountant, has filed with the City Clerk a certified audit showing that the net income of the sewage disposal system for the required period was sufficient to meet the 1.3 coverage requirement above set forth. NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON,
DO ORDAIN, as follows:

Section 1. The following portion of the system or plan of additions to and betterments and extensions of the sewage collection and disposal system of the City (hereinafter called "system of sewerage"), as adopted by Ordinance No. 1226 is hereby ordered to be carried out:

1. The following described property shall be acquired as a new treatment plan site in the North Kent Area:

The west half of the SE 1/4 of Section 11, Township 22 north, range 4 east W.M., less right-of-way for drainage ditch; and less that portion thereof lying southerly of a line running from a point on the east line of said subdivision 500 feet north of the southeast corner thereof to a point of the west line thereof 280 feet north of the southwest corner thereof.

2. The existing sewage treatment plant shall be expanded located at the following site:

That portion of Section 23, Township 22 north, range 4 east W.M., described as follows: Beginning 2001.9 ft. west of the NE corner of Section 23, Township 22 North, range 4 E., W.M.; thence west
1517.36 ft.; thence south 9°58' east along the County Road 247.11 ft.; thence south 20°35' east along the east line of the County Road 1154.7 ft.; thence east to a point which point is 500 ft. west of a line drawn south from the point of beginning; thence north 224 ft.; thence east 500 ft.; thence north to the point of beginning;

the estimated cost of which is $325,000.00.

Section 2. For the purpose of obtaining the funds necessary to carry out the portion of the system or plan for making additions to and betterments and extensions of the existing system of sewerage of the City as ordered in Section 1 above there shall be issued and sold $325,000.00 of "Sewer Revenue Bonds, 1964, Series A," (hereinafter called the "Bonds"). The Bonds shall be in denominations of $1,000.00 each; shall be numbered from 1 to 325, inclusive; shall be dated November 1, 1964; and shall bear interest at the rates hereinafter set forth, payable semiannually on April 1 and October 1 of each year, with the first interest coupon being payable on April 1, 1965, covering the five months period from November 1, 1964, through March 31, 1965, 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 payable in lawful money of the United States of America at the office of the City Treasurer of the City of Kent, Washington, solely out of the "Sewer Revenue Bond Fund, 1964," (hereinafter called the "Bond Fund") created and established by Ordinance No. 1226. The Bonds shall mature serially and shall 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 8</td>
<td>$8,000</td>
<td>3 1/4</td>
<td>October 1, 1966</td>
</tr>
<tr>
<td>9 to 17</td>
<td>$9,000</td>
<td>3 1/4</td>
<td>October 1, 1967</td>
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<tr>
<td>18 to 26</td>
<td>$9,000</td>
<td>3 1/4</td>
<td>October 1, 1968</td>
</tr>
<tr>
<td>27 to 36</td>
<td>$10,000</td>
<td>3 1/4</td>
<td>October 1, 1969</td>
</tr>
<tr>
<td>37 to 46</td>
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<td>3 1/2</td>
<td>October 1, 1970</td>
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<tr>
<td>47 to 56</td>
<td>$10,000</td>
<td>3 1/2</td>
<td>October 1, 1971</td>
</tr>
<tr>
<td>57 to 67</td>
<td>$11,000</td>
<td>3 1/2</td>
<td>October 1, 1972</td>
</tr>
<tr>
<td>68 to 78</td>
<td>$11,000</td>
<td>3 1/2</td>
<td>October 1, 1973</td>
</tr>
<tr>
<td>79 to 90</td>
<td>$12,000</td>
<td>3 1/2</td>
<td>October 1, 1974</td>
</tr>
<tr>
<td>Range</td>
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<td>Rate</td>
<td>Date</td>
</tr>
<tr>
<td>------------</td>
<td>---------</td>
<td>-------</td>
<td>------------</td>
</tr>
<tr>
<td>91 to 102</td>
<td>$12,000</td>
<td>3 3/4%</td>
<td>October 1, 1975</td>
</tr>
<tr>
<td>103 to 114</td>
<td>$12,000</td>
<td>3 3/4%</td>
<td>October 1, 1976</td>
</tr>
<tr>
<td>115 to 126</td>
<td>$12,000</td>
<td>3 3/4%</td>
<td>October 1, 1977</td>
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<tr>
<td>127 to 140</td>
<td>$14,000</td>
<td>3 3/4%</td>
<td>October 1, 1978</td>
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<td>141 to 154</td>
<td>$14,000</td>
<td>3.90%</td>
<td>October 1, 1979</td>
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<tr>
<td>155 to 168</td>
<td>$14,000</td>
<td>3.90%</td>
<td>October 1, 1980</td>
</tr>
<tr>
<td>169 to 183</td>
<td>$15,000</td>
<td>3.90%</td>
<td>October 1, 1981</td>
</tr>
<tr>
<td>184 to 198</td>
<td>$15,000</td>
<td>3.90%</td>
<td>October 1, 1982</td>
</tr>
<tr>
<td>199 to 214</td>
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<td>October 1, 1983</td>
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<tr>
<td>215 to 231</td>
<td>$17,000</td>
<td>3.90%</td>
<td>October 1, 1984</td>
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<tr>
<td>232 to 248</td>
<td>$17,000</td>
<td>3.90%</td>
<td>October 1, 1985</td>
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<tr>
<td>249 to 266</td>
<td>$18,000</td>
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</tr>
<tr>
<td>267 to 285</td>
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<td>October 1, 1987</td>
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<tr>
<td>286 to 305</td>
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<td>4.0%</td>
<td>October 1, 1988</td>
</tr>
<tr>
<td>306 to 325</td>
<td>$20,000</td>
<td>4.0%</td>
<td>October 1, 1989</td>
</tr>
</tbody>
</table>

Section 3. The City of Kent reserves the right to redeem the Bonds as a whole, or in part in inverse numerical order, on October 1, 1974, 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:

October 1, 1974, or April 1, 1975, at $102.50 per each $100 par value thereof,
October 1, 1975, or April 1, 1976, at $102.00 per each $100 par value thereof,
October 1, 1976, or April 1, 1977, at $101.50 per each $100 par value thereof,
October 1, 1977, or April 1, 1978, at $101.00 per each $100 par value thereof,
October 1, 1978, or April 1, 1979, at $100.50 per each $100 par value thereof,
October 1, 1979, and thereafter, at par.

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 said intended redemption shall also be mailed to McLean & Company, Inc., at its principal place of business in 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 4. The Bond Fund is hereby divided into two accounts, namely, a "Principal and Interest Account" and a "Reserve Account." So long as any Bonds are outstanding against the Bond Fund, the City Treasurer of the City of Kent shall set aside and pay into the Bond Fund out of the
"Sewer Revenue Fund," created and established by Ordinance No. 871 (or possibly the Water and Sewer Revenue Fund), into which fund shall be paid as collected all of the gross earnings and revenue of the system of sewerage of the City and all additions and improvements thereto and extensions thereof, a fixed amount without regard to any fixed proportion, as follows:

(a) Into the "Principal and Interest Account," monthly, on or before the 20th day of each month, beginning with the month of November, 1964, one-fifth of the amount of interest becoming payable on the Bonds on April 1, 1965, and beginning with the month of April, 1965, and continuing thereafter, one-sixth of the next ensuing six months' interest requirements, and in addition thereto beginning with the month of October, 1965, and continuing thereafter one-twelfth of the next ensuing twelve months' requirements for principal; and

(b) Into the "Reserve Account," by November 1, 1969, a sum at least equal to the average annual amount required for debt service on the Bonds, said amount to be accumulated by paying therein each month, commencing with the month of December, 1964, one-sixtieth of such amount.

The "Reserve Account" may be accumulated from any other moneys which the City of Kent may have available for such purpose, in addition to using the revenues in the "Sewer Revenue Fund" therefor. After the total required reserve amount shall have been accumulated in the "Reserve Account," such amount shall be maintained therein, except for withdrawals therefrom, as authorized herein, at all times so long as any of the Bonds are outstanding, provided, that when the total amount in the Bond Fund shall equal the total amount of principal and interest for all outstanding Bonds to the last maturity thereof, no further payment need be made into the Bond Fund.

In the event that there shall be a deficiency in the Bond Fund 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 moneys from the revenues of the system of sewerage of the City first available after making necessary provision for the required payments into the Bond Fund.
The money in the "Reserve Account" shall otherwise be held intact and may be applied against the last outstanding Bonds.

All money in the "Reserve Account" above provided for 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 date 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 in 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" in the Bond Fund.

The gross revenues from said system of sewerage are hereby pledged to such payments, and the Bonds shall constitute a charge or lien upon such gross revenues and the money in the Sewer Revenue Fund prior and superior to any other charges whatsoever, excluding necessary charges for maintenance and operation of the system of sewerage, and equal in rank with the charge or lien upon said gross revenues and the money in said Sewer Revenue Fund for the payment of the principal of and interest on the outstanding "Sewer Revenue Bonds, 1954," the outstanding "Sewer Revenue Bonds, 1956," the outstanding "Sewer Revenue Bonds, 1959," issued on a parity therewith, and any additional or refunding sewer revenue bonds hereafter issued on a parity therewith in accordance with the provisions of Section 8 of Ordinance No. 871.

Section 5. The City hereby covenants and agrees with the owner and holder of each Bond at any time outstanding, as follows:

(a) That it will establish, maintain and collect such rates and charges for sanitary sewage disposal service (plus rates for water if the sewerage system is combined with the water system) for so long as any of said Bonds are outstanding, including the outstanding "Sewer Revenue Bonds, 1954," the outstanding "Sewer Revenue Bonds, 1956, the outstanding "Sewer Revenue Bonds, 1959," and any additional or refunding revenue
bonds hereafter issued on a parity therewith as may be outstanding, that will make available for the payment of the principal and interest of such bonds as the same shall become due an amount equal to at least 1.3 times the average annual amount required to pay all of such principal and interest as the same become due.

The amount "available for the payment of the principal and interest of all of said bonds as the same shall become due" is hereby defined as "the gross revenues of the sewage disposal system of the City and all additions and improvements thereto and extensions thereof (or the gross revenues of the combined water and sewerage system of the City and all additions and improvements thereto and extensions thereof), less expenses of maintenance and operation of such system (or combined system), but before depreciation."

(b) That it will at all times maintain and keep the system of sewerage and all additions thereto and betterments, replacements and extensions thereof in good repair, working order and condition, and also, will at all times operate such system and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) That it will not sell, lease, mortgage or in any manner encumber or dispose of all the property of the system of sewerage unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal of and interest on all Bonds at any time outstanding, and that it will not sell, lease, mortgage or in any manner encumber or dispose of any part of the property of said system that is used, useful and material to the operation thereof 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 such outstanding Bonds for the twelve months preceding such sale, lease, encumbrance or disposal from the portion of the system sold, leased, encumbered or disposed of bears to the revenue available for debt service for such Bonds from the entire system for the same period. Any such money so paid into the Bond Fund shall be used to retire such outstanding Bonds at the earliest possible date.

(d) That 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 said 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 said system
in reasonable detail covering any calendar year not more
than ninety (90) days after the close of such calendar
year, and it will grant any holder or holders of at least
twenty-five percent (25%) of the outstanding Bonds the right
at all reasonable times to inspect the entire system and
all records, accounts and data of the City relating thereto.
Upon request of any holder of any of said Bonds, it also
will furnish such holder a copy of the most recently com­
pleted audit of the City's accounts by the State Auditor
of Washington.

(e) That it will not furnish sanitary sewage disposal
service to any customer whatsoever free of charge, and
it will promptly take legal action to enforce collection
of delinquent accounts.

(f) That it will carry the types of insurance on
its system of sewerage properties in the amounts normally
carried by private sewer companies engaged in the opera­
tion of sewer systems, and the cost of such insurance
shall be considered a part of operating and maintaining
said 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 said system on
which such war risk insurance may be written in an amount
or amounts to cover adequately the value thereof.

(g) That it will pay all costs of maintenance
and operation of the said system of sewerage and the
debt service requirements for the outstanding "Sewer
and "Sewer Revenue Bonds, 1959," and otherwise meet
the obligations of the City, as herein set forth.

Section 6. The Bonds shall be in substantially the following

form:

No. ____  $1,000.00

UNITED STATES OF AMERICA

STATE OF WASHINGTON

CITY OF KENT

SEWER REVENUE BOND, 1964, SERIES A

______ %

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 the bearer on the FIRST DAY OF OCTOBER,
19____, the principal sum of

ONE THOUSAND DOLLARS
together with interest thereon at the rate of
(____ %) per annum, payable semiannually on the first days of April and October of each year, upon the presentation and surrender of the attached interest coupons as they severally mature up to 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 created by Ordinance No. 1226 and known as "Sewer Revenue Bond Fund, 1964," (hereinafter called the "Bond Fund").

This bond is one of a total authorized issue of not to exceed $850,000.00 par value of bonds, none of which have heretofore been issued. The bonds of this series are designated "Series A," are in the total principal sum of $325,000.00 and are 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 Ordinances Nos. 1226 and ____ of the City, for the purpose of providing the funds to pay the cost of carrying out a portion of the system or plan for making additions to and betterments and extensions of the existing system of sewerage of the City, as adopted by Ordinance No. 1226 and ordered to be carried out by Ordinance No. ____ . Reference is made to Ordinances Nos. 1226 and ____ as more fully describing the covenants with and rights of holders of bonds of this series and issue.

The City of Kent has reserved the right to redeem the bonds of this series as a whole, or in part in inverse numerical order, on October 1, 1974, 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:

October 1, 1974, or April 1, 1975, at $102.50 per each $100 par value thereof,
October 1, 1975, or April 1, 1976, at $102.00 per each $100 par value thereof,
October 1, 1976, or April 1, 1977, at $101.50 per each $100 par value thereof,
October 1, 1977, or April 1, 1978, at $101.00 per each $100 par value thereof,
October 1, 1978, or April 1, 1979, at $100.50 per each $100 par value thereof,
October 1, 1979, and thereafter, at par.

Notice of any call for redemption of any of the bonds of this series 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 said intended redemption
shall also be mailed to McLean & Company, Inc., at its principal place of business in 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.

The bonds of this series constitute a lien and charge upon the gross revenues from the system of sewerage of the City, including the money in its "Sewer Revenue Fund" created by Ordinance No. 871, prior and superior to any other charges whatsoever, excluding charges for maintenance and operation, except that the lien and charge upon said gross revenues and the moneys in said "Sewer Revenue Fund" shall be on a parity with, and equal in rank with, the lien and charge upon such gross revenues and the money in said "Sewer Revenue Fund" for the payment of the principal of and interest on the outstanding "Sewer Revenue Bonds, 1954," the outstanding "Sewer Revenue Bonds, 1956," the outstanding "Sewer Revenue Bonds, 1959," and for any additional or refunding bonds hereafter issued on a parity of lien with said outstanding bonds in accordance with the provisions of Section 8 of Ordinance No. 871.

The City of Kent has covenanted to establish, maintain and collect such rates and charges for sanitary sewage disposal service for so long as any bonds of this series are outstanding that will provide revenue equal to at least 1.3 times the average annual amount required to pay the principal of and interest on the outstanding "Sewer Revenue Bonds, 1954," the outstanding "Sewer Revenue Bonds, 1956," the outstanding "Sewer Revenue Bonds, 1959," the bonds of this series and any revenue bonds which may later be issued on a parity therewith, as aforesaid, after necessary costs of maintenance and operation of said system have been paid, but before depreciation.

The City further covenants and agrees to maintain in good condition and to operate the system of sewerage and all additions thereto and betterments, replacements and extensions thereof, and to establish, maintain and collect such rates for sanitary sewage disposal service as will produce gross revenues from the system of sewerage sufficient to permit payment into the Bond Fund of the amounts required for the payment of the principal of and interest on the bonds of this series as they become due and the amounts to be paid into the "Reserve Account" in the Bond Fund, and in addition thereto to pay all costs of maintenance and operation of said system and the debt service requirements of the outstanding "Sewer Revenue Bonds, 1954," the outstanding "Sewer Revenue Bonds, 1956," and the outstanding "Sewer Revenue Bonds, 1959,"
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 that 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 Clerk and its corporate seal to be hereto affixed, and the interest coupons attached to be signed with the facsimile signatures of said officials this first day of November, 1964.

CITY OF KENT, WASHINGTON

[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 (April)(October), 19___, the CITY OF KENT, WASHINGTON, upon presentation and surrender of this coupon, will pay to 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 "Sewer Revenue Bond Fund, 1964," said sum being six months' interest then due on its "Sewer Revenue Bond, 1964," dated November 1, 1964, and numbered _______.

CITY OF KENT, WASHINGTON

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

-13-
Section 7. McLean & Company, Inc., of Tacoma, Washington, has submitted an offer to purchase the Bonds at a price of $97.00 for each $100.00 principal amount thereof, together with accrued interest from the date of issuance to the date of delivery of the Bonds to the purchaser, the City to furnish, at its expense, the Bonds, together with approving legal opinion of Roberts, Shefelman, Lawrence, Gay & Moch, municipal bond counsel of Seattle, Washington. The City Council, being of the opinion that no better offer could be received for the Bonds and that it is in the best interest of the City to accept said offer, hereby accepts the same. The proper City officers are hereby directed to issue and deliver the Bonds to McLean & Company, Inc., in accordance with its offer, upon payment therefor as stated. The accrued interest received shall be deposited in the Bond Fund, and the principal proceeds received shall be deposited in the "Sewer Construction Fund" of the City.

Section 8. This Ordinance is declared to be one necessary for the immediate preservation of the public peace, property, health and safety of the people of the City of Kent, Washington. An emergency is hereby declared to exist, and this Ordinance is hereby declared to be in full force and effect from and after its passage, approval and publication, as provided by law.

PASSED by the City Council of the City of Kent, Washington, and APPROVED by its Mayor, at a regular meeting held on the 5th day of October, 1964.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

-14-