CITY OF KENT, WASHINGTON

ORDINANCE NO. 1368

AN ORDINANCE providing for the issuance and sale of $300,000.00 par value of "General Obligation Bonds, 1966;" fixing the date, form, terms, and maximum interest rate of such bonds; establishing a "General Obligation Bond Fund, 1966" and a "South 212th Street Construction Fund" and providing for the issuance and sale of interest bearing warrants upon the "South 212th Street Construction Fund" pending the issuance and sale of such "General Obligation Bonds, 1966".

WHEREAS, the City of Kent, by Ordinance No. 1368 passed by the City Council and approved by the Mayor on August 1, 1966, ordered the improvement of South 212th Street from the Kent City Limits (Russell Road) to the West Valley Highway by constructing and installing asphaltic concrete pavement of a variable width from 60 to 72 feet with concrete curbs and gutters and drainage facilities, a part of the adopted Arterial Street Program of the City of Kent, established Local Improvement District No. 251 and provided (a) that not to exceed $130,000.00 of the cost and expense of the improvement should be borne by and assessed against the property specially benefited by such improvement included in Local Improvement District No. 251, (b) that approximately $186,000.00 of the cost and expense of the improvement should be paid from a grant anticipated to be received from the Economic Development Administration of the United States Department of Commerce, pursuant to the Public Works and Economic Development Act of 1965 (P.L. 89-136) Project 07-1-00100, and (c) that the balance of the cost and expense of the improvement should be paid from the proceeds received from the issuance and sale of general obligation bonds of the City in an amount not to exceed $150,000.00, such bonds to be payable by annual ad valorem taxes to be levied within the City's authorized millage against all of the taxable property within the City; and

WHEREAS, the City intends to order the continuation of the improvement of South 212th Street from the West Valley Highway to the East Valley Freeway (PSH5 or SR 167) by constructing and installing asphaltic concrete pavement of a variable width from 60 to 72 feet with concrete curbs
and gutters and drainage facilities, such improvement to be financed similarly be assessing a portion of the cost and expense thereof against the property specially benefited by such improvement to be included in a local improvement district to be established and a part of the cost and expense of the improvement to be paid from the grant anticipated to be received from the Economic Development Administration of the United States Department of Commerce, pursuant to the Public Works and Economic Development Act of 1966, and the balance of the cost and expense of such improvement to be paid from the proceeds received from the issuance and sale of general obligation bonds of the City, such bonds to be payable by ad valorem taxes to be levied within the City's authorized millage against all of the taxable property within the City; and

WHEREAS, the City has determined it to be in the best interests of the City that a general indebtedness be incurred and general obligation bonds be issued in the amount of $300,000.00 par value to pay a part of the cost and expense of the improvement of South 212th Street included within Local Improvement District No. 251 heretofore established and the remaining portion of the improvement of South 212th Street to be included in an additional local improvement district to be established; and

WHEREAS, the assessed valuation of the taxable property in the City as ascertained by the last preceding assessment for City purposes for the calendar year 1966 is $25,068,318.00, and at the time of the passage of this ordinance the outstanding indebtedness of the City is $244,000.00, all of which is represented by outstanding general obligation bonds issued within the 5% limit of indebtedness permitted by the Constitution and the statutes of the State of Washington for general municipal purposes pursuant to a vote of the electors of the City, and the amount of indebtedness proposed to be incurred is $300,000.00, NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DO ORDAIN as follows:
Section 1. The City shall borrow money on the credit of the City in the amount of $300,000.00 to pay a part of the cost and expense of improving South 212th Street from the Kent City Limits (Russell Road) to the East Valley Freeway (PSH 5 or SR 167) by constructing and installing asphaltic concrete pavement of a variable width from 60 to 72 feet with concrete curbs and gutters and drainage facilities, a part of which has heretofore been ordered pursuant to Ordinance No. 1368 and included in Local Improvement District No. 251, and shall issue negotiable general obligation bonds in evidence of such indebtedness.

Section 2. The bonds shall be designated "General Obligation Bonds, 1966" of the City of Kent, Washington; shall be dated December 1, 1966; shall be in denominations of $5,000.00 each; shall be numbered from 1 to 60, inclusive; shall bear interest at a maximum effective rate not to exceed 6% per annum which, except for the first coupon, shall be payable semiannually on June 1 and December 1 of each year as evidenced by coupons to be attached to the bonds representing interest to maturity with full obligation on the part of the City to pay interest at the bond rates from and after maturity until the bonds, both principal and interest, are paid in full and shall mature in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Bond Numbers (Inclusive)</th>
<th>Amounts</th>
<th>Maturities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 2</td>
<td>$10,000</td>
<td>December 1, 1968</td>
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<tr>
<td>3 to 4</td>
<td>10,000</td>
<td>December 1, 1969</td>
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<tr>
<td>5 to 6</td>
<td>10,000</td>
<td>December 1, 1970</td>
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<tr>
<td>7 to 8</td>
<td>10,000</td>
<td>December 1, 1971</td>
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<tr>
<td>9 to 10</td>
<td>10,000</td>
<td>December 1, 1972</td>
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<tr>
<td>11 to 13</td>
<td>15,000</td>
<td>December 1, 1973</td>
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<tr>
<td>14 to 16</td>
<td>15,000</td>
<td>December 1, 1974</td>
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<td>17 to 19</td>
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<td>20 to 22</td>
<td>15,000</td>
<td>December 1, 1976</td>
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<td>23 to 25</td>
<td>15,000</td>
<td>December 1, 1977</td>
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<td>26 to 28</td>
<td>15,000</td>
<td>December 1, 1978</td>
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<tr>
<td>29 to 31</td>
<td>15,000</td>
<td>December 1, 1979</td>
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<tr>
<td>32 to 35</td>
<td>20,000</td>
<td>December 1, 1980</td>
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<tr>
<td>36 to 39</td>
<td>20,000</td>
<td>December 1, 1981</td>
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<td>40 to 43</td>
<td>20,000</td>
<td>December 1, 1982</td>
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<td>44 to 47</td>
<td>20,000</td>
<td>December 1, 1983</td>
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<td>48 to 51</td>
<td>20,000</td>
<td>December 1, 1984</td>
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<tr>
<td>52 to 55</td>
<td>20,000</td>
<td>December 1, 1985</td>
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<tr>
<td>56 to 60</td>
<td>25,000</td>
<td>December 1, 1986</td>
</tr>
</tbody>
</table>
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.

Section 3. The City of Kent reserves the right to redeem any or all of the outstanding bonds of such issue at par plus accrued interest on December 1, 1976, or on any semiannual interest payment date thereafter, in inverse numerical order, highest numbers first, by publishing notice of such intended redemption in the official newspaper of the City at least once, not less than 30 days, not more that 40 days prior to the call date, and interest on any bonds so called for redemption shall cease on such call date. Notice of such intended redemption shall also be mailed within the same period to the principal underwriter or manager of the account which originally purchases the bonds and also shall be mailed to Standard & Poor's Corporation and Moody's Investor Service at their main offices in New York, New York.

Section 4. The City of Kent hereby irrevocably pledges itself to levy taxes annually, within the constitutional and statutory tax limitations provided by law, upon all property in the City subject to taxation in an amount sufficient to pay to the principal of and interest on the bonds as the same shall accrue, and the full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on the bonds; provided, that the City may, pursuant to RCW 82.36.020, as amended by Chapter 113 of the 1963 Session Laws of the State of Washington, use toward the payment of the principal and interest accruing on the bonds, the proceeds of the one-half cent of additional motor vehicle fuel and use fuel excise taxes allocated to the City for the construction, improvement and repairing of arterial highways and matching funds provided the City for such purposes.

Section 5. The bonds shall be in substantially the following form:

No. ______ $5,000.00

UNITED STATES OF AMERICA

STATE OF WASHINGTON
CITY OF KENT
GENERAL OBLIGATION BOND, 1966

KNOW ALL MEN BY THESE PRESENTS: That the City of Kent, Washington, for value received, promises to pay the bearer on the FIRST DAY OF DECEMBER, 19__, the principal sum of FIVE THOUSAND DOLLARS together with interest thereon at the rate of ________ PERCENT (____ %) per annum, until fully paid, payable semi-annually on the first days of June and December of each year, interest to maturity being evidenced by and payable upon the presentation and surrender of the attached interest coupons as they severally become due up to the bond maturity date with full obligation on the part of the City to pay interest at the same rate from and after the bond maturity date in the absence of coupons until this bond with interest is paid in full. This bond is payable, both principal and interest, in lawful money of the United States of America at the office of the Treasurer of Kent, Washington.

This bond is one of an issue of $300,000.00 of bonds of like date, tenor and effect, (except as to interest rates if more than one interest is bid ), and is issued by the City of Kent for strictly municipal purposes, to-wit, to pay a part of the cost and expense of improving South 212th Street from the Kent City Limits (Russell Road) to the East Valley Freeway (PSHS or SR 167), by constructing and installing asphaltic concrete pavement of a variable width from 60 to 72 feet with concrete curbs and gutters and drainage facilities, as a part of the adopted Arterial Street Program of the City, all as provided in Ordinances No. 1368 and 1318 and is issued in full compliance with the ordinances of the City of Kent and the laws and constitution of the State of Washington.

The City of Kent reserves the right to redeem any or all of the outstanding bonds of this issue at par plus accrued interest on December 1, 1976, or on any semiannual interest payment date thereafter, in inverse numerical order, highest numbers first, by publishing notice of such intended redemption in the official newspaper of the City at least once, not less than 30 days, not more than 40 days prior to the call date, and interest on any bonds so called for redemption shall cease on such call date. Notice of such intended redemption shall also be mailed within the same period to the principal underwriter or manager of the account which originally purchased the bond and also shall be mailed to Standard & Poor's Corporation and Moody's Investor Service at their main offices in New York, New York.

The City of Kent hereby irrevocably pledges itself to levy taxes annually, within the constitutional and statutory tax limitations provided by law, upon all property in the City subject to taxation in an amount sufficient to pay the principal of and interest on the bonds of this issue as the same shall accrue, and the full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on the bonds; provided, that the City may, pursuant to RCW 82.36.020, as amended by
Chapter 113 of the 1963 Session Laws of the State of Washington, use toward the payment of the principal and interest accruing on the bonds of this issue the proceeds of the one-half cent of additional motor vehicle fuel and use fuel excise taxes allocated to the City for the construction, improvement and repairing of arterial highways and matching funds provided the City for such purposes.

It is hereby certified that all acts, conditions, and things required to be done precedent to and in the issuance of this bond have been done, have happened and been performed as required by law and that the total indebtedness of the City, including this bond issue, does not exceed any constitutional or statutory limitations.

IN WITNESS WHEREOF, the City of Kent, Washington has caused this bond to be signed by the facsimile signature of its Mayor, and attested by the manual signature of its City Clerk and its corporate seal to be hereto affixed and the interest coupons attached hereto to be signed by the facsimile signatures of said officials this first day of December, 1966.

CITY OF KENT, WASHINGTON

By ________________________________

ATTEST:

__________________________
City Clerk

The form of the interest coupons shall be substantially as follows:

Coupon No. ___

$ ___

On the 1st 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, such sum being the semiannual interest due that day upon its "General Obligation Bond, 1966" dated December 1, 1966, and numbered ___.

CITY OF KENT, WASHINGTON

By ________________________________

ATTEST:

__________________________
City Clerk

Section 6. The bond shall be printed or lithographed on good bond paper and shall be signed by the facsimile signature of the Mayor and attested by the manual signature of the Clerk of the City of Kent, Washington, under the seal of the City and the coupons shall bear the facsimile
signatures of the Mayor and the Clerk.

Section 7. There are hereby created and established in the office of the City Treasurer two special funds to be known and designated as the "General Obligation Bond Fund, 1966" and the "South 212th Street Construction Fund." The accrued interest received, if any, from the sale of the bonds shall be paid into the "General Obligation Bond Fund, 1966" and the principal proceeds received from the sale of the bonds, together with the proceeds from the sale of Local Improvement Bonds of Local Improvement District No. 251 heretofore created and from the local improvement bonds of a local improvement district contemplated to be created in connection with the carrying out of the remaining improvement of South 212th Street, together with the monies received by way of a grant from the Economic Development Administration of the United States Department of Commerce pursuant to the Public Works and Economic Development Act of 1965, (P.L. 89-136) Project No. 07-1-00100, shall be paid into the "South 212th Street Construction Fund" of the City and expended for the purpose of improving South 212th Street from the Kent City Limits (Russell Road) to the East Valley Freeway (PSH 5 or SR 167), by constructing and installing asphaltic concrete pavements of a variable width from 60 to 72 feet with concrete curbs and gutters and drainage facilities, as a part of the adopted Arterial Street Program of the City, and to pay the cost of the issuance and sale of the bonds authorized herein. All taxes collected for the payment of the principal of and interest on the bonds and such amount of the proceeds of motor vehicle fuel and use fuel excise taxes allocated to the City as the City Council shall provide for deposit into such fund, in amounts sufficient to pay the principal of and interest on the bonds herein authorized to be issued, shall be paid into the "General Obligation Bond Fund, 1966". Pending the sale of the "General Obligation Bonds, 1966", the City may issue warrants upon the "South 212th Street Construction Fund", to bear interest at the rate of 5% per annum and to be sold to McLean & Co., Inc. of Tacoma, Washington, pursuant to its offer to purchase such warrants, which offer is hereby accepted.
Such warrants shall be paid out of the proceeds from the sale of the "General Obligation Bonds, 1966," or any other monies becoming available therefor in the "South 212th Street Construction Fund."

Section 8. The "General Obligation Bonds, 1966" shall be sold for cash at public sale for not less than par plus accrued interest upon sealed bids to be received at the office of the City Clerk up to the day and hour hereafter determined by the City Council and to be included in a Notice of Bond Sale which the Council shall hereafter direct to be given.

PASSED by the City Council and APPROVED by the Mayor of the City of Kent, Washington at a regular meeting thereof this 19th day of September, 1966.

Mayor

ATTEST:

City Clerk

FORM APPROVED:

City Attorney