AN ORDINANCE of the City of Kent, Washington, providing for the issuance, specifying the maturities and fixing the form of $300,000.00 par value of "General Obligation Library Bonds, 1972," authorized by the qualified voters of the City at a special election held therein on February 8, 1972, pursuant to Ordinance No. 1755; creating a special bond redemption fund and a "Library Construction Fund"; and providing for the sale of such bonds.

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

Section 1. The City of Kent shall presently issue and sell the total not to exceed $300,000.00 par value of negotiable general obligation bonds authorized by the qualified voters of the City at a special election held on February 8, 1972, pursuant to Ordinance No. 1755, in order to finance the cost of constructing and acquiring an addition to the existing Kent City Library building, including parking, and to pay the cost of the issuance of such general obligation bonds. The bonds shall be designated "General Obligation Library Bonds, 1972," shall be dated May 1, 1972, shall be numbered from 1 to 60, inclusive, shall be in the denomination of $5,000.00 each, and shall bear interest payable semiannually on May 1 and November 1 of each year, as evidenced by interest 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 rate or rates from and after maturity until those bonds, both principal and interest, are paid in full. Both principal and interest are to be paid in lawful money of the United States of America at the office of the City Treasurer of the City of Kent, Washington, and the bonds shall be payable serially over a period of from two to ten years from the date of issuance and mature in order of their numbers as follows:
<table>
<thead>
<tr>
<th>Bond Numbers (Inclusive)</th>
<th>Amounts</th>
<th>Maturities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 6</td>
<td>$30,000</td>
<td>May 1, 1974</td>
</tr>
<tr>
<td>7 to 12</td>
<td>30,000</td>
<td>May 1, 1975</td>
</tr>
<tr>
<td>13 to 18</td>
<td>30,000</td>
<td>May 1, 1976</td>
</tr>
<tr>
<td>19 to 24</td>
<td>30,000</td>
<td>May 1, 1977</td>
</tr>
<tr>
<td>25 to 30</td>
<td>30,000</td>
<td>May 1, 1978</td>
</tr>
<tr>
<td>31 to 37</td>
<td>35,000</td>
<td>May 1, 1979</td>
</tr>
<tr>
<td>38 to 44</td>
<td>35,000</td>
<td>May 1, 1980</td>
</tr>
<tr>
<td>45 to 52</td>
<td>40,000</td>
<td>May 1, 1981</td>
</tr>
<tr>
<td>53 to 60</td>
<td>40,000</td>
<td>May 1, 1982</td>
</tr>
</tbody>
</table>

Section 2. The bonds shall be issued without the right or option of the City to redeem the same prior to their stated maturity dates.

Section 3. The City of Kent hereby irrevocably pledges itself to levy taxes annually, without limitation as to rate or amount, on all property in the City subject to taxation in an amount sufficient to pay the principal of and interest on the bonds as the same shall become due, and the full faith, credit and resources of the City are hereby irrevocably pledged for the payment of the principal of and interest on such bonds.

Section 4. 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 LIBRARY BOND, 1972

KNOW ALL MEN BY THESE PRESENTS: That the City of Kent, State of Washington, for value received, promises to pay to the bearer on the FIRST DAY OF MAY, 19__, the principal sum of FIVE THOUSAND DOLLARS together with interest thereon at the rate of ______ % per annum, until fully paid, payable semiannually on the first days of May and November of each year, with interest to maturity being evidenced by and payable upon the presentation and surrender of the attached interest coupons as they severally become
due, with full obligation on the part of the City to pay interest at the same rate from and after the 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 the City 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 maturities (and interest rates if more than one interest rate is bid), and is issued by the City of Kent pursuant to a special election authorizing the same for strictly municipal capital purposes, other than the replacement of equipment, to-wit, for the purpose of providing the funds to pay the cost of constructing and acquiring an addition to the existing Kent City Library building, including parking, all as provided in Ordinances Nos. 1755 and 1759 of the City Council, and is issued in full compliance with the ordinances of the City of Kent and the laws and constitution of the State of Washington.

This bond is issued without the right or option of the City to redeem the same prior to its stated maturity date.

The City of Kent hereby irrevocably pledges itself to levy taxes annually, without limitation as to rate or amount, on all property in the City subject to taxation in an amount sufficient to pay the principal of and interest on the bonds as the same shall become due. 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.

It is hereby certified that all acts, conditions and things required to be done, happen, and be performed precedent to and in the issuance of this bond have been done, have happened and have 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 hereon affixed and the interest coupons attached to be signed with the facsimile signatures of said officials this first day of May, 1972.

CITY OF KENT, WASHINGTON

By (facsimile signature) Mayor

ATTEST:

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

Coupon No. ___

$___

On the FIRST DAY OF (MAY) (NOVEMBER), 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 amount shown hereon in lawful money of the United States of America, said sum being the semiannual interest due that date on its "General Obligation Library Bond, 1972," dated May 1, 1972, and numbered ___.

CITY OF KENT, WASHINGTON

By (facsimile signature)

Mayor

ATTEST:

(facsimile signature)

City Clerk

Section 5. The bonds 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 City Clerk of the City of Kent under the seal of the City, and the coupons shall bear the facsimile signatures of the Mayor and City Clerk.

Section 6. 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 Library Bond Fund, 1972," which fund shall be used for the payment of the principal of and interest on the bonds, and the "Library Construction Fund," which fund shall be used for the payment of the costs of constructing and acquiring an addition to the existing Kent City Library building, including parking, all as provided in Ordinance No. 1755, and the costs of the issuance and sale of the bonds. All taxes collected for the payment of the principal of and interest on the bonds shall be deposited in the "General Obligation Library Bond Fund, 1972." Pending the expenditure of the bond proceeds deposited in the "Library Construction Fund," such proceeds may be invested in the manner provided by law and the investment income received therefrom
shall be retained in the "Library Construction Fund" and expended for the purposes for which such fund is herein created. A sufficient amount of the proceeds received from the sale of the bonds and deposited in the "Library Construction Fund" to meet the interest payable on the bonds on November 1, 1972, shall be loaned on a temporary basis to the "General Obligation Library Bond Fund, 1972," and the amount of such temporary loan shall be included in the levy to be made in 1972 for collection in 1973 for the "General Obligation Library Bond Fund, 1972," and shall be repaid to the "Library Construction Fund" from the proceeds of such levy.

Section 7. The bonds 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 stated in the Notice of Bond Sale hereinafter directed to be given.

Notice calling for bids to purchase the bonds shall be published once a week for four consecutive weeks in the official newspaper of the City of Kent and such notice shall also be published once in the Daily Journal of Commerce of Seattle, Washington, at least ten days before the bid opening date. Such notice shall specify that bids for the purchase of the bonds shall be received by the City Clerk of the City of Kent in the Council Chambers of the City Hall on April 3, 1972, up to 8:00 o'clock p.m. (PST), at which time all bids will be publicly opened for the purchase of the bonds and considered by the City Council at a meeting thereof then to be held.

A copy of the notice shall, at least three weeks prior to the date fixed for the sale, be mailed to the State Finance Committee, Olympia, Washington.

Bids shall be invited for the purchase of the bonds with fixed maturities in accordance with the schedule specified in Section 1 hereof.
The notice shall specify the maximum effective rate of interest the bonds shall bear, to-wit, 6% per annum, and shall require bidders to submit a bid specifying:

(a) The lowest rate or rates of interest and premium, if any, above par at which the bidder will purchase the bonds; or

(b) The lowest rate or rates of interest at which the bidder will purchase the bonds at par.

No bid will be considered for the bonds for less than par and accrued interest or for less than the entire issue. The purchaser must pay accrued interest to date of delivery of the bonds.

For the purpose of evaluating bids only, the coupon rates bid being controlling, each bid shall state the total interest cost over the life of the bonds and the net effective interest rate of such bid. All bonds maturing on the same date must bear interest at the same single rate which may not exceed 6% per annum. The bonds will be sold to the bidder offering to purchase the same at the lowest interest cost to the City over the life thereof, subject to the right of the City to reject any or all bids submitted. The City further reserves the right to waive any informality or irregularity in the bidding if it is in the best interest of the City to do so.

Coupon rates shall be in multiples of 1/8 or 1/10 of 1%, or both. Only one coupon will be attached to each bond for each installment of interest thereon, and the bids providing for additional or supplemental coupons will be rejected.

All bids shall be sealed and, except the bid of the State of Washington, if one is received, shall be accompanied by a good faith deposit of $15,000.00, either in cash or by certified or cashier's check made payable to the City Treasurer, which shall be returned if the bid is not accepted; and if the successful bidder
fails to or neglects to complete the purchase of the bonds within forty days following the acceptance of his bid, the amount of his deposit shall be forfeited to the City, and in that event the City Council may accept the bid of the one making the next best bid, if such bidder agrees to purchase the bonds under the terms provided in his bid, or if all bids are rejected, the City Council, if it decides to reoffer the bonds for sale, shall readvertise the bonds for sale in the same manner as provided by law for the original advertisement. If there are two or more equal bids and such bids are the best bids received, and not less than par and accrued interest are bid, the City Council shall determine by lot which bid will be accepted.

The bonds will be delivered to the successful bidder at the office of the City Treasurer of the City of Kent, Washington, or in the City of Seattle, Washington, at the expense of the City or at such other place as the City Treasurer and the successful bidder may mutually agree upon at the purchaser's expense.

Any bid presented after the hour specified for the receipt of bids will not be received and any bid not accompanied by the required bid deposit at the time of opening such bid will not be read or considered.

The City Clerk of the City of Kent shall be and is hereby authorized and directed to publish notice for the purchase of the bonds in the manner required by law in accordance with the provisions of this section. Such notice shall provide that the City of Kent will cause the bonds to be printed or lithographed and signed and will furnish the approving legal opinion of Messrs. Roberts, Shefelman, Lawrence, Gay & Moch, municipal bond counsel of Seattle, Washington, approving the legality of the same, all at the expense of the City, which opinion will be printed on each bond. A no-litigation certificate in the usual form will be included in the closing papers.
Such notice shall also provide that further information regarding the details of such bonds may be received upon request made to the City Clerk or to Foster & Marshall Inc., the City's financial consultants, at 205 Columbia Street, Seattle, Washington.

PASSED by the City Council at a regular open public meeting thereof and APPROVED by the Mayor of the City of Kent, Washington, this 6th day of March, 1972.

[Signature]
Mayor

ATTEST:

[Signature]
City Clerk

FORM APPROVED:

[Signature]
City Attorney