CITY OF KENT, WASHINGTON
ORDINANCE NO. 2281

AN ORDINANCE of the City of Kent, Washington, relating to the acquisition of property; providing for the issuance, specifying the maturities, maximum effective interest rate, terms and covenants of $1,900,000 par value of limited tax general obligation bonds of the City for strictly City purposes to provide funds with which to pay the costs of acquiring Colony Park Golf Course, property for a golf driving range and related property, of making improvements thereto and for other strictly City purposes, and the expenses of issuing such bonds; establishing a bond redemption account and a golf course enterprise fund; providing for the sale of such bonds; preserving certain actions heretofore taken; ratifying actions of City officers; amending Section 7 of Ordinance No. 2279; and repealing portions of Ordinance No. 2279.

WHEREAS, the City of Kent, Washington (hereinafter called the "City") has acquired the Colony Park Golf Course within the City, the estimated cost of which, including the cost of financing thereof, is $1,180,000, and plans to acquire additional property as an addition to a golf driving range, and make certain improvements to the golf course and driving range, and the City does not have available sufficient funds to pay the cost; NOW, THEREFORE,

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

Section 1. The assessed valuation of the taxable property of the City as ascertained by the last preceding assessment for City purposes for the calendar year 1981 is $1,432,492,713 and the City has outstanding general indebtedness evidenced by limited tax general obligation bonds of $2,495,000 and by conditional sales contracts in the amount of $91,500.86 incurred within the limit of up to 3/4 of 1% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the
qualified voters therein, and has a general indebtedness outstanding evidenced by unlimited tax general obligation bonds in the principal amount of $1,174,000 issued pursuant to a vote of the qualified voters of the City for capital purposes and the amount of indebtedness for which bonds are herein authorized to be issued is $1,900,000.

Section 2. The City shall borrow money on the credit of the City and issue negotiable limited tax general obligation bonds evidencing such indebtedness in the amount of $1,900,000 for general City purposes to provide the funds to pay the costs of acquiring the Colony Park Golf Course pursuant to the terms set forth in a Mortgage and Payment Contract, dated March 3, 1981, on file with the City Clerk, to pay the costs of acquiring additional property adjacent to the Colony Park Golf Course for a golf driving range, to make appropriate improvements to all of such property, to pay the cost of the issuance of the Bonds, and if any money remains after such expenditures, to pay the cost of other strictly City purposes to be hereafter authorized by the City Council. Such general indebtedness to be incurred shall be within the limit up to 3/4 of 1% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein.

Section 3. The Bonds shall be called "Limited Tax General Obligation Bonds, 1981" (the "Bonds"), of the City; shall be dated May 1, 1981; shall be in the denomination of $5,000 each; shall be numbered from 1 to 380, inclusive; and shall bear interest at the rate or rates specified in the winning bid for the Bonds, but not in excess of an effective rate of 12% per annum, payable on May 1, 1982, and semiannually thereafter on each succeeding November 1 and
May 1 as evidenced by coupons to be attached to the Bonds representing interest to maturity. If any Bond is not redeemed when duly presented at its maturity or call date thereof, the City shall be obligated to pay interest at the coupon rate for each such Bond from and after the maturity or call date until such Bond, both principal and interest, shall have been paid in full or until sufficient money for such payment in full is on deposit in the "Golf Course Enterprise Fund," and such Bond has been duly called for payment. Both principal of and interest on the Bonds are to be paid in lawful money of the United States of America, which at the time of payment shall be legal tender for the payment of public and private debts, at the office of the City Treasurer, or, at the option of the holder, at either fiscal agency of the State of Washington in Seattle, Washington, or New York, New York. The Bonds shall mature serially, annually, in order of their numbers in the following amounts on May 1 of each of the following years (such maturity schedule being computed at an assumed interest rate of 10% per annum):

<table>
<thead>
<tr>
<th>Bonds Numbers (Inclusive)</th>
<th>Amounts</th>
<th>Maturity Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 7</td>
<td>$35,000</td>
<td>1983</td>
</tr>
<tr>
<td>8 to 15</td>
<td>40,000</td>
<td>1984</td>
</tr>
<tr>
<td>16 to 24</td>
<td>45,000</td>
<td>1985</td>
</tr>
<tr>
<td>25 to 34</td>
<td>50,000</td>
<td>1986</td>
</tr>
<tr>
<td>35 to 45</td>
<td>55,000</td>
<td>1987</td>
</tr>
<tr>
<td>46 to 57</td>
<td>60,000</td>
<td>1988</td>
</tr>
<tr>
<td>58 to 70</td>
<td>65,000</td>
<td>1989</td>
</tr>
<tr>
<td>71 to 85</td>
<td>75,000</td>
<td>1990</td>
</tr>
<tr>
<td>86 to 101</td>
<td>80,000</td>
<td>1991</td>
</tr>
<tr>
<td>102 to 119</td>
<td>90,000</td>
<td>1992</td>
</tr>
<tr>
<td>120 to 138</td>
<td>95,000</td>
<td>1993</td>
</tr>
<tr>
<td>139 to 159</td>
<td>105,000</td>
<td>1994</td>
</tr>
<tr>
<td>160 to 182</td>
<td>115,000</td>
<td>1995</td>
</tr>
<tr>
<td>183 to 208</td>
<td>130,000</td>
<td>1996</td>
</tr>
<tr>
<td>209 to 236</td>
<td>140,000</td>
<td>1997</td>
</tr>
<tr>
<td>237 to 267</td>
<td>155,000</td>
<td>1998</td>
</tr>
<tr>
<td>268 to 301</td>
<td>170,000</td>
<td>1999</td>
</tr>
<tr>
<td>302 to 339</td>
<td>190,000</td>
<td>2000</td>
</tr>
<tr>
<td>340 to 380</td>
<td>205,000</td>
<td>2001</td>
</tr>
</tbody>
</table>
The City reserves the right to redeem any or all of the Bonds prior to their stated maturity dates as a whole, or in part in inverse numerical order, on May 1, 1991, or any semiannual interest payment date thereafter at par plus accrued interest to date of redemption.

Notice of such intended redemption shall be published in the official newspaper of the City, or if there is no official newspaper, then in a newspaper of general circulation in the City, at least once not less than 30 nor more than 45 days prior to the call date, or, if there is no official newspaper, then in a newspaper of general circulation in the City, and a copy of such notice shall be mailed within the same period to the main office of the principal underwriter or account manager of the successful bidder for the Bonds, or its successor. In addition, such redemption notice shall be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation, at their offices in New York, New York, but the mailing of such notice to such New York firms shall not be a condition precedent to the redemption of such Bonds. Interest on any Bonds so called for redemption shall cease on such call date upon payment of the redemption price into the Bond Redemption Account of the Golf Course Enterprise Fund.

The City further reserves the right to purchase any or all of the Bonds in the open market at any time at a price not in excess of par plus accrued interest to date of purchase.

Section 4. The City irrevocably pledges itself to levy taxes annually, within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City, upon all property in the City subject to taxation in an amount sufficient, together with other money legally available and to be used therefor, to pay the principal of and interest on the Bonds as the same shall accrue, and the full faith, credit and resources of
the City are irrevocably pledged for the payment of the principal of and interest on the Bonds.

Section 5. The City covenants that it will make no use of the proceeds of the Bonds or of its other money at any time during the term of the Bonds which will cause the Bonds to be arbitrage bonds within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations promulgated thereunder.

Section 6. The Bonds and coupons shall be printed or lithographed on good bond paper in a form consistent with the provisions of this ordinance. The Bonds shall be signed by the facsimile signature of the Mayor and attested by the manual signature of the City Clerk, and a facsimile reproduction of the seal of the City shall be printed thereon, and the coupons shall bear the facsimile signatures of the Mayor and the City Clerk.

Section 7. Section 7 of Ordinance No. 2279 is amended to read as follows:

Section 7. The Golf Course Enterprise Fund is created and established by the City Finance Department. The accrued interest and premium received, if any, upon the sale and delivery of the Bonds shall be paid into this fund and segregated into a Bond Redemption Account for the purpose of bond redemption. The principal proceeds received from the sale and delivery of the Bonds shall also be paid into this fund and segregated into an acquisition account for the purposes specified in Section 2 of this ordinance. Pending the receipt of the principal proceeds from the issuance of the Bonds, interest bearing warrants, bearing interest to be negotiated by the Director of Finance but not to exceed 14%, may be drawn on the Golf Course Enterprise Fund to provide interim funds to pay such acquisition costs. Pending the expenditure of
such principal proceeds, the City may temporarily invest such pro-
ceeds in any legal investment and the investment earnings may be
retained and expended, in the first instance, for completing the
commitments of acquisition and when this is complete, for any
lawful purpose of this fund. Subsequent monies collected by or
allocated to this fund must be used in the first instance for the
payment on the principal of and interest on the Bonds. Any war-
rants issued pursuant to this section in Ordinance No. 2279 shall
remain valid claims of the Golf Course Enterprise Fund and shall
be paid in accordance with their terms.

Section 8. The Bonds shall be sold for cash at public
sale for not less than par, plus accrued interest, and may be
combined into any authorized issue for the purpose of sale.

The City is authorized to give notice calling for bids to
purchase the Bonds by publishing the same once a week for four con-
secutive weeks in the official newspaper of the City, or if there
is no official newspaper, then in a newspaper of general circula-
tion in the City, and a short abbreviated form of such notice shall
also be published once in The Seattle Daily Journal of Commerce and
Northwest Construction Record of Seattle, Washington, at least ten
days prior to the sale date. Such notice shall specify that sealed
bids for the purchase of the Bonds shall be received by the City
Clerk in her office in the City Hall on May 18, 1981, up to 11:00
a.m., local time, at which time all bids will be publicly opened
and read and an award made by the City Council at its regular
meeting to be held in the City Council Chambers commencing at 8:00
p.m., local time, on the same date.

A copy of the notice shall be mailed to the State Finance
Committee, Olympia, Washington, at least three week priors to the
date fixed for the sale.
Bids shall be invited for the purchase of the Bonds with fixed maturities in accordance with the schedule specified in Section 3 hereof.

The notice shall specify the maximum effective rate of interest the Bonds shall bear, namely, 12% 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. The purchaser must pay accrued interest to date of delivery of the bonds.

Coupon rates shall be in multiples of 1/8th or 1/20th of 1%, or both. No more than one rate of interest may be fixed for any one maturity, which rate shall not exceed 12% per annum. Only one coupon will be attached to each of the Bonds for each installment of interest thereon, and bids providing for additional or supplemental coupons will be rejected. The maximum differential between the lowest and highest coupon rates named in any bid shall not exceed 2%.

For the purpose of comparing the 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 the bid.

The Bonds shall be sold to the bidder making the best bid, subject to the right of the City Council to reject any and all bids and to readvertise the Bonds for sale in the manner provided by law, and no bid for less than all of the Bonds shall be considered. The City further reserves the right to waive any irregularity in any bid or in the bidding process.
All bids shall be sealed, and, except the bid of the State of Washington, if one is received, shall be accompanied by a deposit of $95,000. The deposit shall be either by certified check or cashier's check made payable to the City Treasurer and shall be promptly returned if the bid is not accepted. The City reserves the right to invest the good faith deposit of the purchaser pending the payment for the Bonds. The purchaser shall not be credited for such earnings. If the Bonds are ready for delivery and the successful bidder shall fail or neglect to complete the purchase of the Bonds within forty days following the acceptance of its bid, the amount of its deposit shall be forfeited to the City and in that event the City may accept the bid of the one making the next best bid. If there be two or more equal bids for not less than par plus accrued interest and such bids are the best bids received, the City Council shall determine by lot which bid shall be accepted. The Bonds will be delivered to the successful bidder against payment of the purchase price plus accrued interest to the date of delivery, less the amount of the good faith deposit, at the office of the City Treasurer or in Seattle, Washington, at the City's expense, or at such other place as the City Treasurer and the successful bidder may mutually agree upon at the purchaser's expense. Settlement shall be made in federal funds immediately available at the time of delivery of the Bonds. A no-litigation certificate in the usual form will be included in the closing papers.

CUSIP numbers will be printed on the Bonds, if requested in the bid of the successful bidder, but neither failure to print such numbers on any bond nor error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the
terms of the purchase contract. All expenses in relation to the
printing of CUSIP numbers on the Bonds shall be paid by the City;
but the fee of the CUSIP Service Bureau for the assignment of those
numbers shall be the responsibility of and shall be paid for by the
purchaser.

Any bid presented after the time 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 will not be read
or considered.

If, prior to the delivery of the Bonds, the interest
receivable by the holders thereof shall become taxable, directly
or indirectly, by the terms of any federal income tax law, the
successful bidder may at its option be relieved of its obligation
to purchase the Bonds, and in such case the deposit accompanying
its bid will be returned, without interest.

The notice of bond sale shall provide that the City 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, bond counsel of Seattle, Washington, covering
the Bonds without cost to the purchaser, the opinion also being
printed on each bond. Bond counsel shall not be required to review
or express any opinion concerning the completeness or accuracy of
any official statement, offering circular or other sales material
issued or used in connection with the Bonds, and bond counsel's
opinion shall so state. Such notice shall also provide that further
information regarding the details of the Bonds may be received upon
request made to Foster & Marshall Inc., 205 Columbia Street, Seattle,
Washington, the City's financial consultant.
Section 9. Without unreasonable delay, the City will cause definitive Bonds to be prepared and executed after the award of the Bonds to the successful purchaser. If definitive Bonds are not ready for issuance by May 29, 1981, the City will issue a printed or typed temporary Bond or Bonds with one or more coupons or without coupons and with appropriate omissions, variations and insertions, and with or without provisions with respect to registration as to principal or as to both principal and interest. Temporary Bonds issued hereunder shall be entitled and subject to the same benefits and provisions of this ordinance with respect to the payment, security and obligation thereof as definitive Bonds authorized hereby. Such temporary Bonds shall be exchangeable without cost to the holder thereof for definitive Bonds when the latter are ready for delivery.

Section 10. The City Council approves, ratifies and confirms the Mortgage and Payment Contract, dated March 3, 1981, for the acquisition of the Colony Park Golf Course on file with the City Clerk, authorizes the Mayor to execute the same on behalf of the City, and directs that the City make such acquisition pursuant to the terms of that contract.

The City Council approves, ratifies and confirms the Agreement between Ronald G. and Marlene M. Benson and the City made March 16, 1981, and dated March 13, 1981, for the acquisition of real property in the proximity of Colony Park Golf Course on file with the City Clerk, authorizes the City Manager to execute the same on behalf of the City, and directs the City to make such acquisition pursuant to the terms of that contract.

Section 11. Ordinance No. 2279, except for Section 7 thereof, is repealed.
Section 12. This ordinance shall take effect from and after its passage and five (5) days following its publication as required by law.

PASSED by the City Council and APPROVED by the Mayor of the City of Kent, Washington, at a regular open public meeting thereof, this 6th day of April, 1981.

ATTEST:

City Clerk

FORM APPROVED:

City Attorney

Passed the ___ day of April, 1981

Approved the ___ day of April, 1981

Published the ___ day of April, 1981