AN ORDINANCE of the City of Kent, Washington, relating to contracting indebtedness; authorizing the issuance of $1,950,000 par value of limited tax general obligation bonds of the City for strictly City purposes to provide funds with which to pay a part of the cost of acquiring property to enlarge the municipal golf course; establishing a property acquisition and development fund; and providing for the issuance and sale of short-term obligations pending the issuance and sale of such bonds.

WHEREAS, the City Council of the City of Kent, Washington (the "City"), finds and declares that it is in the best interest of the City and the City is in need of acquiring property to enlarge the municipal golf course, which property is more particularly described in the Agreement for Purchase and Sale of Real Estate entered into between the City and Albert Bon and Sylvia Best, the estimated cost of which is $1,950,000 and the City does not have available sufficient funds to pay the cost thereof; 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 1984 is $1,748,007,751, and the City has outstanding general indebtedness evidenced by limited tax general obligation bonds of $3,935,000 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, unlimited tax general obligations bonds in the principal amount of $814,000 incurred within the limit of up to 2-1/2% of the value of the taxable property within the City for capital purposes only pursuant to a vote of the qualified voters of the City,
which are general obligations of the City, the amount of indebtedness for which bonds are authorized to be issued by other ordinances passed this day is $3,093,000 and the amount of indebtedness for which bonds are herein authorized to be issued is $1,950,000.

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 $1,950,000 for general City purposes to provide the funds to purchase property to enlarge the municipal golf course, which property is more particularly described in the Agreement for Sale of Real Estate as above described and to pay the costs of issuance and sale of the bonds. Such general indebtedness to be incurred shall be 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. Such bonds shall be issued at such time or times, shall be dated, bear such interest, have such terms and conditions, mature, have such call features, be issued in such series and be sold as a single offering or as part of a combined offering of limited tax general obligation bonds of the City in such manner as shall be provided hereafter by ordinance. Such bonds shall be payable from the regular property tax levy of the City levied without a vote of the electors of the City and from other money legally available for such purpose.

Section 3. There is created in the office of the City Treasurer a special fund designated the "Limited Tax General Obligation Golf Course Bond Anticipation Note Fund, 1984" (the "Note Fund"). Pending the issuance of the limited tax general obligation bonds authorized by this ordinance the City shall issue and sell Limited Tax General Obligation Bond Anticipation Notes (the "Notes") in the principal amount of $1,650,000. Such
Notes shall be dated April 19, 1984; shall mature November 15, 1984; shall be in the denomination of $5,000 each or any integral multiple thereof; shall bear interest at the rate of 6.50% per annum, payable at maturity and if not redeemed on their maturity, the Notes shall bear interest at the same rate until fully paid or sufficient money for such payment in full is on deposit in the Note Fund and the Notes have been called for redemption by the City Treasurer's giving written notice of such call to Foster & Marshall/American Express Inc. in Seattle, Washington, at least ten days prior to the call date. The Notes shall be sold as part of a combined offering with other limited tax general obligation bond anticipation notes of the City in the total principal amount of $3,275,000. The Notes shall not be subject to redemption prior to their maturity date. The Notes shall be payable in lawful money of the United States of America at the office of the City Treasurer in Kent, Washington, or at either fiscal agency of the State of Washington in Seattle, Washington, and New York, New York, and shall be general obligations of the City. The City Council declares and finds that the fixing of the above interest rate is in the best interest of the City.

Section 4. The City is authorized to issue additional short-term limited tax general obligation bond anticipation notes to mature within three years of the date of issuance of the Notes to pay and redeem the Notes at their maturity or to pay additional costs of carrying out the purposes set forth in Section 2, and the City Treasurer is authorized to negotiate with various financial institutions and/or investment banking firms which she may select for the sale of such notes. The notes shall be sold at a negotiated sale as a single issue or as part of a combined offering with other limited tax general obligation bond anticipation notes of the City heretofore or
hereafter authorized to be issued and shall have such option of prior redemption, shall mature on such date and shall bear interest at such fixed or variable rate, but in no event to exceed 12% per annum, payable at such time or times as the City Treasurer shall determine. In no event shall the total principal amount of the notes authorized by this ordinance plus the accrued interest thereon exceed the principal amount of bonds authorized by this ordinance.

Section 5. The City irrevocably pledges to redeem the Notes on their maturity date from the proceeds of a sufficient amount of the limited tax general obligation bonds authorized herein, from the proceeds of additional short-term obligations authorized herein to be issued or from other money legally available for such purpose, and pledges to include in its budget and 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 within the City subject to taxation in an amount sufficient, together with such bond and/or short-term obligation proceeds and other money legally available and to be used therefor, to pay the principal of and interest on the Notes and such general obligation bonds as the same shall come due. The full faith, credit, taxing power and resources of the City are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 6. The Notes shall be in a form consistent with the provisions of this ordinance, shall be printed or typed on good bond paper or lithographed forms or may be in multicopied form, shall be signed by the City Clerk and the City seal shall be impressed thereon or a facsimile reproduction of such seal shall be printed thereon.
Section 7. The City covenants that it will spend the principal proceeds of the Notes with due diligence to completion of the purposes specified in this ordinance and will make no use of the proceeds of the Notes or other funds of the City at any time during the term of the Notes which will cause the Notes to be arbitrage obligations within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and the applicable regulations promulgated thereunder.

Section 8. The accrued interest allocable to the Notes received on delivery of the Notes shall be deposited in the Note Fund and used to pay principal of and interest on the Notes. There is created in the office of the City Treasurer a special fund designated the "Golf Course Acquisition and Development Fund, 1984," into which fund shall be deposited the principal proceeds received from the sale and delivery of the Notes which will be used for the purposes specified in Section 2 of this ordinance and to pay the cost of issuance and sale of the Notes. Pending the expenditure of such principal proceeds the City may temporarily invest such proceeds in any legal investment and the investment earnings may be retained in the "Golf Course Acquisition and Development Fund, 1984," and expended for the purposes of the Notes. All taxes hereafter collected for and allocated to the payment of the principal of and interest on the Notes shall be deposited in the Note Fund.

Section 9. In the event the City shall issue advance refunding bonds pursuant to the laws of the State of Washington, or have money available from any other lawful source, to pay the principal of and interest on the Notes or such portion thereof included in the refunding plan as the same become due and payable and to refund the then outstanding Notes and to pay the costs of refunding, and shall have irrevocably set aside in a special fund for and pledged to such payment and refunding,
money and/or direct obligations of the United States of America or other legal investments sufficient in amount, together with known earned income from the investments thereof, to make such payments and to accomplish the refunding as scheduled (hereinafter called the "trust account"), and shall irrevocably make provision for redemption of the Notes, then in that case all right and interest of the owner of the Notes to be so retired or refunded (hereafter called the "defeased Notes") in the covenants of this ordinance and, except as hereinafter provided, in the funds and accounts obligated to the payment of such Notes shall thereafter cease and become void. Such owner shall thereafter have the right to receive payment of the principal of and interest on the defeased Notes from the trust account and, in the event the funds in the trust account are not available for such payment, shall have the right to receive payment of the principal of and interest on the defeased Notes from the funds and accounts obligated to the payment of such Notes. Anything herein to the contrary notwithstanding, the pledge of the full faith, credit, taxing power and resources of the City to the payment of the Notes shall remain in full force and effect after the establishing and full funding of such trust account.

Subject to the rights of the owner of the Notes, the City may then apply any money in any other fund or account established for the payment or redemption of the defeased Notes to any lawful purposes as it shall determine.

Section 10. Foster & Marshall/American Express Inc. of Seattle, Washington, has submitted an offer to purchase the Notes as part of a combined offering of limited tax general obligation bond anticipation notes of the City at a price of $99.85 per $100 par value thereof. The City Council, being of the opinion that it is in the best interest of the City that such offer be accepted, accepts the same. The City will
furnish the printed or typed unqualified approving legal opinion of Roberts & Shefelman, municipal bond counsel of Seattle, Washington, at the City's expense. 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 Notes and bond counsel's opinion shall so state. Without unreasonable delay the City will cause definitive Notes to be prepared and executed after the sale of the Notes and immediately upon their execution, the Notes shall be delivered to the purchaser upon payment therefor in accordance with its offer.

PASSED by the City Council at a regular open public meeting thereof, this 2nd day of April, 1984.

Mayor

ATTEST:

City Clerk

Approved as to form:

City Attorney

Approved: [May 3, 1984]

Published: [April 8, 1984]
I, MARIE JENSEN, City Clerk of the City of Kent, Washington, certify that the attached copy of Ordinance No. 2463 is a true and correct copy of the original ordinance passed on the 2nd day of April, 1984, as that ordinance appears on the Minute Book of the City.

DATED this 3rd day of April, 1984.

MARIE JENSEN, City Clerk