AN ORDINANCE relating to Local Improvement District No. 297; authorizing the issuance and sale of local improvement district bond anticipation notes pending the receipt of the proceeds of the local improvement district bonds authorized to be issued by Ordinance No. 2425; and providing for the sale of such bond anticipation notes to Peoples National Bank of Washington, Seattle, Washington.

WHEREAS, by Ordinance No. 2425 passed by the City Council and approved by the Mayor on September 20, 1983, the City ordered the construction and installation of certain street, water main and sanitary sewer improvements to Meeker Street from the West Valley Highway to the Green River, within the City of Kent, all pursuant to Resolution No. 1000 adopted August 1, 1983, and, after a public hearing thereon, established Local Improvement District No. 297, provided that payment for the improvement be made by special assessments upon the property in the District payable by the mode of "payment by bonds" and provided for the issuance and sale of local improvement district warrants or other short-term obligations redeemable by cash and/or by local improvement district bonds; and

WHEREAS, the City Council deems it to be in the best interest of the City that the City borrow money and issue its short-term obligation or obligations in the form of one or more local improvement district bond anticipation notes for the purpose of providing the funds with which to pay a part of the costs of carrying out the improvements ordered in Local Improvement District No. 297; and

WHEREAS, Peoples National Bank of Washington, Seattle, Washington, has submitted an offer to purchase such short-term
bond anticipation notes on the terms and conditions hereinafter set forth; NOW, THEREFORE,

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

Section 1. The total estimated cost and expense of the improvements ordered to be carried out in Local Improvement District No. 297 (the "District") by Ordinance No. 2425 is $2,115,516.15, approximately $1,178,397.15 of which expense is anticipated to be assessed against the specially benefited properties in the District. Local improvement district bond anticipation notes of the District (the "Notes") shall be issued in the aggregate principal amount of $1,290,000 to pay part of the cost and expense of the improvements, to capitalize interest on the Notes and to pay the administrative costs of issuing and selling the Notes. The Notes shall be in fully registered form; shall be in the denomination of $5,000 each or any integral multiple thereof; and shall be numbered separately and in the manner and with any additional designation as the Note Registrar (collectively, the fiscal agencies of the State of Washington located in Seattle, Washington, and New York, New York) deems necessary for the purpose of identification. The Notes shall be dated as of the date of their initial issuance; shall mature two years from their dated date; and shall bear interest at the rate of 7.50% per annum, payable annually, computed on the basis of a 360-day year of twelve 30-day months. The City Council declares and finds that the fixing of the above interest rate is in the best interests of the City.

The Notes shall be issued only in registered form as to both principal and interest on books or records maintained by the Note Registrar (the "Note Register"). Such Note Register shall contain the name and mailing address of the owner of each
Note and the principal amount and number of Notes held by each owner.

Notes may be transferred only if endorsed in the manner provided thereon and surrendered to the Note Registrar. The transfer of a Note shall be by the Note Registrar's receiving the Note to be transferred, cancelling it and issuing a new certificate in the form of the Notes to the transferee after registering the name and address of the transferee on the Note Register. Notes are interchangeable for Notes in any authorized denomination of an equal aggregate principal amount. Such exchange or transfer shall be without cost to the owner or transferee.

Both principal of and interest on the Notes shall be payable solely out of the Local Improvement Fund, District No. 297 (the "Note Fund"), from the proceeds of local improvement district bonds authorized to be issued by Ordinance No. 2425 or other short-term obligations to be deposited in such fund and/or prepaid special benefit assessments deposited in such fund, and from the Local Improvement Guaranty Fund of the City, and shall be payable in lawful money of the United States of America. Interest on the Notes shall be paid by check or draft mailed to the registered owners at the addresses appearing on the Note Register fifteen calendar days prior to the interest payment date. Principal of the Notes shall be payable upon presentation and surrender of the Notes by the registered owners at the principal offices of either of the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York, at the option of such owners.

The Notes are issued without the right or option of the City to redeem the same prior to their maturity date.
Section 2. The Notes shall be printed, lithographed or typed on good bond paper in a form consistent with the provisions of this ordinance and state law, shall be signed by the Mayor and the City Clerk, both of whose signatures shall be in facsimile, and shall have a facsimile reproduction of the seal of the City printed thereon.

Only such Notes as shall bear thereon a Certificate of Authentication in the following form, manually executed by the Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance:

CERTIFICATE OF AUTHENTICATION

This note is one of the fully registered City of Kent, Washington, Local Improvement District No. 297 Bond Anticipation Notes described in the within mentioned ordinance.

Washington State Fiscal Agency
Note Registrar

By ______ Authorized Officer

Such Certificate of Authentication shall be conclusive evidence that the Notes so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

In case either or both of the officers who shall have executed the Notes shall cease to be such officer or officers of the City before the Notes so signed shall have been authenticated or delivered by the Note Registrar, or issued by the City, such Notes may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issue, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Note also may be signed on behalf of the City by such persons as at the actual date of execution of such Note shall be proper officers.
of the City although at the original date of such Note any such person shall not have been such officer of the City.

Section 3. The Note Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by the City. The Note Registrar is authorized, on behalf of the City, to authenticate and deliver Notes transferred or exchanged in accordance with the provisions of such Notes and this ordinance and to carry out all of the Note Registrar's powers and duties under this ordinance.

The Note Registrar shall be responsible for its representations contained in the Registrar's Certificate of Authentication on the Notes. The Note Registrar may become the owner of Notes with the same rights it would have if it were not the Note Registrar, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Note owners.

Section 4. The Notes shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 5. 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 6. Peoples National Bank of Washington in Seattle, Washington, has submitted an offer to purchase all of the Notes at a price of $99 per each $100 par value, the City to furnish the printed Notes and the 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. The City Council, deeming that it is in the best interest of the City that such offer be accepted, accepts the same. The Notes shall, therefore, immediately upon their execution, be delivered to Peoples National Bank of Washington in Seattle, Washington, upon payment therefor in accordance with such offer.

Section 7. This ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication as provided by law.

[Signature]
ISABEL HOGAN, Mayor

ATTEST:

[Signature]
BETTY GRAY, DEPUTY CITY CLERK

APPROVED AS TO FORM:

[Signature]
P. Stephen DiSalvo
City Attorney

PASSED the 15 day of __________, 1985.
APPROVED the 17 day of __________, 1985.
PUBLISHED the 19 day of __________, 1985.
I, BETTY GRAY, Deputy City Clerk of the City of Kent, Washington, certify that the attached copy of Ordinance No. 2550 is a true and correct copy of the original ordinance passed on the 15th day of April, 1985, as that ordinance appears on the Minute Book of the City.

DATED this 17th day of April, 1985.

BETTY GRAY, Deputy City Clerk