AN ORDINANCE relating to Local Improvement District No. 342; fixing the amount, form, date, interest rate and maturity of the Local Improvement District No. 342 Installment Note; providing for the purchase of such note by the City from funds on deposit in the Local Improvement Guaranty Fund; and fixing the interest rate on Local Improvement District No. 342 assessment installments.

WHEREAS, pursuant to RCW 35.45.150, the City Council of the City of Kent, Washington (the "City"), has determined to issue its Local Improvement District No. 342 Installment Note in the aggregate principal amount of $57,988.81 and finds it is in the best interest of the City that such note be purchased by the City from funds on deposit in the Local Improvement Guaranty Fund of the City and available for investment; NOW, THEREFORE,

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

Section 1. Authorization and Description of Note. The total amount of the assessment roll in Local Improvement District No. 342 in the City of Kent, Washington (the "City"), created under Ordinance No. 3114, passed May 18, 1993, was $74,926.50. The 30-day period for making cash payments of assessments without interest in the District expired on July 13, 1994, and the total amount of assessments paid in cash was $16,937.69, leaving a balance of assessments unpaid on the assessment roll in the sum of $57,988.81. The Local Improvement District No. 342 Installment Note (the "Note") shall, therefore, be issued pursuant to RCW 35.45.150 as a single installment note in the total principal sum
of $57,988.81. The Note shall be dated October 1, 1994; shall mature on October 1, 2004; shall be in fully registered form; and shall be numbered R-1. The Note shall bear interest at the rate of 5.17% per annum (computed on the basis of a 360-day year of twelve 30-day months), payable annually beginning October 1, 1995.

Section 2. Appointment of Note Registrar; Registration and Transfer of Note. The Finance Division Director of the City is appointed Note Registrar for the Note. The Note shall be issued to the City's Local Improvement Guaranty Fund (the "Registered Owner") only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Note Registrar (the "Note Register"). The Note Register shall contain the name and mailing address of the Registered Owner. The Note may not be assigned or transferred by the Registered Owner. When the Note has been paid in full, both principal and interest, it shall be surrendered by the Registered Owner to the Note Registrar, who shall cancel the Note.

The Note Registrar shall keep, or cause to be kept, at her office, sufficient books for the registration of the Note. The Note Registrar is authorized, on behalf of the City, to authenticate and deliver the Note in accordance with the provisions of the Note and this ordinance, to serve as the City's paying agent for the Note and to carry out all of the Note Registrar's powers and duties under this ordinance and City Ordinance No. 2418 establishing a system of registration for the City's bonds and obligations. The Note Registrar shall be responsible for the
representations contained in the Note Registrar's Certificate of Authentication on the Note.

**Section 3. Payment of Note.** Both principal of and interest on the Note shall be payable solely out of the Local Improvement Fund, District No. 342 (the "Note 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 Note, and any prepaid principal thereon, shall be paid by check, draft or interfund transfer on the interest payment date to the Registered Owner at the address appearing on the Note Register. The final installment of principal and interest on the Note at maturity or prior repayment is payable at the office of the Note Registrar in Kent, Washington, upon presentation and surrender of the Note.

**Section 4. Prepayment Provisions.** The City reserves the right to prepay principal of the Note prior to its stated maturity on any interest payment date, at par plus accrued interest to the date fixed for prepayment, whenever there shall be sufficient money in the Note Fund to prepay the principal of the Note over and above the amount required for the payment of the interest then due on the Note. No notice of prepayment to the Registered Owner is required. Interest on the principal of the Note so prepaid shall cease to accrue on the date of such prepayment.

**Section 5. Failure to Redeem Note.** If the Note is not redeemed when properly presented at its maturity date, the City shall be obligated to pay interest on the Note at the same rate provided therein from and after its maturity date until the Note,
both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Note Fund and the Note has been called for payment by giving notice of that call to the Registered Owner.

Section 6. Form and Execution of Note. The Note 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, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon.

Only the Note bearing a Certificate of Authentication in the following form, manually signed 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 the fully registered City of Kent, Washington, Local Improvement District No. 342 Installment Note described in the Note Ordinance.

Finance Division Director
Note Registrar

The authorized signing of the Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 7. Purchase and Sale of Note. The City will purchase the Note from funds available for investment on deposit in the Local Improvement Guaranty Fund of the City at a price of par plus
accrued interest from the date of the Note to the date of its transfer to the City. The proper City officials are authorized and directed to do everything necessary for the prompt delivery of the Note and for the proper application and use of the proceeds of the sale thereof.

Section 8. Fixing Interest Rate on Assessments. The interest rate on the installments and delinquent payments of the special assessments in Local Improvement District No. 342 is revised and fixed at the rate of 5.67% per annum.

Section 9. Effective Date of Ordinance. This ordinance shall take effect and be in force five (5) dates from and after its passage and five (5) days following its publication as required by law.

By
JIM WHITE, Mayor

ATTEST:

BRENDA JACOB, City Clerk (DEPUTY)

APPROVED AS TO FORM:

William D. Mullin
Special Counsel and Bond Counsel for the City

Passed the 4th day of OCTOBER, 1994.
Approved the 5th day of OCTOBER, 1994.
Published the 7th day of OCTOBER, 1994.
I certify that this is a true copy of Ordinance No. 3/91 passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

Donna Swain (SEAL)
Brenda Jackson, City Clerk (DEPUTY)

DONNA SWAIN