ORDINANCE NO. 661

An ordinance providing for the issue and sale of refunding water revenue bonds in the sum of $109,000 for the purpose of paying the outstanding water revenue bonds of the City of Kent, dated May 1, 1930, issued pursuant to Ordinance No. 603, creating a special fund for the payment of the principal and interest of said refunding bonds, providing for the terms and conditions of said bonds and declaring an emergency.

WHEREAS, the City of Kent, Washington, pursuant to Ordinance No. 603 of said city, passed and approved January 20, 1930, issued and sold certain water revenue bonds dated May 1, 1930, payable solely from the revenues of the water system of said city, of which bond issue there is now outstanding and unpaid bonds in the principal sum of $109,500; and,

WHEREAS, said Ordinance No. 603 under which said bonds were issued, provides that the city shall have the right to retire any or all of said bonds remaining unpaid on any interest payment date on or after five years from date of such bonds; and,

WHEREAS, said city has now, by resolution adopted March 30, 1935, duly called for payment all of the outstanding bonds of said issue of water revenue bonds so issued under said ordinance No. 603, and in order to secure the money necessary to retire said bonds it will be necessary to issue refunding water revenue bonds in the principal sum of $109,000, which said bonds can be sold at par at a considerably lower interest rate than that borne by the outstanding bonds, and the issuance and sale of such refunding bonds will result in a saving to said city; now, therefore,

The City Council of the City of Kent do ordain as follows:

Section 1. That pursuant to the provisions of the statutes of the State of Washington, there now be issued refund-
ing water revenue bonds of the City of Kent in the principal sum of $109,000, said bonds to be of the denomination of $1,000 each, numbered from one to one hundred nine, inclusive, be dated May 1, 1935, the first $27,000 of said bonds to bear interest at the rate of 4 1/4% per annum, and the remainder of said bond issue to bear interest at the rate of 4 1/2% per annum, all payable semi-annually on the first days of May and November of each year, and to mature serially in the order of their number as follows:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000</td>
<td>May 1st, 1936</td>
<td>$7,000</td>
</tr>
<tr>
<td>$5,000</td>
<td>May 1st, 1937</td>
<td>$8,000</td>
</tr>
<tr>
<td>$5,000</td>
<td>May 1st, 1938</td>
<td>$9,000</td>
</tr>
<tr>
<td>$6,000</td>
<td>May 1st, 1939</td>
<td>$9,000</td>
</tr>
<tr>
<td>$6,000</td>
<td>May 1st, 1940</td>
<td>$9,000</td>
</tr>
<tr>
<td>$6,000</td>
<td>May 1st, 1941</td>
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<tr>
<td>$7,000</td>
<td>May 1st, 1942</td>
<td>$9,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$10,000</td>
</tr>
</tbody>
</table>

all of said bonds, principal and interest, being payable at the office of the City Treasurer of Kent, Washington, in lawful money of the United States of America, out of the gross revenues of the water works system of said city.

Section 2. Said bonds shall be known as Refunding Water Revenue Bonds of 1935, and be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF WASHINGTON
CITY OF KENT

REFUNDING WATER REVENUE BOND 1935

KNOW ALL MEN BY THESE PRESENTS: That the City of Kent in the County of King, State of Washington, is justly indebted and for value received hereby promises to pay to bearer, or if registered, to the registered holder hereof on the first day of May, 19___ the principal sum of $1,000, with interest thereon at the rate of _____ per cent per annum, payable semi-annually on
the first days of May and November of each year upon the presentation and surrender of the annexed coupons as they severally become due. Both principal and interest of this bond are payable in lawful money of the United States of America at the City Treasurer's Office of the City of Kent, Washington, out of the special fund of said City known as the Refunding Water Revenue Bond Fund, 1935, created by Ordinance No. ___ of said City, which fund is to be drawn upon for the sole purpose of paying the principal and interest of this issue of bonds.

This bond is one of an issue of special water revenue bonds in the principal sum of $109,000 issuing pursuant to said Ordinance No. ___, for the purpose of providing funds to pay and retire the special water revenue bonds heretofore issued by said City. The City of Kent hereby covenants with the holder of this bond that it will keep and perform all of the covenants and promises in said Ordinance No. ___ authorizing the issuance of said refunding bonds and creating such refunding water revenue bond to be by it kept and performed, and does hereby irrevocably obligate and bind itself to set aside and pay into said special fund from the gross revenues of said water works system the various amounts in said Ordinance provided, which amounts so pledged are hereby declared to be a first lien and charge upon the gross revenues of said water works system, and all additions thereto, prior to all other liens and changes, including those for maintenance and operation of said water system.

The City of Kent further binds itself to establish and maintain rates for water service which shall provide sufficient revenues to permit the payment into said special fund of said sums which said City has pledged to be set aside for the payment
of the principal and interest of these bonds, and also to pay all
the expenses of maintaining and operating said water system until
such bonds have been paid in full.

This bond may be registered as to principal or as to
both principal and interest in accordance with the statute of
the State of Washington.

It is hereby bound, certified and declared that said
bonds are issued pursuant to and in strict compliance with the
laws and constitution of the State of Washington and of the
ordinances and charter of the City of Kent, and all acts, con­
ditions and things required to be done precedent to and in
the issuance of this bond have happened, been done and performed
as required by law.

IN WITNESS WHEREOF the City of Kent has caused this
bond to be signed by its Mayor and attested by its City Clerk
and its corporate seal to be hereto affixed, and the annexed
interest coupons to be signed and sealed with the facsimile of
the signatures of said officers, all this first day of May, 1935.

THE CITY OF KENT, WASHINGTON

Attest:

[Signature]

City Clerk

(Form of Coupon)

Coupon No. ________ $ ___________

On the first day of ____________, 19__, the City of
Kent, Washington, will pay to bearer or if registered as to in­
terest, to the registered holder hereof, at the office of the
City Treasurer of the City of Kent, the sum of $____________
in lawful money of the United States, from the special fund of
said city known as "Refunding Water Revenue Bond Fund, 1935", said
sum being the semi-annual interest due that date on its water
refunding bond dated May 1, 1935, No. _______.
Section 3. That said bonds shall be signed by the Mayor and attested by the City Clerk under the seal of the City, and each of said coupons shall be signed with a facsimile of the signatures of said officials, and all of said bonds, shall at the option of the holder, be subject to registration as to principal or as to both principal and interest in accordance with the provisions of the Statute of the State of Washington.

Section 4. That there be and hereby is created and established a special fund to be called "Refunding Water Revenue Bond Fund, 1935", which fund shall be drawn upon for the sole purpose of paying the interest and principal of said bonds. From and after the date of said bonds, and so long as any of the same are outstanding and unpaid, the City Treasurer shall set aside out of the gross revenues of said water system, and pay into the special fund, certain fixed amounts, as follows: Each month a sum equal to 1/12 of the combined principal and interest payments to be made during each year said bonds are outstanding, it being understood and agreed that such payments shall be so made that there shall be on deposit in such special fund at least ten days prior to the respective dates on which the interest or principal and interest of said bonds shall become due and payable, an amount sufficient to make such payments as they become due, and the gross revenues of said water works system are hereby pledged to the payment of the interest and principal of said bonds, which are hereby constituted a charge upon such revenues prior to all other
liens and charges, including those for maintenance and operation of the water works system, and the City Treasurer of the City of Kent is hereby directed to pay said bonds and interest coupons as the same fall due from the moneys in said Refunding Water Revenue Bond Fund, 1935.

The payment of such bonds and coupons as they fall due is hereby declared to be the only charge which has been made upon such special fund, or which will ever be made thereon, until all of such bonds and the interest thereon shall have been fully paid. The City of Kent hereby binds itself not to sell or in any manner dispose of the water supply system now belonging to it, and all additions, betterments and extensions hereafter authorized, until all obligations outstanding against and payable from said special fund herein created shall have been paid in full.

The City of Kent further binds itself to establish and maintain such rates or charges for water sold by such water supply system as will provide sufficient revenues to permit the payment of such sums into such special fund, which the City has herein pledged to be set aside for the payment of the principal and interest of the bonds herein authorized, until such bonds have been paid in full.

Said City hereby declares that in creating the special fund for the payment of said bonds, it has exercised due regard for the cost of operating and maintaining said water works system, and that in the judgment of the corporate authorities of said city the gross revenues to be derived from the operation of said water works system is amply sufficient to meet all expenses of operation and maintenance, and set aside into said special fund the amounts herein provided.
Section 5. This ordinance is hereby declared to be one necessary for the immediate protection and preservation of the public health and safety of the people of the City of Kent, and an emergency is hereby declared to exist and this ordinance shall go into and be in full force and effect from and after its passage, approval and publication.

Passed by the Council of the City of Kent and approved by the Mayor this 1 day of April, 1935.

Attest:

City Clerk

Approved:

City Attorney
Providing for Issuance of Water Revenue Bonds - $109,000
Creating Refunding Water Revenue Bond Fund, 1935