AN ORDINANCE of the City of Kent, Washington, providing for the issuance of $2,025,000 principal amount of Limited Tax General Obligation Refunding Bonds, 1985, of the City for the purpose of providing the funds to refund, pay and retire its outstanding Limited Tax General Obligation Bonds, 1981; fixing the date, form, maturities, interest rates, terms and covenants of such refunding bonds; providing for and authorizing the purchase of certain obligations out of the proceeds of the sale of such bonds and for the use and application of the money to be derived from such investments; authorizing the execution of an agreement with Rainier National Bank of Seattle, Washington, as Refunding Trustee; providing for the payment and redemption of the outstanding bonds to be refunded; creating a special bond redemption fund; and approving the sale and providing for the delivery of such refunding bonds to Shearson Lehman Brothers Inc., Foster & Marshall Division, of Seattle, Washington.

WHEREAS, the City of Kent, Washington (the "City"), now has outstanding $1,780,000 principal amount of Limited Tax General Obligation Bonds, 1981 (the "1981 Bonds"), dated May 1, 1981, maturing serially on May 1 of each of the years 1986 through 2001, and having various interest rates from 10% to 12% per annum; and

WHEREAS, under the provisions of Ordinance No. 2287 authorizing the issuance of the 1981 Bonds and in such bonds, the City reserved the right to redeem any or all of the 1981 Bonds on or after May 1, 1991, at par plus accrued interest to date of redemption; and

WHEREAS, after due consideration, it appears to the City Council that the 1981 Bonds may be refunded by the issuance and sale of the bonds authorized herein (the "Bonds") so that a substantial savings will be effected by the difference between the principal and interest cost over the life of the Bonds and the principal and interest cost over the life of the 1981 Bonds but for such refunding, which refunding will be effected by:
(a) the issuance of the Bonds; and

(b) the payment of the principal of and interest on the 1981 Bonds as the same shall become due up to and including May 1, 1991, and the call, payment and redemption on May 1, 1991, of all outstanding 1981 Bonds maturing on May 1 of each of the years 1992 through 2001;

and

WHEREAS, in order to effect such refunding in the manner that will be most advantageous to the City and its taxpayers, it is found necessary and advisable that certain Acquired Obligations (hereinafter identified), bearing interest and maturing at such times as necessary to accomplish the refunding as aforesaid, be purchased out of a portion of the proceeds of the sale of the Bonds and other money of the City legally available therefor; and

WHEREAS, the City Council has determined that it is in the City's best interest to issue and sell $2,025,000 par value of limited tax general obligation refunding bonds to provide the funds necessary to pay, redeem and retire the 1981 Bonds, and Shearson Lehman Brothers Inc., Foster & Marshall Division, has offered to purchase such bonds 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 assessed valuation of the taxable property of the City as ascertained by the last preceding assessment for City purposes for the calendar year 1985 is $1,908,294,718, and the City has outstanding general indebtedness evidenced by limited tax general obligation bonds and conditional sales contracts in the amount of $9,755,000 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 obligation bonds in the principal amount of $715,000 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, and the amount of indebtedness for which bonds are herein authorized to be issued is $2,025,000.

Section 2. For the purpose of providing a part of the money required to pay the principal of and interest on the 1981 Bonds as the same shall become due up to and including May 1, 1991, and to call, pay and redeem on May 1, 1991, all outstanding 1981 Bonds maturing on May 1 of each of the years 1992 through 2001, and to pay the costs of issuing the bonds and the refunding plan, the City shall issue the Limited Tax General Obligation Refunding Bonds, 1985 (the "Bonds"), in the aggregate principal amount of $2,025,000. The Bonds shall be dated July 1, 1985; shall be in the denomination of $5,000 each or any integral multiple thereof within a single maturity; shall be numbered separately in the manner and with any additional designation as the Bond Registrar (collectively, the fiscal agencies of the State of Washington located in Seattle, Washington, and New York, New York) deems necessary for purposes of identification; shall bear interest at the rates set forth below (computed on the basis of a 360-day year of twelve 30-day months), payable on May 1, 1986, and semiannually thereafter on each succeeding November 1 and May 1; and shall bear interest and mature on May 1 in years and amounts as follows:

<table>
<thead>
<tr>
<th>Maturity Years</th>
<th>Amounts</th>
<th>Interest Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986</td>
<td>$70,000</td>
<td>5.25%</td>
</tr>
<tr>
<td>1987</td>
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<td>1988</td>
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</tr>
<tr>
<td>1989</td>
<td>90,000</td>
<td>6.75</td>
</tr>
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</tr>
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</table>
### Maturity Interest

<table>
<thead>
<tr>
<th>Years</th>
<th>Amounts</th>
<th>Rates</th>
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</thead>
<tbody>
<tr>
<td>1994</td>
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</tr>
<tr>
<td>1995</td>
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<td>8.80</td>
</tr>
<tr>
<td>2000</td>
<td>195,000</td>
<td>8.90</td>
</tr>
<tr>
<td>2001</td>
<td>205,000</td>
<td>9.00</td>
</tr>
</tbody>
</table>

If any Bond is not redeemed upon proper presentment at its maturity or call date, the City shall be obligated to pay interest at the same rate for each such Bond from and after its maturity or call date until such Bond, both principal and interest, is paid in full or until sufficient money for such payment in full is on deposit in the bond redemption fund hereinafter created and such Bond has been called for payment.

Upon surrender thereof to the Bond Registrar, the Bonds may be exchanged for Bonds in any authorized denomination of an equal aggregate principal amount and of the same interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Such exchange or transfer shall be without cost to the owner or transferee.

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

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by check or draft mailed to the registered owners at the addresses appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date or, when requested in writing by a registered
owner and approved by the City Treasurer, shall be paid on the interest payment date by wire transfer to the account identified by the requesting registered owner whose name, address and wire transfer account number appear on the Bond Register fifteen days preceding the interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owners at either office of the Bond Registrar at the option of such owners.

Bonds maturing in the years 1986 through 1995, inclusive, shall be issued without the right or option of the City to redeem the same prior to their stated maturities. The City reserves the right and option to redeem the Bonds maturing on or after May 1, 1996, as a whole, or in part in inverse order of maturity (and by lot within a maturity in such manner as the Bond Registrar shall determine), on May 1, 1995, and on any interest payment date thereafter, at par plus accrued interest to the date of redemption. Portions of the principal amount of any Bond, in installments of $5,000 or any integral multiple of $5,000, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar, there shall be issued to the registered owner, without charge therefor, a new Bond or Bonds, at the option of the registered owner, of like maturity and interest rate in any of the denominations authorized by this ordinance.

Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the address appearing on the Bond Register. The requirements of this section shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the owner of
any Bond. The interest on the Bonds so called for redemption shall cease on the date fixed for redemption unless such Bond or Bonds so called are not redeemed upon presentation made pursuant to such call. In addition, such redemption notice shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc., and Standard & Poor's Corporation at their offices in New York, New York, or their successors, and to Shearson Lehman Brothers Inc., Foster & Marshall Division, in Seattle, Washington, or its successor, but such mailing shall not be a condition precedent to the redemption of such Bonds.

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

Section 3. The City irrevocably pledges to levy taxes annually for as long as any of the Bonds is outstanding within the constitutional and statutory tax limitations provided by law without a vote of the electors of the City upon all of the taxable property within the City 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 pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest.

Section 4. The Bonds shall be printed or lithographed on good bond paper in a form consistent with the provisions of this ordinance and state law, shall be signed by the Mayor and City Clerk, both of whose signatures shall be in facsimile, and a facsimile reproduction of the seal of the City shall be printed thereon.

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

CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered City of Kent, Washington, Limited Tax General Obligation Refunding Bonds, 1985, described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY
Bond Registrar

By ___ Authorized Officer ___

Such Certificate of Authentication shall be conclusive evidence that the Bonds 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 Bonds shall cease to be such officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar or issued by the City, such Bonds nevertheless may be authenticated, delivered and issued and upon such authentication, delivery and issue, shall be as binding upon the City as though those whose facsimile signatures appear on the Bonds had continued to be such officers of the City. Any Bond also may be signed on behalf of the City by such persons as at the actual date of execution of such Bond shall be proper officers of the City authorized to execute Bonds although on the original date of such Bond such persons were not such officers of the City.

Section 5. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times be open to inspection by the City.
The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may become the owner of Bonds with the same rights it would have if it were not the Bond 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 Bond owners.

Section 6. The Bonds shall be negotiable instruments to the extent provided by RCW 62A.8-102 and 62A.8-105.

Section 7. There is created and established in the office of the City Treasurer a special fund to be known and designated as the Limited Tax General Obligation Refunding Bond Fund, 1985 (the "Bond Fund"). The proceeds of the sale of the Bonds, exclusive of the accrued interest thereon which shall be paid into the Bond Fund, shall be used immediately upon the receipt thereof to discharge to the extent practicable the obligations of the City under Ordinance No. 2287 authorizing the 1981 Bonds by providing for the payment of the principal of and interest on the 1981 Bonds as the same shall become due up to and including May 1, 1991, and for the payment, redemption and retirement on May 1, 1991, of all outstanding 1981 Bonds maturing on May 1 of each of the years 1992 through 2001, inclusive. The City shall discharge fully such obligations by the purchase of United States Treasury Certificates of Indebtedness, Notes and/or Bonds - State and Local Government Series or other obligations of the United States of America purchased to accomplish the refunding authorized by this ordinance (the "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with the beginning cash balance, for such payments. The Acquired Obligations are more particularly described and are set
forth in Schedule A attached to the Refunding Trust Agreement hereinafter referred to and attached hereto as Exhibit A.

Money or investments remaining in the 1981 Bond Fund shall be transferred to the Bond Fund and expended for the payment of the interest on or principal of the Bonds first coming due.

The Acquired Obligations and the beginning cash balance of $100.00 (which amount may be increased or decreased as required when the exact purchase price of the Acquired Obligations is ascertained), shall be deposited irrevocably with Rainier National Bank, Seattle, Washington (the "Refunding Trustee"). The City reserves the right to substitute other direct United States obligations for any of the Acquired Obligations and to use any savings created thereby for any lawful City purpose if, in the opinion of Roberts & Shefelman, the City's bond counsel, the interest on the Bonds will remain exempt from federal income taxation under Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations thereunder, and if such substitution shall not impair the timely payment of the principal of or interest on the 1981 Bonds or the call, payment and redemption of the 1981 Bonds on May 1, 1991.

Section 8. The City calls for redemption on May 1, 1991, all of the outstanding 1981 Bonds maturing on May 1 of each of the years 1992 through 2001, at par plus accrued interest to the date of such redemption.

Such call for redemption shall be irrevocable after the delivery of the Bonds to the initial purchaser thereof.

The City Treasurer and the Refunding Trustee are authorized and directed to give notice of the redemption of the 1981 Bonds in accordance with the provisions of Ordinance No. 2287.

The Refunding Trustee is authorized and directed to pay the principal of and interest on the 1981 Bonds from the Acquired Obligations and money deposited with the Refunding Trustee
pursuant to Section 7 of this ordinance. All Acquired Obliga-
tions and the beginning cash balance deposited with the Refund-
ing Trustee and any income therefrom shall be held, invested and
applied in accordance with the provisions of Ordinance No. 2287,
this ordinance, Chapter 39.53 RCW and other applicable statutes
of the State of Washington.

All necessary and proper fees, compensation and expenses of
the Refunding Trustee for the 1981 Bonds and all other costs
incidental to the establishment of the escrow to accomplish the
refunding of the 1981 Bonds and costs related to the issuance
and delivery of the Bonds including bond printing, rating serv-
ice fees, bond counsel's fees and other related expenses shall
be paid out of the proceeds of the Bonds.

The Mayor and City Clerk are directed to obtain from the
Refunding Trustee a Refunding Trust Agreement setting forth the
duties, obligations and responsibilities of the Refunding
Trustee in connection with the payment, redemption and retire-
ment of the 1981 Bonds as provided herein and stating that such
provisions for the payment of the fees, compensation and
expenses of such Refunding Trustee are satisfactory to it.

In order to carry out the purposes of Section 7 of this
ordinance, the Mayor and City Clerk of the City are authorized
and directed to execute a Refunding Trust Agreement substan-
tially in the form attached hereto as Exhibit A and by this
reference made a part hereof.

Section 9. In the event that money and/or "Government
Obligations," as such obligations are defined in Chapter 39.53
RCW, as now or hereafter amended, maturing at such time or times
and bearing interest to be earned thereon in amounts (together
with such money, if necessary) sufficient to redeem and retire
the Bonds in accordance with their terms, are set aside in a
special fund to effect such redemption and retirement and are
pledged irrevocably for such purpose, then no further payments
need be made into the Bond Fund and the Bonds shall cease to be
entitled to any lien, benefit or security of this ordinance
except the right to receive the money so set aside and pledged,
and the Bonds shall be deemed not to be outstanding hereunder.
Anything herein to the contrary notwithstanding, the pledge of
the full faith and credit of the City to the payment of the
Bonds shall remain in full force and effect after the establish­
ing and full funding of such special fund. Subject to the
rights of the owners of Bonds, the City may then apply any money
in any other fund or account established for the payment or
redemption of the defeased Bonds to any lawful purposes as it
shall determine.

Section 10. Shearson Lehman Brothers Inc., Foster &
Marshall Division, of Seattle, Washington, has presented a
purchase contract dated June 17, 1985 (the "Purchase Contract")
to the City offering to purchase the Bonds under the terms and
conditions provided in the Purchase Contract and to purchase on
behalf of the City the Acquired Obligations at the prices speci­
fied in Schedule A of Exhibit A (subject to substitution), which
written Purchase Contract is on file with the City Clerk and is
incorporated herein by this reference. The City Council finds
that entering into the Purchase Contract is in the City's best
interest and therefore accepts the offer contained in the
Purchase Contract and authorizes the execution of the Purchase
Contract by City officials.

The Bonds will be printed at City expense and will be
delivered to the purchaser in accordance with the Purchase
Contract, with the approving legal opinion of Roberts &
Shefelman, municipal bond counsel of Seattle, Washington,
relative to the issuance of the Bonds, 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.

The proper City officials are authorized and directed to do
everything necessary for the prompt delivery of the Bonds to the
purchaser and for the proper application and use of the proceeds
of the sale thereof.

Section 11. This ordinance shall take effect and be in
force from and after its passage and five (5) days following its
publication as required by law.

[Signature]
MAYOR

ATTEST:

[Signature]
City Clerk

FORM APPROVED:

[Signature]
City Attorney

Passed: 17, 178-
Approved: 18, 178-
Published: 21, 178-

1778k
REFUNDING TRUST AGREEMENT

THIS AGREEMENT made and entered into as of the ____ day of July, 1985, by and between the CITY OF KENT, WASHINGTON (the "City"), and RAINIER NATIONAL BANK, Seattle, Washington (the "Refunding Trustee");

W I T N E S S E T H:

SECTION 1. Recitals. The City has outstanding $1,780,000 of Limited Tax General Obligation Bonds, 1981 (the "1981 Bonds"), dated May 1, 1981, maturing serially on May 1 of each of the years 1986 through 2001, and bearing various interest rates from 10% to 12% per annum, and, pursuant to Ordinance No. ____ (the "Refunding Bond Ordinance"), the City has determined to pay the principal of and interest on the 1981 Bonds as the same shall become due up to and including May 1, 1991, and, on May 1, 1991, to call, pay and redeem all outstanding 1981 Bonds maturing on May 1 of each of the years 1992 through 2001 out of the proceeds of the sale of its Limited Tax General Obligation Refunding Bonds, 1985 (the "Refunding Bonds"), and other City money legally available therefor.

SECTION 2. Provisions for Refunding the 1981 Bonds. To accomplish the refunding of the 1981 Bonds as aforesaid, the City, simultaneously with the delivery of the Refunding Bonds issued pursuant to the Refunding Bond Ordinance, agrees to deposit irrevocably with the Refunding Trustee in trust for the security and benefit of the owners of the 1981 Bonds and the
Refunding Bonds, the sum of $_________ in cash and certain Acquired Obligations with amounts, interest rates and maturities as more particularly set forth in Schedule A attached to this Agreement and by this reference incorporated herein, which securities hereinafter are referred to as Acquired Obligations. Such cash and Acquired Obligations, with the investment income therefrom, will be sufficient to provide the funds required to pay the principal of and interest on the 1981 Bonds as the same shall become due up to and including May 1, 1991, and, on May 1, 1991, to redeem and retire all outstanding 1981 Bonds maturing on May 1 of each of the years 1992 through 2001.

The City reserves the right to substitute other direct United States obligations for any of the Acquired Obligations if, in the opinion of Roberts & Shefelman, the interest on the Refunding Bonds will remain exempt from federal income taxation under Section 103(c) of the Internal Revenue Code of 1954, as amended, and applicable regulations thereunder, and if such substitution shall not impair the timely payment of principal of or interest on the 1981 Bonds up through May 1, 1991, and the amount of principal required to pay and redeem the 1981 Bonds to be called prior to maturity on their call date.

SECTION 3. Provisions Applicable to Refunding. On or before the delivery of the Refunding Bonds, the City agrees that it will cause to be delivered to the Refunding Trustee a statement setting forth the amount of interest and principal to be paid on each semiannual interest payment date on the 1981 Bonds.
up through May 1, 1991, and the amount of principal required to pay and redeem the 1981 Bonds to be called prior to maturity on their call date.

In the Refunding Bond Ordinance, the City has called for redemption or prepayment all of the 1981 Bonds to be called as above set forth on their call date. Such call for redemption or prepayment shall be irrevocable upon the delivery of the Refunding Bonds. The Refunding Trustee, in conjunction with the City Treasurer, shall provide for publication and mailing of the proper notices of such redemption or prepayments in accordance with the applicable provisions of Ordinance No. 2287 pertaining to the 1981 Bonds.

Irrevocable provision for the giving of such notices of redemption or prepayment has been made by the City.

SECTION 4. Disbursements by Refunding Trustee. The Refunding Trustee shall present for payment on the due date thereof the Acquired Obligations so deposited and shall apply the proceeds derived therefrom in accordance with the provisions of this section.

Money shall be transferred by the Refunding Trustee to the City Treasurer, or to either fiscal agency of the State of Washington in Seattle, Washington, and New York, New York (the "Fiscal Agent"), in amounts sufficient to pay the interest on and principal of the 1981 Bonds coming due and payable on or before each payment date.
SECTION 5. Restrictions on Reinvestment of Funds; Custody and Safekeeping of Acquired Obligations. All money deposited with the Refunding Trustee or received by the Refunding Trustee as maturing principal or interest on Acquired Obligations prior to the time required to make the payments hereinbefore set forth shall be reinvested in United States Treasury Certificates of Indebtedness, Notes and/or Bonds -- State and Local Government Series, bearing interest at a rate of 0%. Subscriptions for the purchase of such obligations shall be filed with the Federal Reserve Bank at least 20 days (but not more than 60 days) prior to the actual date of purchase, or at such time as may be required by the then applicable rules and regulations relating to the purchase of such obligations.

All income derived from the Acquired Obligations and any money deposited with the Refunding Trustee pursuant to Section 2 hereof in the hands of the Refunding Trustee (which money is not required to make the payments hereinbefore required to be made) shall be paid to the City Treasurer or Fiscal Agent for the credit of the Limited Tax General Obligation Refunding Bond Fund, 1985, of the City (the "Bond Fund") as and when realized and collected for use and application as other money deposited in such Bond Fund.

For as long as any of the 1981 Bonds are outstanding, on or before the 10th day of every month, commencing with the month of August, 1985, the Refunding Trustee shall render a statement as of the last day of the preceding month to the City, which
statement shall set forth the Acquired Obligations which have matured and the amounts received by the Refunding Trustee by reason of such maturity; the investment income received from such Acquired Obligations; the dates of payment and amounts paid to the City or Fiscal Agent for the payment of the interest on and principal of the outstanding 1981 Bonds until May 1, 1991, the call date and final principal payment date for the outstanding 1981 Bonds to be called; and any other transactions of the Refunding Trustee pertaining to its duties and obligations as set forth herein.

All Acquired Obligations, money and investment income deposited with or received by the Refunding Trustee pursuant to this Agreement shall be subject to the trust created by this Agreement and the Refunding Trustee shall be liable for the preservation and safekeeping thereof.

SECTION 6. Substituted Securities. Notwithstanding the foregoing or any other provision of this Agreement, at the request of the City and upon compliance with the conditions hereinafter stated, the Refunding Trustee shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of any or all of the Acquired Obligations held hereunder and to substitute therefor direct obligations of the United States of America, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, subject to
the conditions that such money or securities held by the Refunding Trustee shall be sufficient to pay the principal of and interest on the outstanding 1981 Bonds, whether at maturity or upon the redemption thereof. The City covenants and agrees that it will not request the Refunding Trustee to exercise any of the powers described in the preceding sentence in any manner which will cause the Refunding Bonds to be arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and the regulations thereunder in effect on the date of such request and applicable to obligations issued on the issue date of the Refunding Bonds. The Refunding Trustee shall purchase such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the Acquired Obligations held hereunder or from other money available. The transactions may be effected only if there shall have been obtained at the expense of the City: (1) an independent verification by a nationally recognized independent certified public accounting firm acceptable to the Refunding Trustee concerning the adequacy of such substituted securities with respect to the principal of and the interest thereon and any other money or securities held for such purpose to pay the principal and interest on the outstanding 1981 Bonds, whether at maturity or upon the redemption thereof; and (2) an opinion to the City from Roberts & Shefelman, bond counsel to the City, to the effect that the disposition and substitution or purchase of
such securities will not, under the statutes, rules and regulations then in force and applicable to the Refunding Bonds, cause the interest on the Refunding Bonds not to be exempt from federal income taxation and that such disposition and substitution or purchase is not inconsistent with the statutes and regulations applicable to the Refunding Bonds. Any surplus money resulting from the sale, transfer, other disposition or redemption of the Acquired Obligations held hereunder and the substitution therefor of direct obligations of the United States of America, shall be released from the trust estate and shall be transferred to the City.

SECTION 7. Duties and Obligations of Refunding Trustee. The duties and obligations of the Refunding Trustee shall be as prescribed by the provisions of this Agreement, and the Refunding Trustee shall not be liable except for the performance of its duties and obligations as specifically set forth herein and to act in good faith in the performance thereof and no implied duties or obligations shall be incurred by such Refunding Trustee other than those specified herein.

The Refunding Trustee may consult with counsel of its choice (except as provided below) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or not taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. For any questions relating to the tax exempt status of the interest on the 1981 Bonds or the Refunding Bonds,
the Refunding Trustee must consult with Roberts & Shefelman, bond counsel to the City.

Provisions for the fees, compensation and expenses of the Refunding Trustee satisfactory to it have been made.

CITY OF KENT, WASHINGTON

By ____________________________

Mayor

By ____________________________

City Clerk

RAINIER NATIONAL BANK

By ____________________________

Trust Officer

1792k
## SCHEDULE A
### ACQUIRED OBLIGATIONS

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* U.S. Treasury Certificates of Indebtedness, Notes and Bonds, State and Local Government Series
I, MARIE JENSEN, City Clerk of the City of Kent, Washington, hereby certify that the attached copy of Ordinance No. 2569 is a true and correct copy of the original ordinance passed on the 17 day of June, 1985, as that ordinance appears on the Minute Book of the City.

DATED this 24 day of June, 1985.

MARIE JENSEN, City Clerk