AN ORDINANCE of the City of Kent, Washington, relating to Local Improvement District No. 336; fixing the amount, form, date, interest rates, maturity and denominations of the Local Improvement District No. 336 Bonds; providing for the sale and delivery of those bonds to Lehman Brothers in Seattle, Washington; and fixing the interest rate on local improvement district assessment installments.

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

Section 1. Authorization and Description of Bonds. The total amount of the assessment roll in Local Improvement District No. 336 in the City of Kent, Washington (the "City"), created under Ordinance No. 2977, passed April 2, 1991, was $2,280,637. The thirty-day period for making cash payments of assessments without interest in the District expired on August 13, 1991, and the total amount of assessments paid in cash was $392,559, leaving a balance of assessments unpaid on the assessment roll of $1,888,078. Local Improvement District No. 336 Bonds (the "Bonds") shall, therefore, be issued in the total principal amount of $1,888,078.

The Bonds shall be dated October 1, 1991, shall mature on October 1, 2008, and shall be numbered from 1 to 378, inclusive, 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 the purpose of identification. Bond
No. 1 shall be in the denomination of $3,078 and Bonds Nos. 2 to 378, inclusive, shall be in the denomination of $5,000 each. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall bear interest at the rates set forth below, payable annually beginning October 1, 1992:

<table>
<thead>
<tr>
<th>Bond Numbers (Inclusive)</th>
<th>Amounts</th>
<th>Interest Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 27</td>
<td>$133,078</td>
<td>5.25%</td>
</tr>
<tr>
<td>28 to 53</td>
<td>130,000</td>
<td>5.50</td>
</tr>
<tr>
<td>54 to 78</td>
<td>125,000</td>
<td>5.75</td>
</tr>
<tr>
<td>79 to 103</td>
<td>125,000</td>
<td>6.00</td>
</tr>
<tr>
<td>104 to 128</td>
<td>125,000</td>
<td>6.20</td>
</tr>
<tr>
<td>129 to 153</td>
<td>125,000</td>
<td>6.40</td>
</tr>
<tr>
<td>154 to 178</td>
<td>125,000</td>
<td>6.60</td>
</tr>
<tr>
<td>179 to 203</td>
<td>125,000</td>
<td>6.70</td>
</tr>
<tr>
<td>204 to 228</td>
<td>125,000</td>
<td>6.80</td>
</tr>
<tr>
<td>229 to 253</td>
<td>125,000</td>
<td>6.90</td>
</tr>
<tr>
<td>254 to 278</td>
<td>125,000</td>
<td>6.95</td>
</tr>
<tr>
<td>279 to 303</td>
<td>125,000</td>
<td>7.00</td>
</tr>
<tr>
<td>304 to 328</td>
<td>125,000</td>
<td>7.05</td>
</tr>
<tr>
<td>329 to 353</td>
<td>125,000</td>
<td>7.10</td>
</tr>
<tr>
<td>354 to 378</td>
<td>125,000</td>
<td>7.15</td>
</tr>
</tbody>
</table>

Section 2. Registration and Transfer of Bonds. The Bonds shall be issued only in registered form as to both principal and interest and recorded on books or 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 each of the Bonds held by each owner.

Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. The transfer of a Bond shall be by the Bond Registrar's receiving the Bond to be transferred, cancelling it and issuing a new
certificate in the form of the Bonds to the transferee after registering the name and address of the transferee on the Bond Register. The new certificate shall bear the same Bond number as the transferred Bond but may have a different inventory reference number or control number. Any transfer shall be without cost to the owner or transferee. The Bond Registrar shall not be obligated to transfer any Bond during the fifteen days preceding any principal payment or redemption date.

Section 3. Payment of Bonds. Both principal of and interest on the Bonds shall be payable solely out of the Local Improvement Fund, District No. 336 (the "Bond Fund"), created by Section 8 of Ordinance No. 2977 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 Bonds shall be paid by checks or drafts mailed by the Bond Registrar on the interest payment date to the registered owners at the addresses appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date. Principal of the Bonds shall be payable on presentation and surrender of the Bonds by the registered owners at either of the principal offices of the Bond Registrar at the option of the owners.

Section 4. Optional Redemption of Bonds. The City reserves the right and option to redeem the Bonds prior to their stated maturity date on any interest payment date, in numerical order, lowest numbers first, at par plus accrued interest to the date fixed for redemption, whenever there is sufficient money in the Bond Fund to pay the Bonds so called and all earlier
numbered Bonds over and above the amount required for the payment of the interest on all unpaid Bonds.

All Bonds redeemed under this section shall be cancelled.

Section 5. Notice of Redemption. The City shall cause notice of any intended redemption of Bonds to be given not less than 15 nor more than 30 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 at the time the Bond Registrar prepares the notice, and the requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the owner of any Bond. Interest on Bonds called for redemption shall cease to accrue on the date fixed for redemption unless the Bond or Bonds so called are not redeemed when presented pursuant to the call. In addition, the redemption notice shall be mailed within the same period, postage prepaid, to Lehman Brothers Division of Shearson Lehman Brothers Inc. ("Lehman Brothers") at its principal office in Seattle, Washington, or its successors, and to such other persons and with such additional information as the City Finance Director shall determine, but these additional mailings shall not be a condition precedent to the redemption of Bonds.

Section 6. Failure to Redeem Bonds. If any Bond is not redeemed when properly presented at its maturity or call date, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or
call date until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund and the Bond has been called for payment by giving notice of that call to the registered owner of that Bond.

Section 7. Form and Execution of Bonds. The Bonds 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 Deputy City Clerk, either or both of whose signatures shall be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon.

Only Bonds bearing 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, Local Improvement District No. 336 Bonds described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY
Bond Registrar

By
Authorized Officer

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this ordinance.
If any officer whose facsimile signature appears on the Bonds ceases to be an officer of the City authorized to sign bonds before the Bonds bearing his or her facsimile signature are authenticated or delivered by the Bond Registrar or issued by the City, those Bonds nevertheless may be authenticated, delivered and issued and, when authenticated, delivered and issued, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

Section 8. Bond Registrar. 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 is authorized, on behalf of the City, to authenticate and deliver Bonds transferred in accordance with the provisions of the Bonds and this ordinance, to serve as the City's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this ordinance and Ordinance No. 2418 establishing a system of registration of the City's bonds and obligations.

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 members of, or in any other capacity with respect to, any
committee formed to protect the rights of Bond owners.

Section 9. Bonds Negotiable. The Bonds shall be
negotiable instruments to the extent provided by RCW 62A.8-102
and 62A.8-105.

Section 10. Preservation of Tax Exemption for Interest on
Bonds. The City covenants that it will take all actions
necessary to prevent interest on the Bonds from being included
in gross income for federal income tax purposes, and it will
neither take any action nor make or permit any use of proceeds
of the Bonds or other funds of the City treated as proceeds of
the Bonds at any time during the term of the Bonds which will
cause interest on the Bonds to be included in gross income of
registered owners for federal income tax purposes. The City
also covenants that, to the extent arbitrage rebate requirements
of Section 148 of the Internal Revenue Code of 1986, as amended
(the "Code"), are applicable to the Bonds, it will take all
actions necessary to comply (or to be treated as having
complied) with those requirements in connection with the Bonds,
including the calculation and payment of any penalties that the
City has elected to pay as an alternative to calculating
rebatable arbitrage, and the payment of any other penalties if
required under Section 148 of the Code to prevent interest on
the Bonds from being included in gross income for federal income
tax purposes.
The City certifies that it has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

Section 11. Designation of Bonds as "Qualified Tax-Exempt Obligations." The City has determined and certifies that (a) the Bonds are not "private activity bonds" within the meaning of Section 141 of the Code; (b) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds) which the City and any entity subordinate to the City (including any entity which the City controls, which derives its authority to issue tax-exempt obligations from the City or which issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Bonds are issued will not exceed $10,000,000; and (c) the amount of tax-exempt obligations, including the Bonds, designated by the City as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bonds are issued does not exceed $10,000,000. The City designates the Bonds as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code.

Section 12. Approval of Bond Purchase Contract. Lehman Brothers of Seattle, Washington, has presented a purchase contract (the "Bond Purchase Contract") to the City offering to purchase the Bonds under the terms and conditions provided in the Bond Purchase Contract, which written Bond Purchase Contract is on file with the Deputy City Clerk and is incorporated herein.
by this reference. The City Council finds that entering into
the Bond Purchase Contract is in the City's best interest and
therefore accepts the offer contained therein and authorizes its
execution by City officials.

The Bonds will be printed at City expense and will be
delivered to the purchaser in accordance with the Bond Purchase
Contract, with the approving legal opinion of Foster Pepper &
Shefelman, municipal bond counsel of Seattle, Washington,
regarding the Bonds printed on each Bond. Bond counsel shall
not be required to review and shall express no 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 City Council has been provided with copies of a
preliminary official statement dated August 20, 1991 (the
"Preliminary Official Statement"), prepared in connection with
the sale of the Bonds. For the sole purpose of the purchaser's
compliance with Securities and Exchange Commission Rule
15c2-12(b)(1), the City "deems final" that Preliminary Official
Statement as of its date, except for the omission of information
as to offering prices, interest rates, selling compensation,
delivery date, rating and other terms of the Bonds dependent on
such matters.

The proper City officials are authorized and directed to do
everything necessary for the prompt delivery of the Bonds to the
purchaser, including without limitation the execution of the
Official Statement on behalf of the City, and for the proper application and use of the proceeds of the sale thereof.

Section 13. Interest Rate on Assessments. The interest rate on the installments and delinquent payments of the special assessments in Local Improvement District No. 336 is revised and fixed at the rate of 7.30% per annum.

Section 14. Effective Date. This ordinance shall take effect and be in force five (5) days from and after its passage, approval and publication, as provided by law.

DAN KELLEHER, Mayor

ATTEST:

BRENDA JACOBER
Deputy City Clerk

APPROVED AS TO FORM:

Special Counsel and Bond Counsel for the City

Passed the 3rd day of September, 1991.
Approved the 4th day of September, 1991.
Published the 6th day of September, 1991.

I certify that this is a true copy of Ordinance No. 3000 passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

BRENDA JACOBER
Deputy City Clerk