CITY OF KENT, WASHINGTON

ORDINANCE NO. 3104

AN ORDINANCE relating to local improvement districts; establishing Consolidated Local Improvement District No. 333 et al. and Consolidated Local Improvement Fund, District No. 333 et al.; fixing the amount, form, date, interest rates, maturity and denominations of the Consolidated Local Improvement District No. 333 et al. Bonds; providing for the sale and delivery thereof to Lehman Brothers Division of Shearson Lehman Brothers Inc. of Seattle, Washington; and fixing the interest rate on local improvement district assessment installments.

WHEREAS, the City Council of the City of Kent, Washington (the "City"), heretofore has created Local Improvement Districts Nos. 333, 338 and 339 for various purposes; and

WHEREAS, RCW 35.45.160 authorizes the establishment of consolidated local improvement districts for the purpose of issuing bonds only and provides that if the governing body of any municipality orders the creation of such consolidated local improvement district, the money received from the installment payment of the principal of and interest on assessments levied within the original local improvement districts shall be deposited in a consolidated local improvement district bond redemption fund to be used to redeem outstanding consolidated local improvement district bonds; NOW, THEREFORE,

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

Section 1. Consolidation of Local Improvement Districts. For the purpose of issuing bonds only, those local improvement districts of the City established by the following ordinances, respectively, the 30-day period for making cash payment of
assessments without interest in each local improvement district having expired in the case of the assessments for each local improvement district, are consolidated into a consolidated local improvement district to be known and designated as Consolidated Local Improvement District No. 333 et al.: 

<table>
<thead>
<tr>
<th>Local Improvement District No.</th>
<th>Created by Ordinance No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>333</td>
<td>2780</td>
</tr>
<tr>
<td>338</td>
<td>2979</td>
</tr>
<tr>
<td>339</td>
<td>2982</td>
</tr>
</tbody>
</table>

Section 2. Bond Fund. There is created and established in the office of the City Finance Director for Consolidated Local Improvement District No. 333 et al. a special consolidated local improvement district fund to be known and designated as Consolidated Local Improvement Fund, District No. 333 et al. (the "Bond Fund"). All money presently on hand representing collections pertaining to installments of assessments and interest thereon in each of the local improvement districts listed in Section 1 shall be transferred to and deposited in the Bond Fund, and all collections pertaining to assessments on the assessment rolls of those local improvement districts when hereafter received shall be deposited in the Bond Fund to redeem outstanding Consolidated Local Improvement District No. 333 et al. bonds.

Section 3. Authorization and Description of Bonds. Consolidated Local Improvement District No. 333 et al. bonds (the "Bonds") shall be issued in the total principal sum of $397,413.07, being the total amount on the assessment rolls of Local Improvement Districts Nos. 333, 338 and 339 remaining uncollected after the expiration of the 30-day interest-free prepayment period. The
Bonds shall be dated April 1, 1993, and shall be numbered from 1 to 79, 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 $7,413.07 and Bonds Nos. 2 to 79, inclusive, shall be in the denomination of $5,000.00 each.

Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall bear interest, payable annually beginning April 1, 1994, and shall mature on April 1, 2005, or on April 1, 2010, as applicable, in the years and amounts in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Bond Numbers (Inclusive)</th>
<th>Maturity Years</th>
<th>Amounts</th>
<th>Interest Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 7</td>
<td>2005</td>
<td>$37,413.07</td>
<td>3.50%</td>
</tr>
<tr>
<td>8 to 14</td>
<td>2005</td>
<td>35,000.00</td>
<td>4.10</td>
</tr>
<tr>
<td>15 to 16</td>
<td>2010</td>
<td>10,000.00</td>
<td>4.20</td>
</tr>
<tr>
<td>17 to 23</td>
<td>2005</td>
<td>35,000.00</td>
<td>4.60</td>
</tr>
<tr>
<td>24 to 30</td>
<td>2005</td>
<td>35,000.00</td>
<td>4.80</td>
</tr>
<tr>
<td>31 to 32</td>
<td>2010</td>
<td>10,000.00</td>
<td>4.90</td>
</tr>
<tr>
<td>33 to 39</td>
<td>2005</td>
<td>35,000.00</td>
<td>5.00</td>
</tr>
<tr>
<td>40 to 46</td>
<td>2005</td>
<td>35,000.00</td>
<td>5.25</td>
</tr>
<tr>
<td>47 to 48</td>
<td>2010</td>
<td>10,000.00</td>
<td>5.35</td>
</tr>
<tr>
<td>49 to 55</td>
<td>2005</td>
<td>35,000.00</td>
<td>5.40</td>
</tr>
<tr>
<td>56 to 61</td>
<td>2005</td>
<td>30,000.00</td>
<td>5.60</td>
</tr>
<tr>
<td>62 to 63</td>
<td>2010</td>
<td>10,000.00</td>
<td>5.70</td>
</tr>
<tr>
<td>64 to 69</td>
<td>2005</td>
<td>30,000.00</td>
<td>5.70</td>
</tr>
<tr>
<td>70 to 75</td>
<td>2005</td>
<td>30,000.00</td>
<td>5.75</td>
</tr>
<tr>
<td>76 to 77</td>
<td>2010</td>
<td>10,000.00</td>
<td>5.85</td>
</tr>
<tr>
<td>78 to 79</td>
<td>2010</td>
<td>10,000.00</td>
<td>5.90</td>
</tr>
</tbody>
</table>

For the purpose of RCW 35.49.020 only, the Bonds maturing in 2010 shall be allocated to LID No. 339.

Section 4. Registration and Transfer of Bonds. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Bond Registrar (the "Bond Register"). Such 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 exchange or transfer shall be without cost to the
owner or transferee.

Section 5. Payment of Bonds. Both principal of and interest
on the Bonds shall be payable solely out of the Bond 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 Bonds shall be paid by checks or drafts mailed to the
registered owners on the interest payment date at the addresses
appearing on the Bond Register on the 15th day of the month
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 of the principal offices of the Bond
Registrar at the option of the owners.

Section 6. Redemption Provisions. The City reserves the
right to redeem the Bonds prior to their stated maturity on any
interest payment date, in numerical order, lowest numbers first, at
par plus accrued interest, whenever there shall be 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, by mailing, not less than 15 nor more than 30 days prior to the date fixed for redemption, notice of such 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. The requirements of this section 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 called are not redeemed when presented pursuant to the call.

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 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 Bonds bearing a Certificate of Authentication in the following form, manually signed 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, Consolidated Local Improvement District No. 333 et al. Bonds described in the Bond Ordinance.
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, issued and delivered and, when authenticated, issued and delivered, 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 Bond.

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 be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged 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
City Ordinance No. 2418 establishing a system of registration for 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 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 for federal income tax purposes. The City also covenants that it will, 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, 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. Approval of Bond Purchase Contract. Lehman Brothers Division of Shearson Lehman Brothers Inc. 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 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. Except as provided in the Bond Purchase Contract, 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 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 12. Fixing Interest Rate on Assessments. The interest rates on the installments and delinquent payments of the special assessments in Local Improvement Districts Nos. 333, 338 and 339 are revised and fixed at the rate of 5.85% per annum.

Section 13. Effective Date of Ordinance. This ordinance shall take effect and be in force five (5) days from and after its passage and five (5) days following its publication as required by law.

By DAN KELLEHER, Mayor

ATTEST:

BRENDA JACOBER, City Clerk

APPROVED AS TO FORM:

WILLIAM D. JAKLI
Special Counsel and Bond Counsel for the City

Passed the 20 day of April, 1993.
Approved the 21 day of April, 1993.
Published the 23 day of April, 1993.

I certify that this is a true copy of Ordinance No. 3104 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 (SEAL)
BRENDA JACOBER, City Clerk