Ordinance No. 3731

(Amending or Repealing Ordinances)

CFN=104 – Finance
Passed – 12/14/2004
CLID No. 353 et al Bonds
CITY OF KENT, WASHINGTON

ORDINANCE NO. 3731

AN ORDINANCE of the City Council of the City of Kent, Washington, relating to local improvement districts; establishing Consolidated Local Improvement District No. 353 et al., by consolidating Local Improvement Districts Nos. 353, 355, 356 and 357, and creating Consolidated Local Improvement Fund, District No. 353 et al.; fixing the amount, form, date, interest rates, maturity, and denominations of the Consolidated Local Improvement District No. 353 et al. Bonds; providing for the sale and delivery thereof to Banc of America Securities LLC of Seattle, Washington; and fixing the interest rate on local improvement district assessment installments.

PASSED: DECEMBER 14, 2004

This document prepared by

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CLID NO. 353 et al. Bonds
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CLID NO. 353 et al. Bonds
ORDINANCE NO. 3731

AN ORDINANCE of the City Council of the City of Kent, Washington, relating to local improvement districts; establishing Consolidated Local Improvement District No. 353 et al., by consolidating Local Improvement Districts Nos. 353, 355, 356 and 357, and creating Consolidated Local Improvement Fund, District No. 353 et al.; fixing the amount, form, date, interest rates, maturity, and denominations of the Consolidated Local Improvement District No. 353 et al. Bonds; providing for the sale and delivery thereof to Banc of America Securities LLC of Seattle, Washington; and fixing the interest rate on local improvement district assessment installments.

RECITALS

A. The City Council of the City of Kent, Washington (the "City"), heretofore has created Local Improvement Districts Nos. 353, 355, 356 and 357 (collectively, the "LIDs") for various purposes.

B. 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 HEREBY 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. 353 et al.:

<table>
<thead>
<tr>
<th>Local Improvement District No.</th>
<th>Created by Ordinance No.</th>
<th>Assessment Balance After 30-day Prepayment Period</th>
<th>Term of Roll</th>
</tr>
</thead>
<tbody>
<tr>
<td>353</td>
<td>3619</td>
<td>$10,930,911.11</td>
<td>15 years</td>
</tr>
<tr>
<td>355</td>
<td>3653</td>
<td>587,646.00</td>
<td>15 years</td>
</tr>
<tr>
<td>356</td>
<td>3657</td>
<td>150,000.00</td>
<td>10 years</td>
</tr>
<tr>
<td>357</td>
<td>3662</td>
<td>90,000.00</td>
<td>10 years</td>
</tr>
</tbody>
</table>

**SECTION 2. - Bond Fund.** There is created and established in the office of the Finance Director of the City for Consolidated Local Improvement District No. 353 et al. a special consolidated local improvement district fund to be known and designated as Consolidated Local Improvement Fund, District No. 353 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 received after the end of the respective legal prepayment period for each district 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. 353 et al. bonds.

**SECTION 3. - Authorization and Description of Bonds.** Consolidated Local Improvement District No. 353 et al. Bonds (the "Bonds") shall be issued in the total principal sum of $11,758,557.11, being the total amount on the assessment rolls of the LIDs remaining uncollected after the expiration of the 30-day interest-free prepayment periods for assessments on those assessment rolls. The Bonds shall be dated December 15, 2004, shall mature on December 15, 2021, and shall be numbered in such manner and with any additional designation (including CUSIP numbers) as the fiscal agent of the State of Washington (as the same may be designated by the State of...
Washington from time to time) (the “Bond Registrar”) deems necessary for the purpose of identification, shall be in the denomination of $5,000.00 each or any integral multiple thereof, except for one Bond within the first annual group on the Estimated Redemption Schedule assigned CUSIP Number 490761AV5 in the principal amount of $8,557.11 (or $3,557.11 plus any integral multiple of $5,000.00), and shall bear interest from their date to the maturity or earlier redemption of the Bonds, payable annually on December 15 of each year beginning December 15, 2005, at the rates per annum shown on the following Estimated Redemption Schedule:

**ESTIMATED REDEMPTION SCHEDULE**

<table>
<thead>
<tr>
<th>Estimated Redemption Dates (December 15)</th>
<th>CUSIP No. 490761</th>
<th>Amounts</th>
<th>Interest Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>AV5</td>
<td>$798,557.11</td>
<td>2.50%</td>
</tr>
<tr>
<td>2006</td>
<td>AW3</td>
<td>795,000.00</td>
<td>2.75</td>
</tr>
<tr>
<td>2007</td>
<td>AX1</td>
<td>795,000.00</td>
<td>2.90</td>
</tr>
<tr>
<td>2008</td>
<td>AY9</td>
<td>795,000.00</td>
<td>3.10</td>
</tr>
<tr>
<td>2009</td>
<td>AZ6</td>
<td>795,000.00</td>
<td>3.40</td>
</tr>
<tr>
<td>2010</td>
<td>BA0</td>
<td>795,000.00</td>
<td>3.60</td>
</tr>
<tr>
<td>2011</td>
<td>BB8</td>
<td>795,000.00</td>
<td>3.90</td>
</tr>
<tr>
<td>2012</td>
<td>BC6</td>
<td>790,000.00</td>
<td>4.00</td>
</tr>
<tr>
<td>2013</td>
<td>BD4</td>
<td>785,000.00</td>
<td>4.10</td>
</tr>
<tr>
<td>2014</td>
<td>BE2</td>
<td>785,000.00</td>
<td>4.20</td>
</tr>
<tr>
<td>2015</td>
<td>BF9</td>
<td>785,000.00</td>
<td>4.30</td>
</tr>
<tr>
<td>2016</td>
<td>BG7</td>
<td>765,000.00</td>
<td>4.40</td>
</tr>
<tr>
<td>2017</td>
<td>BH5</td>
<td>760,000.00</td>
<td>4.50</td>
</tr>
<tr>
<td>2018</td>
<td>BJ1</td>
<td>760,000.00</td>
<td>4.60</td>
</tr>
<tr>
<td>2019</td>
<td>BK8</td>
<td>760,000.00</td>
<td>4.65</td>
</tr>
</tbody>
</table>

The Bonds are structured and the interest rates are fixed in anticipation of their estimated redemption based on projected assessment payments in Local Improvement Districts Nos. 353, 355, 356 and 357, respectively, subject to the Maximum Annual Retirement Schedule set forth in Section 6.

**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, canceling 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 CUSIP 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. The Bond Registrar shall not be obligated to exchange or transfer any Bond during the 15 days preceding any principal payment or redemption date.

The Bonds initially shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company, New York, New York ("DTC"). The Bonds so registered shall be held in fully immobilized form by DTC as depository in accordance with the provisions of a Blanket Issuer Letter of Representations dated March 16, 1999, between the City and DTC (as it may be amended from time to time, the "Letter of Representations"). Neither the City nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds regarding accuracy of any records maintained by DTC or DTC participants of any amount in respect of principal of or interest on the Bonds, or any notice which is permitted or required to be given to registered owners hereunder (except such notice as is required to be given by the Bond Registrar to DTC).

For as long as any Bonds are held in fully immobilized form, DTC, its nominee or its successor depository shall be deemed to be the registered owner for all purposes hereunder and all references to registered owners, bondowners, bondholders or the like shall mean DTC or its nominee and shall not mean the owners of any beneficial interests in the Bonds. Registered ownership of such Bonds, or any portions thereof,
may not thereafter be transferred except: (i) to any successor of DTC or its nominee, if that successor shall be qualified under any applicable laws to provide the services proposed to be provided by it; (ii) to any substitute depository appointed by the City or such substitute depository’s successor; or (iii) to any person if the Bonds are no longer held in immobilized form.

Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or a determination by the City that it no longer wishes to continue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the City may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

If (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the City determines that the Bonds are to be in certificated form, the ownership of Bonds may be transferred to any person as provided herein and the Bonds no longer shall be held in fully immobilized form.

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 last business 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 to the Bond Registrar.

Notwithstanding the foregoing, for as long as the Bonds are registered in the name of DTC or its nominee, payment of principal of and interest on the Bonds shall be made in the manner set forth in the Letter of Representations.
SECTION 6. - Redemption Provisions. The City reserves the right to redeem the Bonds prior to their stated maturity on any interest payment date, in order of the Estimated Redemption Schedule (as indicated by the respective CUSIP Numbers assigned to each annual group on the Estimated Redemption Schedule and shown in Section 4) and shall call Bonds for redemption in order of the Estimated Redemption Schedule whenever there shall be sufficient money in the Bond Fund to pay the Bonds so called over and above the amount required for the payment of the interest payable on that interest payment date on all unpaid Bonds, PROVIDED HOWEVER, that the principal amount of Bonds called for prior redemption shall not exceed the following Maximum Annual Retirement Schedule:

<table>
<thead>
<tr>
<th>Maximum Principal</th>
<th>CUSIP Nos.</th>
<th>Retirement Schedule and Permitted Call Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,183,557.11</td>
<td>AV5 through AY9</td>
<td>On any interest payment date</td>
</tr>
<tr>
<td>5,568,557.11</td>
<td>AV5 through BB8</td>
<td>On December 15, 2006, and any interest payment date thereafter</td>
</tr>
<tr>
<td>8,713,557.11</td>
<td>AV5 through BF9</td>
<td>On December 15, 2008, and any interest payment date thereafter</td>
</tr>
<tr>
<td>11,758,557.11</td>
<td>AV5 through BK8</td>
<td>On December 15, 2010, and any interest payment date thereafter</td>
</tr>
</tbody>
</table>

All Bonds redeemed under this schedule shall be cancelled.

If fewer than all of the outstanding Bonds of an annual group from the Estimated Redemption Schedule are to be called for redemption, the selection of specific Bonds for redemption within that annual group shall be at random, and for as long as the Bonds are registered in the name of DTC or its nominee, the selection shall be in accordance with the operational arrangements of DTC, then in effect, as referenced in the Letter of Representations.

SECTION 7. - Notice of Redemption. The City shall cause notice of any intended redemption of Bonds to be given not less than 15 nor more than 45 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 registered 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. In addition, the redemption notice shall be mailed within the same period, postage prepaid, to Banc of America Securities LLC at its principal office in Seattle, Washington, or its successor, and to such other persons and with such additional information as the Finance Director of the City shall determine, but these additional mailings shall not be a condition precedent to the redemption of Bonds.

Notwithstanding the foregoing, for as long as the Bonds are registered in the name of DTC or its nominee, notice of redemption shall be given in accordance with the Letter of Representations.

SECTION 8. - 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 each of those unpaid Bonds.

SECTION 9. - Pledge of Assessment Payments. Assessments collected in Local Improvement Districts Nos. 353, 355, 356 and 357, together with interest and penalties, if any, are pledged to the payment of the Bonds which are payable solely out of the Bond Fund and the Local Improvement Guaranty Fund of the City in the manner provided by law. The Bonds are not general obligations of the City.

SECTION 10. - 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. 353 et al. Bonds described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY
Bond Registrar

By ____________________________
Authorized Signer

The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated, and delivered and is 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 11. - 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 12. - 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 the arbitrage rebate requirement of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), is applicable to the Bonds, take all actions necessary to comply (or to be treated as having complied) with that requirement 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 13. - Use of Bond Proceeds. The accrued interest on the Bonds received from the Bond purchaser shall be deposited in the Bond Fund and used to pay debt service on the Bonds on the first interest payment date. $1,175,855.71, being 10% of the principal amount of the Bonds, will be deposited in the Local Improvement Guaranty Fund of the City. The remaining principal proceeds of the Bonds shall be used to finance the costs of the improvements in Local Improvement Districts Nos. 353, 355, 356 and 357, including the repayment of any interim financing for those improvements, and to pay the costs of issuance of the Bonds. Until needed to pay those costs, the City may invest principal proceeds temporarily in any legal investment, and the investment earnings may be retained in the respective local improvement district funds or accounts therein and be spent for the purposes of those funds, and earnings subject to a federal tax or rebate requirement may be used for those tax or rebate purposes.

SECTION 14. - Approval of Bond Purchase Agreement. Banc of America Securities LLC of Seattle, Washington, has presented a purchase agreement (the "Bond Purchase Agreement") to the City offering to purchase the Bonds under the terms and conditions provided in the Bond Purchase Agreement, which written Bond Purchase Agreement is on file with the City Clerk and is incorporated herein by this reference. The City Council finds that entering into the Bond Purchase Agreement 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 Agreement, with the approving legal opinion of Foster Pepper & Shefelman PLLC, municipal bond counsel of Seattle, Washington, regarding the Bonds.

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.

CLID NO. 353 et al. Bonds
SECTION 15. - Preliminary Official Statement Deemed Final. The City Council has been provided with copies of a preliminary official statement dated December 3, 2004 (the "Preliminary Official Statement"), prepared in connection with the sale of the Bonds. For the sole purpose of the Bond 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, aggregate principal amount, principal amount per maturity, maturity dates, options of redemption, delivery dates, ratings, and other terms of the Bonds dependent on such matters.

SECTION 16. - Undertaking to Provide Continuing Disclosure. To meet the requirements of United States Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) (the "Rule"), as applicable to a participating underwriter for the Bonds, the City makes the following written undertaking (the "Undertaking") for the benefit of holders of the Bonds:

(a) Undertaking to Provide Annual Financial Information and Notice of Material Events. The City undertakes to provide or cause to be provided, either directly or through a designated agent:

(i) To each nationally recognized municipal securities information repository designated by the SEC in accordance with the Rule ("NRMSIR") and to a state information depository, if any, established in the State of Washington (the "SID") annual financial information and operating data of the type included in the final official statement for the Bonds and described in subsection (b) of this section ("annual financial information");

(ii) To each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB"), and to the SID, timely notice of the occurrence of any of the following events with respect to the Bonds, if material: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds; (8) Bond calls (other than scheduled...
mandatory redemptions of Term Bonds); (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating changes; and

(iii) To each NRMSIR or to the MSRB, and to the SID, timely notice of a failure by the City to provide required annual financial information on or before the date specified in subsection (b) of this section.

(b) Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the City undertakes to provide in subsection (a) of this section:

(i) Shall consist of (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to governmental units, as such principles may be changed from time to time and as permitted by State law, which statements shall not be audited, except, however, that if and when audited financial statements are otherwise prepared and available to the City they will be provided; (2) a statement of the outstanding balance of obligations secured by the Local Improvement Guaranty Fund of the City at fiscal year end, and the balance of cash and investments (based on market value) in the Local Improvement Guaranty Fund at fiscal year end; (3) the current assessed valuation of each of LIDs Nos. 353, 355, 356 and 357; and (4) a statement of total assessments collected during the preceding fiscal year and the amount of delinquent assessments as of the end of the fiscal year for each of LIDs Nos. 353, 355, 356 and 357;

(ii) Shall be provided to each NRMSIR and the SID, not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City’s fiscal year ending December 31, 2004; and

(iii) May be provided in a single or multiple documents, and may be incorporated by reference to other documents that have been filed with each NRMSIR and the SID, or, if the document incorporated by reference is a “final official statement” with respect to other obligations of the City, that has been filed with the MSRB.

(c) Amendment of Undertaking. The Undertaking is subject to amendment after the primary offering of the Bonds without the consent
of any holder of any Bond, or of any broker, dealer, municipal securities
dealer, participating underwriter, rating agency, NRMSIR, the SID or the
MSRB, under the circumstances and in the manner permitted by the Rule.

The City will give notice to each NRMSIR or the MSRB, and the
SID, of the substance (or provide a copy) of any amendment to the
Undertaking and a brief statement of the reasons for the amendment. If
the amendment changes the type of annual financial information to be
provided, the annual financial information containing the amended
financial information will include a narrative explanation of the effect of
that change on the type of information to be provided.

(d) **Beneficiaries.** The Undertaking evidenced by this section
shall inure to the benefit of the City and any holder of Bonds, and shall not
inure to the benefit of or create any rights in any other person.

(e) **Termination of Undertaking.** The City’s obligations under
this Undertaking shall terminate upon the legal defeasance of all of the
Bonds. In addition, the City’s obligations under this Undertaking shall
terminate if those provisions of the Rule which require the City to comply
with this Undertaking become legally inapplicable in respect of the Bonds
for any reason, as confirmed by an opinion of nationally recognized bond
counsel or other counsel familiar with federal securities laws delivered to
the City, and the City provides timely notice of such termination to each
NRMSIR or the MSRB and the SID.

(f) **Remedy for Failure to Comply with Undertaking.** As soon
as practicable after the City learns of any failure to comply with the
Undertaking, the City will proceed with due diligence to cause such
noncompliance to be corrected. No failure by the City or other obligated
person to comply with the Undertaking shall constitute a default in respect
of the Bonds. The sole remedy of any holder of a Bond shall be to take
such actions as that holder deems necessary, including seeking an order of
specific performance from an appropriate court, to compel the City or
other obligated person to comply with the Undertaking.

(g) **Designation of Official Responsible to Administer
Undertaking.** The Finance Director of the City (or such other officer of
the City who may in the future perform the duties of that office) or his or
her designee is authorized and directed in his or her discretion to take such
further actions as may be necessary, appropriate or convenient to carry out
the Undertaking of the City in respect of the Bonds set forth in this section
and in accordance with the Rule, including, without limitation, the
following actions:

(i) Preparing and filing the annual financial
information undertaken to be provided;
(ii) Determining whether any event specified in subsection (a) has occurred, assessing its materiality with respect to the Bonds, and, if material, preparing and disseminating notice of its occurrence;

(iii) Determining whether any person other than the City is an “obligated person” within the meaning of the Rule with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of material events for that person in accordance with the Rule;

(iv) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the City in carrying out the Undertaking; and

(v) Effecting any necessary amendment of the Undertaking.

SECTION 17. - Fixing Interest Rate on Assessments. The interest rates on the installments and delinquent payments of the special assessments in Local Improvement Districts Nos. 353, 355, 356 and 357 are revised and fixed at the rate of 4.75% per annum.

SECTION 18. - Severability. If any one or more sections, subsections, or sentences of this ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.
SECTION 19. - 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.

JIM WHITE, MAYOR

ATTEST:

BRENDA JACOBER, CITY CLERK

APPROVED AS TO FORM:

SPECIAL COUNSEL AND BOND COUNSEL FOR THE CITY


APPROVED: 14th day of December, 2004.

PUBLISHED: 18th day of December, 2004.

I hereby certify that this is a true copy of Ordinance No. 3731 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, CITY CLERK

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CLID NO. 353 et al. Bonds