ORDINANCE NO. 4198

AN ORDINANCE OF THE CITY OF KENT, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $80,000,000 TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY, TO REFUND CERTAIN OUTSTANDING SPECIAL EVENTS CENTER SALES TAX BONDS, 2008 OF THE CITY OF KENT SPECIAL EVENTS CENTER PUBLIC FACILITIES DISTRICT, AND TO PAY COSTS OF ISSUING THE BONDS; PROVIDING THE FORM AND TERMS OF THE BONDS; DELEGATING THE AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND APPROVING CERTAIN MATTERS RELATED THERETO.

PASSED: April 19, 2016

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington
CITY OF KENT  
ORDINANCE NO. 41/98  
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Exhibit A – Form of Bond  
Exhibit B – Form of Interlocal Financing Agreement

* This Table of Contents is provided for convenience only and is not a part of this ordinance.
CITY OF KENT, WASHINGTON

ORDINANCE NO. 4/198

AN ORDINANCE OF THE CITY OF KENT, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $80,000,000 TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY, TO REFUND CERTAIN OUTSTANDING SPECIAL EVENTS CENTER SALES TAX BONDS, 2008 OF THE CITY OF KENT SPECIAL EVENTS CENTER PUBLIC FACILITIES DISTRICT, AND TO PAY COSTS OF ISSUING THE BONDS; PROVIDING THE FORM AND TERMS OF THE BONDS; DELEGATING THE AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS; AND APPROVING CERTAIN MATTERS RELATED THERETO.

RECITALS

A. The City of Kent, Washington (the "City") has outstanding its Limited Tax General Obligation Bonds, 2008A, issued pursuant to Ordinance No. 3889 passed by the City Council (the "Council") on August 19, 2008 (the "2008A Bond Ordinance"), which remain outstanding in the aggregate principal amount of $19,265,000 (the "2008A Bonds"); and

B. The 2008A Bond Ordinance provides that the City may call the 2008A Bonds maturing on or after December 1, 2019 for redemption

Limited Tax General Obligation Refunding Bonds, 2016
on or after December 1, 2018, in whole or in part at any time, at a price of
par plus accrued interest, if any, to the date of redemption; and

C. After due consideration it appears to the Council that all or a
portion of the 2008A Bonds maturing on or after December 1, 2019 (as
further defined herein, the “Refunded 2008A Bonds”) may be defeased
and refunded by the proceeds of limited tax general obligation refunding
bonds at a savings to the City and its taxpayers; and

D. Pursuant to chapter 35.57 of the Revised Code of Washington
(“RCW”) and Ordinance No. 3852 passed by the Council on August 7,
2007, the City created the City of Kent Special Events Center Public
Facilities District (the “District”) as a separate municipal corporation for
the purpose of acquiring, constructing, and maintaining a regional center
as defined in RCW 35.57.020; and

E. Pursuant to Resolution No. 2008-2 adopted by the Board of
Directors (the “Board”) of the District on February 20, 2008 (the “District
Bond Resolution”), the District issued its Special Events Center Sales Tax
Bonds, 2008 which currently remain outstanding in the aggregate principal
amount of $53,150,000 (the "Sales Tax Bonds") to finance the acquisition
and construction of a multi-purpose arena for hockey and other public
uses, together with related parking facilities (the "Special Events Center");
and

F. The principal of and interest on the Sales Tax Bonds are
payable from revenues of a sales and use tax (the “Sales Tax”) imposed
by the District pursuant to Resolution No. 2007-1 adopted by the Board on

Limited Tax General Obligation Refunding Bonds, 2016
September 14, 2007 and authorized by RCW 35.57.040(1)(d) and RCW 82.14.390 (the "Sales Tax Revenue"), and other revenues of the Special Events Center pledged therefor; and

G. The principal of and interest on the Sales Tax Bonds is also payable from and secured by amounts received by the District under the terms of the Contingent Loan and Support Agreement Regarding Financing for Kent Special Events Center dated February 20, 2008 between the City and the District (the "Contingent Loan Agreement"), pursuant to which the City agreed to make loans to the District in the event that the District did not have on deposit sufficient Sales Tax Revenue or other available revenues of the Special Events Center to pay any scheduled payment of principal of or interest on the Sales Tax Bonds; and

H. The obligation of the City under the Contingent Loan Agreement to make loans to the District in the amounts and at the times specified therein is an absolute and unconditional obligation of the City, secured by the full faith, credit and resources of the City; and

I. The District Bond Resolution provides that the District may call the Sales Tax Bonds for redemption on or after June 1, 2018, on any date, at a price of par plus accrued interest, if any, to the date of redemption; and

J. After due consideration it appears to the Council that all of the outstanding Sales Tax Bonds (the "Refunded Sales Tax Bonds") may be defeased and refunded with proceeds of limited tax general obligation refunding bonds issued by the City for debt service savings; and

Limited Tax General Obligation Refunding Bonds, 2016
K. The Board has or will adopt a resolution authorizing the defeasance and redemption of the Sales Tax Bonds with proceeds of limited tax general obligation refunding bonds issued by the City; and

L. The Council deems it in the best interest of the City to issue one or more series of limited tax general obligation refunding bonds in the aggregate principal amount of not to exceed $80,000,000 (the "Bonds") to redeem and defease the Refunded 2008A Bonds and the Refunded Sales Tax Bonds and to pay costs of issuing the Bonds and administrative costs of the refundings; and

M. The Council wishes to delegate authority to the Mayor (the "Designated Representative"), for a limited time, to approve the interest rates, maturity dates, redemption terms and principal maturities for each series of Bonds within the parameters set by this ordinance; and

N. The City expects to receive a proposal from KeyBanc Capital Markets Inc. (the "Underwriter") and now desires to authorize the acceptance of such proposal and the issuance and sale of the Bonds to the Underwriter as set forth herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. - Definitions and Interpretation of Terms.

(a) Definitions. As used in this ordinance, the following words shall have the following meanings:

Acquired Obligations means the Government Obligations acquired by the City under the terms of this ordinance and the Escrow Agreement.
to effect the defeasance and refunding of the Refunded Bonds, but only to
the extent that the same are acquired at Fair Market Value.

 Beneficial Owner means any person that has or shares the power,
directly or indirectly, to make investment decisions concerning ownership
of any Bonds (including persons holding Bonds through nominees,
depositories or other intermediaries).

 Board means the Board of Directors of the District.

 Bond Counsel means Pacifica Law Group LLP or an attorney at law
or a firm of attorneys, selected by the City, of nationally recognized
standing in matters pertaining to the tax-exempt nature of interest on
bonds issued by states and their political subdivisions.

 Bond Fund means the "City of Kent Limited Tax General Obligation
Bond Debt Service Fund."

 Bond Purchase Contract means the contract for the purchase of the
Bonds between the Underwriter and the City, executed pursuant to
Section 11.

 Bond Register means the registration books showing the name,
address and tax identification number of each Registered Owner of the
Bonds, maintained pursuant to Section 149(a) of the Code.

 Bond Registrar means, initially, the fiscal agent of the State of
Washington, for the purposes of registering and authenticating each series
of Bonds, maintaining the Bond Register, effecting transfer of ownership of
the Bonds and paying interest on and principal of the Bonds.
Bonds mean the not to exceed $80,000,000 aggregate principal amount of City of Kent, Washington, Limited Tax General Obligation Refunding Bonds, 2016, authorized to be issued in one or more series pursuant to this ordinance.

Call Date means the dates specified in the Escrow Deposit Agreement for the refunding of each series of the Refunded Bonds.

Chief Administrative Officer means the Chief Administrative Officer of the City or the successor to such officer.

City means the City of Kent, Washington, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State of Washington.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commission means the Securities and Exchange Commission.

Contingent Loan Agreement means the Contingent Loan and Support Agreement Regarding Financing for the Kent Special Events Center between the City and the District dated February 20, 2008, as it may be amended from time to time.

Council or City Council means the legislative body of the City as duly and regularly constituted from time to time.
Designated Representative means the City Mayor, or his or her designee. If the Mayor is absent or otherwise unavailable and has not designated another representative, the Mayor Pro Tempore of the City, or his or her designee, shall serve as the Designated Representative.

District means the City of Kent Special Events Center Public Facilities District, established by the City under chapter 35.57 RCW.

District Bond Resolution means Resolution No. 2008-2 adopted by the Board of the District on February 20, 2008 authorizing the issuance of the Sales Tax Bonds.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 3.


Escrow Deposit Agreement means the Escrow Deposit Agreement(s) between the City, the Escrow Agent, and the District (with respect to the Refunded Sales Tax Bonds) to be dated as of the date of closing of a series of Bonds.

Fair Market Value means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a
bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

*Federal Tax Certificate* means the certificate executed by the Finance Director setting forth the requirements of the Code for maintaining the tax exemption of interest on the Bonds to be dated as of the date of closing for a series of Bonds, and attachments thereto.

*Finance Director* means the Finance Director of the City or the successor to such officer.

*Financing Agreement* means the Interlocal Financing Agreement between the City and the District, substantially in the form attached hereto in Exhibit B, as it may be amended from time to time.
Government Obligations means those obligations now or hereafter defined as such in chapter 39.53 RCW, as this chapter may be hereafter amended or restated.

Letter of Representations means the Blanket Issuer Letter of Representations from the City to DTC, as amended from time to time.

Mayor means the duly appointed and acting Mayor of the City or the successor to the duties of that office.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions.

Official Statement means the disclosure documents prepared and delivered in connection with the issuance of the Bonds.

Refunded Bonds mean the Refunded 2008A Bonds and the Refunded Sales Tax Bonds.

Refunded Sales Tax Bonds mean the outstanding Sales Tax Bonds maturing on or after December 1, 2020 designated by the Designated Representative for defeasance and/or refunding pursuant to Section 7 and Section 11.

Refunded 2008A Bonds mean all or a portion of the 2008A Bonds maturing on or after December 1, 2019, which are designated by the Designated Representative for defeasance and/or refunding pursuant to Section 7 and Section 11.

Refunding Account means the account by that name established pursuant to Section 7.
Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

Rule means the Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Sales Tax means the sales and use taxes imposed by the District pursuant to Resolution No. 2007-1 of the Board adopted on September 14, 2007 and authorized by RCW 35.57.040(1)(d) and RCW 82.14.390 at the rate of 0.037% of the selling price (in the case of a sales tax) or the value of the article used (in the case of a use tax).

Sales Tax Bonds mean the District’s Special Events Center Sales Tax Bonds, 2008 issued pursuant to the District Bond Resolution as described in the recitals of this ordinance.

Sales Tax Revenue means all the money received by the District from the Washington State Department of Revenue on account of the Sales Tax imposed by and collected for the District.

Special Events Center means the land, real property improvements, buildings, facilities, fixtures, equipment, support facilities and related parking facilities comprising a special events center of approximately 153,000 square feet, including an ice arena, as such facilities may be expanded from time to time, located in the City and constituting a "regional center" within the meaning of chapter 35.57 RCW, as it may be amended from time to time.
Special Events Center Revenues has the meaning set forth in the Financing Agreement, and includes all revenue, earnings, and money received by the City from or on account of the operation and/or ownership of the Special Events Center, including but not limited to license fees, facility fees, concession revenues, advertising revenues, suite license revenues, club seat revenues, parking revenues, and naming rights revenues.


2008A Bonds mean the City of Kent, Washington, Limited Tax General Obligation Bonds, 2008A issued pursuant to the 2008A Bond Ordinance as described in the recitals of this ordinance.

Underwriter means KeyBanc Capital Markets Inc., or its successors.

(b) Interpretation. In this ordinance, unless the context otherwise requires:

(1) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this ordinance;

(2) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;
(3) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and

(5) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

SECTION 2.- Authorization of Bonds and Bond Details. For the purpose of refunding the Refunded Bonds and paying costs of issuance of the Bonds and the administrative costs of the refunding, the City is hereby authorized to issue and sell one or more series of limited tax general obligation refunding bonds in the aggregate principal amount of not to exceed $80,000,000 (the "Bonds").

The Bonds of each series shall be general obligations of the City, shall be designated "City of Kent, Washington, Limited Tax General Obligation Refunding Bonds, 2016" with other such designation as set forth in the Bond Purchase Contract and approved by the Designated Representative.
The Bonds may be sold in one or more series, with each series dated the date of its initial delivery. The Bonds of each series shall be fully registered as to both principal and interest, shall be in the denomination of $5,000 each or any integral multiple thereof within a maturity, shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification and control, and shall bear interest payable on the dates set forth in the Bond Purchase Contract. The Bonds shall bear interest at the rates set forth in the Bond Purchase Contract; and shall mature on the dates and in the principal amounts set forth in the Bond Purchase Contract and as approved by a Designated Representative pursuant to Section 11.

**SECTION 3.** - *Registration, Exchange and Payments.*

(a) **Bond Registrar/Bond Register.** The City hereby specifies and adopts the system of registration approved by the Washington State Finance Committee from time to time through the appointment of the state fiscal agent. The City shall cause a Bond Register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Finance Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Finance Director. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been
appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar’s powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication of the Bonds.

(b) Registered Ownership. The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond of each series as the absolute owner thereof for all purposes (except as provided in Section 12 of this ordinance), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 3(g), but such Bond may be transferred as herein provided. All such payments made as described in Section 3(g) shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) DTC Acceptance/Letters of Representations. The Bonds initially shall be held in fully immobilized form by DTC acting as depository. Neither the City nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or
any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC, or any successor depository), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any Bonds are held in fully immobilized form by a depository, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

(d) **Use of Depository.**

(1) The Bonds shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds within a series in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Finance Director pursuant to subsection (2) below or such substitute depository’s successor; or (C) to any person as provided in subsection (4) below.
(2) 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 Finance Director to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Finance Director may hereafter 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.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds of a series, together with a written request on behalf of the Finance Director, issue a single new Bond for each maturity of a series then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Finance Director.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Finance Director determines that it is in the best interest of the beneficial owners of the Bonds that such owners be able to obtain physical Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and such Bonds shall no longer be held by a depository. The Finance Director shall deliver a written request to the Bond Registrar, together with a supply of physical Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt
by the Bond Registrar of all then outstanding Bonds of a series together
with a written request on behalf of the Finance Director to the Bond
Registrar, new Bonds of such series shall be issued in the appropriate
denominations and registered in the names of such persons as are
requested in such written request.

(e) Registration of Transfer of Ownership or Exchange; Change in
Denominations. The transfer of any Bond may be registered and Bonds
may be exchanged, but no transfer of any such Bond shall be valid unless
it is surrendered to the Bond Registrar with the assignment form
appearing on such Bond duly executed by the Registered Owner or such
Registered Owner's duly authorized agent in a manner satisfactory to the
Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the
surrendered Bond and shall authenticate and deliver, without charge to
the Registered Owner or transferee therefor, a new Bond (or Bonds at the
option of the new Registered Owner) of the same date, maturity, series,
and interest rate and for the same aggregate principal amount in any
authorized denomination, naming as Registered Owner the person or
persons listed as the assignee on the assignment form appearing on the
surrendered Bond, in exchange for such surrendered and cancelled Bond.
Any Bond may be surrendered to the Bond Registrar and exchanged,
without charge, for an equal aggregate principal amount of Bonds of the
same date, maturity, series, and interest rate, in any authorized
denomination. The Bond Registrar shall not be obligated to register the
transfer or to exchange any Bond during the 15 days preceding any principal payment date any such Bond is to be redeemed.

(f) **Bond Registrar’s Ownership of Bonds.** The Bond Registrar may become the Registered Owner of any Bond 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 right of the Registered Owners of Bonds.

(g) **Place and Medium of Payment.** 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 calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are held by a depository, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer held by a depository, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date, or upon the written request of a Registered Owner of more than $1,000,000 of Bonds (received by the Bond Registrar at least 15 days prior to the applicable payment date), such payment shall be made by the Bond Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Bonds shall be payable upon

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*Limited Tax General Obligation Refunding Bonds, 2016*
presentation and surrender of such Bonds by the Registered Owners at the designated office of the Bond Registrar.

If any Bond shall be duly presented for payment and funds have not been duly provided by the City on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until it is paid.

SECTION 4. - Redemption Prior to Maturity and Purchase of Bonds.

(a) Mandatory Redemption of Term Bonds and Optional Redemption, if any. Each series of Bonds shall be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract approved by the Designated Representative pursuant to Section 11. Each series of Bonds shall be subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract approved by the Designated Representative pursuant to Section 11.

(b) Purchase of Bonds. The City reserves the right to purchase any of the Bonds offered to it at any time at a price deemed reasonable by the Finance Director.

(c) Selection of Bonds for Redemption. For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a series and maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held in uncertificated form, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c). If
the City redeems at any one time fewer than all of the Bonds within a series having the same maturity date, the particular Bonds or portions of Bonds of such series and maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of $5,000. In the case of a Bond of a denomination greater than $5,000, the City and the Bond Registrar shall treat each Bond of such series and maturity as representing such number of separate Bonds each of the denomination of $5,000 as is obtained by dividing the actual principal amount of such Bond of such series and maturity by $5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like maturity, series, and interest rate in any of the denominations herein authorized.

(d) Notice of Redemption.

(1) Official Notice. For so long as the Bonds are held in uncertificated form, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such
redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

(A) the redemption date,

(B) the redemption price,

(C) if fewer than all outstanding Bonds are to be redeemed, the identification by series and maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(D) conditions to redemption;

(E) that (unless such notice is conditional) on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, the City shall deposit with the Bond Registrar an
amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected registered owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

(2)  **Effect of Notice; Bonds Due.** If notice of redemption has been given and not rescinded, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and, if the Bond Registrar then holds sufficient funds to pay such Bonds at the redemption price, then from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

(3)  **Additional Notice.** In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further
notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the series and maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to Section 12 and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) Amendment of Notice Provisions. The foregoing notice provisions of this Section 4, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.
SECTION 5. - Form of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference, with appropriate or necessary insertions, depending upon the omissions and variations as permitted or required hereby.

SECTION 6. - Execution of Bonds. The Bonds of each series shall be executed on behalf of the City with the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. 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 of the officers who shall have executed the Bonds shall cease to be an 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 may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond may be signed and attested on behalf of the City by such persons who at the date of the
actual execution of such Bond, are the proper officers of the City, although
at the original date of such Bond any such person shall not have been
such officer of the City.

SECTION 7. - Refunding Plan; Application of Bond Proceeds.

(a) Refunding Plan. For the purpose of realizing a debt service
savings, upon the issuance of the Bonds, the City shall loan a portion of
the proceeds of the Bonds to the District pursuant to the terms of the
Financing Agreement for the purpose of refunding the Refunded Sales Tax
Bonds and paying costs of issuance allocable to that portion of the Bonds
and administrative costs of the refunding. Such portion of the proceeds of
the Bonds shall be deposited, on behalf of the District, with the Escrow
Agent pursuant to the Escrow Deposit Agreement, to be used immediately
upon receipt thereof to defease the Refunded Sales Tax Bonds as
authorized by the District Bond Resolution and to pay costs of issuance
allocable to that portion of the Bonds and administrative costs of the
refunding.

For the purpose of realizing a debt service savings, the City also
proposes to defease and refund the Refunded 2008A Bonds as set forth
herein. The Refunded 2008A Bonds shall include all or a portion of the
2008A Bonds maturing on or after December 1, 2019, which are
designated by the Designated Representative for refunding and set forth in
the Bond Purchase Contract. A portion of the proceeds of the Bonds shall
be deposited with the Escrow Agent pursuant to the Escrow Deposit
Agreement to be used immediately upon receipt thereof to defease the

Limited Tax General Obligation Refunding Bonds, 2016
Refunded 2008A Bonds as authorized by the 2008A Bond Ordinance and to pay costs of issuance allocable to that portion of the Bonds and administrative costs of the refunding.

The proceeds of the Bonds deposited with the Escrow Agent shall be used to defease the Refunded Bonds and discharge the obligations thereon by the purchase of Acquired Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of:

(1) interest on the Refunded Bonds as such becomes due on and prior to the applicable Call Date; and

(2) the redemption price (100% of the principal amount) of the Refunded Bonds on the applicable Call Date.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(b) Escrow Agent/Escrow Deposit Agreement. The City hereby appoints U.S. Bank National Association, Seattle, Washington, as the Escrow Agent for the Refunded Bonds. A beginning cash balance, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the Refunded Bonds. The proceeds of the Bonds remaining after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the
Acquired Obligations and costs of issuance of the Bonds and the administrative costs of the refunding.

In order to carry out the purposes of this Section 7, the Finance Director is authorized and directed to execute and deliver to the Escrow Agent, one or more Escrow Deposit Agreements.

(c) *Call for Redemption of Refunded Bonds.* The City hereby sets aside sufficient funds out of the purchase of Acquired Obligations from proceeds of the Bonds to make the payments described above.

The City hereby directs the District and the Escrow Agent to call the Refunded Sales Tax Bonds for redemption on their Call Date in accordance with the provisions of the District Bond Resolution authorizing the redemption and retirement of the Refunded Sales Tax Bonds prior to their stated maturity dates.

The City further calls the Refunded 2008A Bonds for redemption on their Call Date in accordance with the provisions of the 2008A Bond Ordinance authorizing the redemption and retirement of the 2008A Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the issuance of the Bonds and delivery of the Acquired Obligations to the Escrow Agent.

The Escrow Agent is hereby authorized and directed to provide for the giving of notices of the redemption of the Refunded Bonds in accordance with the applicable provisions of the 2008A Bond Ordinance.
and the District Bond Resolution. The costs of publication of such notices shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the Finance Director, or, at the direction of the Finance Director, to the paying agent for the Refunded Bonds, sums sufficient to pay, when due, the payments specified in this Section 7. All such sums shall be paid from the moneys and Acquired Obligations deposited with the Escrow Agent, and the income therefrom and proceeds thereof. All such sums so paid to or to the order of the Finance Director shall be credited to the Refunding Account (which is hereby authorized to be created) or other funds created under the Escrow Deposit Agreement. All moneys and Acquired Obligations deposited with the Escrow Agent and any income therefrom shall be held, invested (but only at the direction of the Finance Director) and applied in accordance with the provisions of this ordinance, the Escrow Deposit Agreement, and with the laws of the State of Washington for the benefit of the City and owners of the Refunded Bonds.

The City will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due.

**SECTION 8. - Tax Covenants.** The City will take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect
on the date of issuance of the Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) *Limitations on Disposition of Project.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the projects refinanced with proceeds of the Bonds, including the Special Events Center (together, the "Projects") other than in the ordinary course of an established government program under Treasury Regulation 1.141-2(d)(4) or (ii) any real property components of the Projects, unless it has received an opinion of Bond Counsel to the effect that such disposition will not adversely affect the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes.

(c) *Federal Guarantee Prohibition.* The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(d) *Rebate Requirement.* The City will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.
(e) *No Arbitrage.* The City will not take, or permit or suffer to be taken by the Escrow Agent or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The City will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code until all Bonds have been surrendered and canceled.

(g) *Record Retention.* The City will retain its records of all accounting and monitoring it carries out with respect to the Bonds for at least three years after the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Bonds.

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to the Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Bonds.

**SECTION 9. - Bond Fund and Provision for Tax Levy Payments.**
The City hereby authorizes the creation of one or more accounts in the

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*Limited Tax General Obligation Refunding Bonds, 2016*
City's previously established Bond Fund to be used for the payment of
debt service on the Bonds. No later than the date each payment of
principal of or interest on the Bonds becomes due, the City shall transmit
sufficient funds, from the Bond Fund or from other legally available
sources, to the Bond Registrar for the payment of such principal or
interest. Money in the Bond Fund may be invested in legal investments
for City funds, but only to the extent that the same are acquired, valued
and disposed of at Fair Market Value.

The City hereby irrevocably covenants and agrees for as long as any
of the Bonds are outstanding and unpaid that each year it will include in
its budget and levy an *ad valorem* tax upon all the property within the City
subject to taxation in an amount that will be sufficient, together with Sales
Tax Revenue and Special Events Center Revenues (with respect to the
portion of the Bonds issued to refund and defease the Refunded Sales Tax
Bonds and to pay related costs of issuance and the administrative costs of
the refunding) and all other revenues and money of the City legally
available for such purposes, to pay the principal of and interest on the
Bonds when due.

The City hereby irrevocably pledges that the annual tax provided for
herein to be levied for the payment of such principal and interest shall be
within and as a part of the regular property tax levy permitted to cities
without a vote of the people, and that a sufficient portion of each annual
levy to be levied and collected by the City prior to the full payment of the
principal of and interest on the Bonds will be and is hereby irrevocably set
aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds when due.

The City hereby also irrevocably pledges Sales Tax Revenue and Special Events Center Revenues received by the City from the District under the terms of the Financing Agreement to the payment of the principal of and interest on the portion of the Bonds allocated to defease and refund the Refunded Sales Tax Bonds and to pay related costs of issuance and the administrative costs of the refunding.

SECTION 10. - Defeasance. In the event that the City, to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal,
premium, if any, and interest from the Bond Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance. The City shall give written notice of defeasance to the owners of all Bonds in accordance with Section 12.

**SECTION 11. - Sale of Bonds.**

(a) *Bond Sale.* The Bonds shall be sold at negotiated sale to the Underwriter pursuant to the terms of the Bond Purchase Contract. The Council has determined that it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to approve the final interest rates, aggregate principal amount, principal amounts of each maturity of the Bonds, redemption rights, whether to issue the Bonds in one or more series, and selection of the Refunded Bonds.

The Designated Representative is hereby authorized to determine whether to issue the Bonds in one or more series and to approve the final interest rates, aggregate principal amount, principal amounts of each maturity of the Bonds, selection of the Refunded Bonds, and redemption rights for the Bonds in the manner provided hereafter so long as:

(i) the aggregate principal amount of Bonds issued pursuant to this ordinance does not exceed $80,000,000,

(ii) the final maturity date for the Bonds is no later than December 1, 2037,

(iii) each series of Bonds are sold (in the aggregate) at a price not less than 97% and not greater than 130%,

*Limited Tax General Obligation Refunding Bonds, 2016*
(v) any Bonds sold for the purpose of refunding the 2008A Bonds are sold for a price that results in a minimum aggregate net present value debt service savings over the Refunded 2008A Bonds of at least 3.00%,

(iv) any Bonds sold for the purpose of refunding the Refunded Sales Tax Bonds are sold for a price that results in a minimum aggregate net present value debt service savings over the Refunded Sales Tax Bonds of at least 3.00%,

(vi) the true interest cost for each series of Bonds (in the aggregate) does not exceed 4.00%, and

(vii) the Bonds conform to all other terms of this ordinance.

Subject to the terms and conditions set forth in this section, the Designated Representative is hereby authorized to execute the Bond Purchase Contract.

Following the execution of the Bond Purchase Contract, the Finance Director shall provide a report to the Council describing the final terms of the applicable series of Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representative by this Section 11 shall expire on December 31, 2016. If the Bonds authorized herein have not been sold by December 31, 2016, the Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in
the form of an amendatory ordinance approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 11.

(b) **Delivery of Bonds; Documentation.** Upon the passage and approval of this ordinance, the proper officials of the City, including the Designated Representative, the Finance Director and Chief Administrative Officer, are authorized and directed to undertake all action necessary for the prompt execution and delivery of each series of Bonds to the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of each series of Bonds in accordance with the terms of this ordinance and the Bond Purchase Contract. Such documents may include, but are not limited to, documents related to a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on the Bonds as provided therein, if such insurance is determined by the Designated Representative to be in the best interest of the City.

The Mayor is further authorized to execute the Financing Agreement with the District in substantially the form attached hereto as Exhibit B and incorporated herein by this reference, with any such modifications as determined by the Mayor and Bond Counsel to the City to be necessary to carry out the purposes of this ordinance, and any other documents and agreements necessary for the issuance of the Bonds, the operation of the Special Events Center, and the transfer of Sales Tax Revenue and Special Events Center Revenues for the purposes set forth herein.
(c) *Preliminary and Final Official Statements.* The Finance Director is hereby authorized to approve and to deem final the preliminary Official Statement for the purposes of the Rule. The Finance Director is further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement relating to the issuance and sale of each series of Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed by him or her to be appropriate.

**SECTION 12. - Undertaking to Provide Ongoing Disclosure.**

(a) *Contract/Undertaking.* This section constitutes the City's written undertaking for the benefit of the owners, including Beneficial Owners, of the Bonds as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* With respect to each series of Bonds issued pursuant to this ordinance, the City agrees to provide or cause to be provided to the MSRB the following annual financial information and operating data for the prior fiscal year (commencing in 2016 for the fiscal year ended December 31, 2015):

1. Annual financial statements, which statements may or may not be audited, showing ending fund balances for the City's general fund prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type specified in the official statement for the Bonds;

2. The assessed valuation of taxable property in the City;
3. Ad valorem taxes due and percentage of taxes collected;

4. Property tax levy rate per $1,000 of assessed valuation;

5. Outstanding general obligation debt of the City; and

6. So long as the portion of the Bonds allocated to defease and refund the Refunded Sales Tax Bonds and to pay related costs of issuance are outstanding, the amount of Sales Tax Revenue and Special Events Center Revenues received by the City under the Financing Agreement.

Items 2-6 shall be required only to the extent that such information is not included in the annual financial statements.

The information and data described above shall be provided on or before the end of nine months (September 30) after the end of the City’s fiscal year. The City’s current fiscal year ends on December 31. The City may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the City may cross-reference to other documents available to the public on the MSRB’s internet website or filed with the Commission.

If not provided as part of the annual financial information discussed above, the City shall provide to the MSRB the City’s audited annual financial statements prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State
Auditor pursuant to RCW 43.09.200 (or any successor statute) when and if available.

(c) *Listed Events.* The City agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- Modifications to the rights of Bondholders, if material;
- Bond calls, if material, and tender offers;
- Defeasances;
• Release, substitution, or sale of property securing repayment of the Bonds, if material;
• Rating changes;
• Bankruptcy, insolvency, receivership or similar event of the City;
• The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
• Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(d) Format for Filings with the MSRB. All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(e) Notification Upon Failure to Provide Financial Data. The City agrees to provide or cause to be provided to the MSRB notice of its failure to provide the annual financial information described in Subsection (b) above on or prior to the date set forth in Subsection (b) above.
(f) **Termination/Modification.** The City's obligations to provide annual financial information and notices of certain listed events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Any provision of this section shall be null and void if the City (1) obtains an opinion of Bond Counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (2) notifies the MSRB of such opinion and the cancellation of this section.

The City may amend this section with an opinion of Bond Counsel in accordance with the Rule. In the event of any amendment of this section, the City shall describe such amendment in the next annual report, and shall include a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (A) notice of such change shall be given in the same manner as for a listed event under Subsection (c), and (B) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) **Bond Owner's Remedies Under This Section.** The right of any bondowner or Beneficial Owner of Bonds to enforce the provisions of this
section shall be limited to a right to obtain specific enforcement of the City’s obligations under this section, and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

**SECTION 13. - Lost, Stolen or Destroyed Bonds.** In case any Bond or Bonds shall be lost, stolen or destroyed, the Bond Registrar may execute and deliver a new Bond or Bonds of like date, series, number and tenor to the Registered Owner thereof upon the Registered Owner’s paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the City evidence satisfactory to the City that such Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City and/or the Bond Registrar with indemnity satisfactory to the City and the Bond Registrar.

**SECTION 14. - Severability; Ratification.** If any one or more section, subsection, or sentence of this ordinance is held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance or the Bonds and the same shall remain in full force and effect. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

**SECTION 15. - Corrections by City Clerk or Code Reviser.** Upon approval of the City Attorney, the City Clerk and the Code Reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; ordinance, section or subsection numbers; or
references to other local, state or federal laws, codes, rules, or regulations.

**SECTION 16.** **Effective Date of Ordinance.** This ordinance shall take effect thirty (30) days after its passage as provided by law.

Adopted by the City Council of the City of Kent, Washington, at a regular meeting thereof held this 19th of April, 2016.

Suzette Cooke  
SUZETTE COOKE, MAYOR

ATTEST  
Ronald F. Moore, MMC  
RONALD F. MOORE, MMC, CITY CLERK

APPROVED AS TO FORM:  
PACIFICA LAW GROUP LLP

Bond Counsel to the City

PASSED: 19th day of April, 2016.
APPROVED: 19th day of April, 2016.
PUBLISHED: 22nd day of April, 2016.

I hereby certify that this is a true copy of Ordinance No. 4198 passed by the city council of the city of Kent, Washington, and approved by the Mayor of the city of Kent as hereon indicated.

Ronald F. Moore, MMC  
SEAL  
RONALD F. MOORE, CITY CLERK

Limited Tax General Obligation Refunding Bonds, 2016
Exhibit A

Form of Bond

[DTCLANGUAGE]

UNITED STATES OF AMERICA

NO. ______ $____

STATE OF WASHINGTON
CITY OF KENT
LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2016

INTEREST RATE: % MATURITY DATE: CUSIP NO.: 

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Kent, Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from __________, 20____, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on __________, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. _______ duly passed by the City Council on April 19, 2016 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the

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Limited Tax General Obligation Refunding Bonds, 2016
Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like series, date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of $__________ and is issued pursuant to the Bond Ordinance to provide a portion of the funds necessary [to defease and refund the City’s Limited Tax General Obligation Bonds, 2008A and the City of Kent Special Events Center Public Facilities District’s Special Events Center Sales Tax Bonds, 2008], and to pay costs of issuance.

The bonds of this issue are subject to redemption as provided in the Bond Ordinance and the Bond Purchase Contract.

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. [The City hereby also irrevocably pledges Sales Tax Revenue and Special Events Center Revenues received by the City from the City of Kent Special Events Center Public Facilities District (the “District”) under the terms of the Interlocal Financing Agreement between the City and the District to the payment of the principal of and interest on the portion of the bonds of this issue allocated to refund and defease the District’s Special Events Center Sales Tax Bonds, 2008 and to pay related costs of issuance.]

The bonds of this issue have not been designated by the City as “qualified tax-exempt obligations” for investment by financial institutions under Section 265(b) of the Code.

The pledge of tax levies for payment of principal of and interest on the bonds may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist and to have happened, been done and performed precedent to and in the issuance of this bond exist and have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

Limited Tax General Obligation Refunding Bonds, 2016
IN WITNESS WHEREOF, the City of Kent, Washington has caused this bond to be executed by the manual or facsimile signatures of the Mayor and the City Clerk and the seal of the City imprinted, impressed or otherwise reproduced hereon as of this ___ day of ____________, 20__.

[SEAL]

CITY OF KENT,
WASHINGTON

By /s/ manual or facsimile
Mayor

ATTEST:

/s/ manual or facsimile
City Clerk

The Bond Registrar’s Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation Refunding Bonds, 2016 of the City of Kent, Washington, dated ____________, 2016.

WASHINGTON STATE FISCAL AGENT, as Bond Registrar

By ____________________

A-3-
Limited Tax General Obligation Refunding Bonds, 2016
Exhibit B

Form of Financing Agreement

B-1-

Limited Tax General Obligation Refunding Bonds, 2016