

## KING COUNTY, WASHINGTON

## ORDINANCE NO. 1806

AN ORDINANCE of the County Council of King County, Washington, authorizing the issuance of unlimited tax levy general obligation refunding bonds of the County in the principal amount of \$21,575,000 for the purpose of refunding certain outstanding unlimited tax levy general obligation bonds of the County in the principal amount of \$21,575,000, providing for the purchase of certain obligations with the proceeds of the sale of such refunding bonds and certain moneys in the General Obligation Bond Redemption Fund of the County and for the use and application of the moneys to be derived from such investments; providing for the redemption of the outstanding bonds to be refunded; providing the date, form, terms, maturities and covenants of the refunding bonds to be issued and for unlimited tax levies to pay the principal thereof and interest thereon; and confirming the sale thereof.

WHEREAS, King County, Washington, (hereinafter called the "County"), now has outstanding its unlimited tax levy general obligation bonds in the principal amount of \$12,695,000, designated "General Obligation County Hospital Improvement Bonds, 1968, Series B" and issued under date of January 1, 1970 (hereinafter called the "1970 Bonds"), which bonds are numbered, mature and bear interest as follows:

<u>Bond Nos.</u>	<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
162-249	January 1, 1974	\$440,000	7.50%
250-343	January 1, 1975	470,000	7.50%
344-442	January 1, 1976	495,000	7.50%
443-548	January 1, 1977	530,000	7.50%
549-660	January 1, 1978	560,000	7.50%
661-779	January 1, 1979	595,000	7.50%
780-906	January 1, 1980	635,000	7.50%
907-1041	January 1, 1981	675,000	6.20%
1042-1184	January 1, 1982	715,000	6.30%
1185-1336	January 1, 1983	760,000	6.40%
1337-1497	January 1, 1984	805,000	6.60%
1498-1668	January 1, 1985	855,000	6.70%
1669-1850	January 1, 1986	910,000	6.75%
1851-2044	January 1, 1987	970,000	6.80%
2045-2250	January 1, 1988	1,030,000	6.90%
2251-2468	January 1, 1989	1,090,000	6.90%
2469-2700	January 1, 1990	1,160,000	5.50%

WHEREAS, the County also has outstanding certain unlimited tax levy general obligation bonds in the principal amount of \$3,880,000 designated "Various Purpose General Obligation Bonds, 1971" and issued under date of June 1, 1971, (hereinafter called the "1971 Bonds"), which bonds are part of an outstanding issue of bonds in the total principal amount of \$10,315,000 and are numbered, mature and bear interest as follows:

<u>Bond Nos.</u>	<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
303-334	June 1, 1987	160,000	8.00%
335-368	June 1, 1988	170,000	8.00%
369-404	June 1, 1989	180,000	8.00%
405-443	June 1, 1990	195,000	8.00%
444-484	June 1, 1991	205,000	8.00%
485-527	June 1, 1992	215,000	6.75%
528-573	June 1, 1993	230,000	6.40%
574-622	June 1, 1994	245,000	6.40%
623-674	June 1, 1995	260,000	6.50%
675-729	June 1, 1996	275,000	6.50%
730-787	June 1, 1997	290,000	6.50%
788-848	June 1, 1998	305,000	6.60%
849-913	June 1, 1999	325,000	6.60%
914-982	June 1, 2000	345,000	6.60%
983-1055	June 1, 2001	365,000	6.70%
1056-1133	June 1, 2002	390,000	6.70%
1134-1215	June 1, 2003	410,000	6.70%
1216-1302	June 1, 2004	435,000	6.70%
1303-1394	June 1, 2005	460,000	6.70%
1395-1492	June 1, 2006	490,000	6.70%
1493-1596	June 1, 2007	520,000	6.70%
1597-1706	June 1, 2008	550,000	6.00%
1707-1823	June 1, 2009	585,000	6.00%
1824-1947	June 1, 2010	620,000	6.00%
1948-2078	June 1, 2011	655,000	6.00%

WHEREAS, the proceedings and, more particularly, Ordinance No. 246 of the County authorizing the issuance of the 1970 Bonds, provide that the County may call them for redemption on January 1, 1982 and any interest payment date thereafter in inverse numerical order at par plus accrued interest to date of redemption; and

WHEREAS, the proceedings and, more particularly, Ordinance No. 797 of the County authorizing the issuance of the 1971 Bonds, provide that the County may call them for redemption on June 1, 1986 and any interest payment date thereafter in inverse numerical order at 102½ of the principal amount plus accrued interest to date of redemption; and

WHEREAS, after due consideration it appears to the County Council that the 1970 Bonds and the 1971 Bonds may advantageously be refunded by the issuance and sale of the unlimited tax levy general obligation refunding bonds of the County authorized herein (hereinafter called the "Refunding Bonds"), so that a substantial saving to the County and its taxpayers will be effected by the issuance of the Refunding Bonds and the redemption of the 1970 Bonds on January 1, 1982, and the redemption of the 1971 Bonds on December 1, 1986, said dates being hereafter called the "respective redemption dates"; and

WHEREAS, in order to effect such refunding in the manner that will be most advantageous to the County and its taxpayers, it is hereby found necessary and advisable that certain "Acquired Obligations" bearing interest and maturing at such time or times as necessary to pay the interest on the 1971 Bonds and the principal of and interest on the 1970 Bonds, as the same shall become due to and including their respective redemption dates and to redeem the 1970 Bonds and the 1971 Bonds on their respective redemption dates, be purchased out of the proceeds of sale of the Refunding Bonds and certain moneys in the General Obligation Bond Redemption Fund of the County, NOW, THEREFORE,

BE IT ORDAINED by the County Council of King County, Washington, as follows:

Section 1. For the purpose of providing part of the moneys required to make the principal and interest payments coming due to and including January 1, 1982 on the outstanding 1970 Bonds, to redeem and retire on January 1, 1982 the outstanding 1970 Bonds maturing after January 1, 1982, to pay the interest coming due to and including December 1, 1986 on the outstanding 1971 Bonds maturing after June 1, 1986 and to redeem and retire said 1971 Bonds on December 1, 1986, the County shall issue the Refunding Bonds in the aggregate principal amount of \$21,575,000.

The Refunding Bonds shall be designated "General Obligation Refunding Bonds, Series 1973 A", shall be in the denomination of \$5,000 each, shall be dated October 1, 1973, shall bear interest payable on the first days of March and September 1974 and semiannually on the first days of March and September of each year thereafter as evidenced by the coupons to be attached thereto and shall be numbered and mature on the first day of March of each year as follows:

<u>Bond Nos.</u>	<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
1-80	1974	\$400,000	8.50%
81-165	1975	425,000	8.50%
166-255	1976	450,000	8.50%
256-353	1977	490,000	8.50%
354-459	1978	530,000	8.50%
460-572	1979	565,000	8.50%
573-692	1980	600,000	8.50%
693-823	1981	655,000	8.50%
824-964	1982	705,000	8.50%
965-1117	1983	765,000	8.50%
1118-1281	1984	820,000	8.50%
1282-1458	1985	885,000	8.50%
1459-1649	1986	955,000	8.50%
1650-1887	1987	1,190,000	6.75%
1888-2141	1988	1,270,000	5.25%
2142-2401	1989	1,300,000	5.25%
2402-2674	1990	1,365,000	5.25%
2675-2716	1991	210,000	5.25%
2717-2760	1992	220,000	5.25%
2761-2808	1993	240,000	5.25%
2809-2859	1994	255,000	5.25%
2860-2911	1995	260,000	5.25%
2912-2966	1996	275,000	5.25%
2967-3024	1997	290,000	5.25%

<u>Bond Nos.</u>	<u>Maturity Years</u>	<u>Amounts</u>	<u>Interest Rates</u>
3025-3085	1998	\$305,000	5.30%
3086-3150	1999	325,000	5.30%
3151-3219	2000	345,000	5.30%
3220-3292	2001	365,000	5.30%
3293-3370	2002	390,000	5.40%
3371-3452	2003	410,000	5.40%
3453-3539	2004	435,000	5.40%
3540-3631	2005	460,000	5.40%
3632-3729	2006	490,000	5.00%
3730-3833	2007	520,000	5.00%
3834-3943	2008	550,000	5.00%
3944-4060	2009	585,000	5.00%
4061-4184	2010	620,000	5.00%
4185-4315	2011	655,000	5.00%

The County shall be obligated to pay interest at the same coupon rate for each Refunding Bond from and after the maturity date thereof until such bond shall have been paid or until funds shall have been duly provided in the "King County General Obligation Bond Redemption Fund" for such payment in full. Both principal of and interest on the Refunding Bonds shall be payable in lawful money of the United States of America at the office of the Comptroller and ex-officio Treasurer of King County in Seattle, Washington, or at the option of the holder at either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington or New York, New York.

Section 2. The County hereby reserves the right to redeem any or all of the Refunding Bonds outstanding in whole, or in part in inverse numerical order, on the following interest payment dates and at the following prices expressed as a percentage of the principal amount plus accrued interest to the date of redemption:

On September 1, 1983, and each  
interest payment date to  
and including March 1, 1991                      at 102%

On September 1, 1991, and each  
interest payment date to and  
including March 1, 1998 at 101%

On September 1, 1998, and each  
interest payment date there-  
after at 100%

Notice of any such intended redemption shall be given by one publication thereof in the official King County newspaper not more than 40 nor less than 30 days prior to such redemption date and by mailing a like notice at the same time to White, Weld & Co., Incorporated at its main office in New York, New York and to Marshall and Meyer, Incorporated at its main office in Seattle, Washington, or to the successor in business of each of said firms, if any, at their main offices. Interest on any Refunding Bond so called for redemption shall cease on such redemption date unless the same is not redeemed upon presentation made pursuant to such call.

In addition to such publication and mailing, the County shall also mail notice of any such intended redemption to Standard & Poor's Corporation and Moody's Investors Service, Inc., New York, New York, or to their successors, if any. The mailing of such notice shall not, however, be a condition precedent to the call of any of the Refunding Bonds for redemption, and failure to give such notice shall not affect the right of the County to redeem the bonds called for redemption in the manner set forth in the preceding paragraph.

The County further reserves the right to purchase any of the Refunding Bonds for retirement at a purchase price not to exceed the redemption price which would be payable on the

next redemption date to the holders of such Refunding Bonds, plus accrued interest to the date of such purchase.

Section 3. The Refunding Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. \_\_\_\_\_

\$5,000

STATE OF WASHINGTON  
KING COUNTY

GENERAL OBLIGATION REFUNDING BOND, SERIES 1973 A

King County, Washington (hereinafter called the "County"), hereby acknowledges itself to owe and for value received promises to pay to bearer on the first day of March 19\_\_, the principal amount of

FIVE THOUSAND DOLLARS

together with interest thereon at the rate of \_\_\_\_% per annum payable on the first days of March and September 1974 and semiannually on the first days of March and September of each year thereafter upon presentation and surrender of the attached interest coupons as they severally become due or until such principal sum shall have been paid or funds are duly provided in the "King County General Obligation Bond Redemption Fund" for such payment in full.

Both principal of and interest on this bond are payable in lawful money of the United States of America at the office of the Comptroller and ex-officio Treasurer of King County in Seattle, Washington, or, at the option of the holder, at either of the fiscal

agencies of the State of Washington in the cities of Seattle, Washington or New York, New York.

King County has reserved the right to redeem any or all of the outstanding bonds of this issue in whole, or in part in inverse numerical order, at the following times and prices expressed as a percentage of the principal amount plus accrued interest to the date of redemption:

On September 1, 1983, and each interest payment date to and including March 1, 1991 at 102%

On September 1, 1991, and each interest payment date to and including March 1, 1998 at 101%

On September 1, 1998, and any interest payment date thereafter at 100%

Notice of any such intended redemption shall be given by one publication thereof in the official King County newspaper not more than 40 nor less than 30 days prior to such redemption date and by mailing a like notice at the same time to White, Weld & Co., Incorporated at its main office in New York, New York and to Marshall and Meyer, Incorporated at its main office in Seattle, Washington, or to the successor in business of each of said firms, if any, at their main offices. Interest on any bond or bonds so called for redemption shall cease on such redemption date unless the same are not redeemed upon presentation made pursuant to such call.



The County has further reserved the right to purchase any of the bonds of this issue for retirement at a purchase price not to exceed the redemption price which would be payable on the next redemption date to the holders of such bonds, plus accrued interest to the date of such purchase.

This bond is one of an issue of four thousand, three hundred fifteen bonds of like amount, date and tenor except as to number, interest rate and date of maturity in the aggregate principal amount of \$21,575,000, which bonds are issued for the purpose of refunding outstanding general obligation bonds of the County in the principal amount of \$21,575,000.

The bonds of this refunding issue are issued under and in accordance with the Constitution and applicable statutes of the State of Washington, King County Ordinance No. 1806, adopted October 1, 1973, and all other duly adopted and applicable ordinances and resolutions of the County.

King County hereby irrevocably covenants that it will levy taxes annually without limitation as to rate or amount upon all the taxable property in the County in amounts sufficient to pay the principal of and interest on the bonds of this issue as the same shall become due. The full faith, credit and resources of the County are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt



NO. \_\_\_\_\_

\$ \_\_\_\_\_  
( \$ \_\_\_\_\_ )

On the first day of \_\_\_\_\_, 19\_\_\_\_,  
King County, Washington, will pay to bearer at the  
office of the Comptroller and ex-officio Treasurer  
of King County in Seattle, Washington, or, at the  
option of the holder, at either of the fiscal agencies  
of the State of Washington in the cities of Seattle,  
Washington, or New York, New York, the amount shown  
hereon in lawful money of the United States of America,  
said amount being the interest due that date on its  
general obligation refunding bond dated October 1, 1973,  
and numbered \_\_\_\_\_.

KING COUNTY, WASHINGTON

By \_\_\_\_\_ (Facsimile Signature)  
County Executive

ATTEST:

\_\_\_\_\_  
(Facsimile Signature)  
Acting Clerk of the County Council

King County Treasurer's Reference No. \_\_\_\_\_

Section 4. The Refunding Bonds shall be signed on  
behalf of the County by the facsimile signature of the County  
Executive, shall be attested by the manual signature of the  
Acting Clerk of the County Council and shall have the seal of  
the County affixed thereto by imprinting same thereon. Each

of the interest coupons attached thereto shall be signed with the facsimile signatures of said officials.

Section 5. A special fund of the County has been duly created known as the "King County General Obligation Bond Redemption Fund" (hereinafter called the "Bond Redemption Fund") which fund shall be drawn upon for the purpose of paying the principal of and interest on the Refunding Bonds and other unlimited tax levy general obligation bonds of the County. The County hereby irrevocably covenants that for as long as any of the Refunding Bonds are outstanding it will make annual levies of taxes without limitation as to rate or amount, upon all the property within the County subject to taxation which, with other moneys legally available therefor, will be sufficient to pay the principal of and interest on the Refunding Bonds and any other unlimited tax levy general obligation bonds of the County payable out of such fund as such principal and interest shall become due. The full faith, credit and resources of the County are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 6. The proceeds of sale of the Refunding Bonds (exclusive of accrued interest thereon and incidental cash not required to purchase the Acquired Obligations, if any, which shall be paid into the Bond Redemption Fund) shall be used immediately upon the receipt thereof to discharge the obligations of the County under Ordinance No. 246, adopted December 1, 1969, authorizing the issuance of the 1970 Bonds and to discharge the obligations of the County respecting the 1971 Bonds under Ordinance No. 797, adopted April 19, 1971, authorizing the issuance of

the 1971 Bonds by providing for the payment as hereinafter set forth in this section of the principal of and interest on the 1970 Bonds and the 1971 Bonds. To the extent practicable, the County shall discharge such obligations by the use of certain moneys now held in the Bond Redemption Fund and by the purchase of certain "Government Obligations" as such Obligations are defined in Ch 39.53 RCW as now or hereafter amended (herein called "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and at such times as will provide for the payment of:

- (a) The interest on the 1970 Bonds which interest will become due and payable on or before January 1, 1982.
- (b) The interest on the 1971 Bonds which interest will become due and payable on or before December 1, 1986.
- (c) The principal of the 1970 Bonds which principal will mature on or before January 1, 1982.
- (d) The redemption price payable on January 1, 1982 for the principal of the 1970 Bonds maturing after January 1, 1982.
- (e) The redemption price payable on December 1, 1986 for the principal of the 1971 Bonds maturing after June 1, 1986.

Such money and Acquired Obligations shall be irrevocably deposited with the Comptroller and ex-officio Treasurer of King County in Seattle, Washington, (hereinafter called the "Refunding Agent") in a special account hereby created in the Bond Redemption Fund to be known as Refunding Account No. 00-000-850-1" (hereinafter called the "Refunding Account"). Any amounts described in subparagraphs (a) through (e) of this section which

are not provided for in full by such money and the purchase and deposit of the Acquired Obligations described in this section shall be provided for by the irrevocable deposit with the Refunding Agent of the necessary amounts out of the proceeds of sale of the Refunding Bonds or any other moneys of the County legally available therefor. Any moneys remaining in the Refunding Account after the redemption and retirement of all of the 1970 Bonds and 1971 Bonds shall be deposited in the Bond Redemption Fund.

Section 7. The County hereby irrevocably calls for redemption on January 1, 1982 the 1970 Bonds maturing after January 1, 1982 in accordance with the provisions of Ordinance No. 246 of the County authorizing the redemption and retirement of the 1970 Bonds prior to their fixed maturities.

The County hereby irrevocably calls for redemption on December 1, 1986 the 1971 Bonds maturing after June 1, 1986 in accordance with the provisions of Ordinance No. 797 authorizing the redemption and retirement of the 1971 Bonds prior to their fixed maturities.

The above calls for redemption shall be irrevocable after the delivery of the Refunding Bonds to the initial purchasers thereof and the Refunding Agent is hereby authorized and irrevocably directed to give notice of the redemption of the 1970 Bonds and the 1971 Bonds as provided in this section in accordance with the provisions of Ordinance No. 246 and Ordinance No. 797 respectively.

The Refunding Agent is hereby authorized and irrevocably directed to make the principal, interest and redemption payments described in subparagraphs (a) to (e) inclusive, of the immediately

preceding section of this ordinance from the Acquired Obligations and moneys deposited pursuant to such section. The moneys and Acquired Obligations deposited for the 1970 Bonds and the 1971 Bonds and any income therefrom shall be held, invested and applied in accordance with the provisions of Ordinance No. 246 and Ordinance No. 797 respectively, and in accordance with this ordinance and the statutes of the State of Washington.

The County will pay all necessary and proper expenses of the Refunding Agent for the 1970 Bonds and the 1971 Bonds.

Section 8. In the event that money and/or "Government Obligations," as such Obligations are defined in Ch. 39.53 RCW, as now or hereafter amended, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire the Refunding Bonds in accordance with their terms, are set aside in the Bond Redemption Fund or a special account of such fund to effect such redemption and retirement, and such moneys and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Redemption Fund for the payment of the principal of and interest on the Refunding Bonds, and the Refunding Bonds and the coupons appurtenant thereto shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the moneys so set aside and pledged, and the Refunding Bonds and such coupons shall be deemed not to be outstanding hereunder.

Section 9. The County hereby covenants that it will not make any use of the proceeds of sale of the Refunding Bonds or any other funds of the County which may be deemed to be pro-

ceeds of such Refunding Bonds pursuant to Section 103 (c) (2) of the Internal Revenue Code and the applicable regulations thereunder which, if such use had been reasonably expected on the date of delivery of the Refunding Bonds to the initial purchasers thereof, would have caused the Refunding Bonds to be "Arbitrage Bonds" within the meaning of said section and said regulations. The County will comply with the requirements of subsection (d) of Section 103 of the Internal Revenue Code and the applicable regulations thereunder throughout the term of the Refunding Bonds.

The County Council hereby finds and determines that the issuance and sale of the Refunding Bonds at this time will effect a saving to the County and its taxpayers. In making such finding and determination, the Council has given consideration to the interest to the fixed maturities of the Refunding Bonds and the 1970 Bonds and 1971 Bonds being refunded, the costs of issuance of the Refunding Bonds and the known earned income from the investment of the proceeds of sale of the Refunding Bonds pending redemption of the 1970 Bonds and the 1971 Bonds.

The Council hereby finds and determines that the moneys and Acquired Obligations to be deposited with the Refunding Agent for the 1970 Bonds and 1971 Bonds in accordance with Section 6 of this ordinance will discharge and satisfy the obligations of the County under Ordinance No. 246 authorizing the issuance of the 1970 Bonds, the obligations of the County respecting the 1971 Bonds under Ordinance No. 797 authorizing the issuance thereof and the pledges, charges, trusts, covenants and



agreements of the County made or provided for as to said 1970 Bonds and 1971 Bonds and that the 1970 Bonds and the 1971 Bonds shall no longer be deemed to be outstanding under Ordinance No. 246 and Ordinance No. 797 respectively, immediately upon the deposit of such moneys and the Acquired Obligations with the Refunding Agent.

Section 10. The offer of White, Weld & Co., Incorporated, New York, New York and Marshall and Meyer, Incorporated, Seattle, Washington, dated October 1, 1973, to purchase the Refunding Bonds at \$1,078.37 for each \$1,000 principal amount of the Refunding Bonds plus accrued interest, if any, and to provide the Acquired Obligations specified therein, all under the terms and conditions provided in said offer and in this ordinance is hereby accepted.

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

Section 11. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the County shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Refunding Bonds.

Introduced and read for the first time the 24th day of September, 1973.

1806

Finally passed the 1st day of October, 1973.  
KING COUNTY, WASHINGTON

By John T. O'Brien  
Chairman of the County Council

APPROVED

Barbara M. Brown  
Acting Clerk of the County Council

APPROVED this 1st day of October, 1973.

Kim S. Palmer  
County Executive