

1 June 12, 1986

INTRODUCED BY: North

2 PROPOSED NO. 86-323

3
4
5 ORDINANCE NO. 7666

6
7 AN ORDINANCE providing for the issuance and
8 sale of general obligation bonds of the
9 county in the aggregate principal amount of
10 \$22,965,000 for the purpose of providing
11 funds to the City of Seattle to acquire,
12 construct, equip and make certain capital
13 improvements to the Woodland Park Zoo as
14 authorized by ordinance of the County and
15 approved by the qualified electors of the
16 county at a special election held therein on
17 November 5, 1985; providing the date, form,
18 terms and maturities of said bonds; providing
19 for the public sale of said bonds; providing
20 for unlimited tax levies to pay the principal
21 thereof and interest thereon and declaring an
22 emergency.

23 PREAMBLE:

24 At an election held in the county on November 5, 1985,
25 the number and proportion of the qualified electors of the
26 county required by law for the adoption thereof voted in
27 favor of a proposition authorizing the issuance of general
28 obligation bonds of the county in the aggregate principal
29 amount of \$31,500,000 to provide funds to the City of
30 Seattle (the "City") to pay part of the cost of acquiring,
31 constructing, equipping and making certain capital improve-
32 ments to the Woodland Park Zoo as authorized by King County
Ordinance 7344.

On May 15, 1986 the county and the City entered into a
Zoo Cooperation Agreement which specifies, inter alia, the
conditions under which county bond proceeds will be trans-
ferred to the City and used by the City to pay part of the
costs of improvements to the Woodland Park Zoo.

The county council has received a revised plan of
financing with respect to the capital improvements to the
Woodland Park Zoo and has reviewed the proposed modifica-
tions thereto pursuant to the terms of the Zoo Cooperation
Agreement.

It is deemed necessary and advisable that the county
now issue and sell \$22,965,000 of its general obligation
bonds to provide the City with part of the funds necessary
to acquire, construct, equip and make said capital improve-
ments pursuant to the Zoo Cooperation Agreement.

1 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

2 ARTICLE I

3 Definitions, Related Agreements and Finance Plan

4 SECTION 1. Definitions. The following words and terms as
5 used in this ordinance shall have the following meanings for all
6 purposes of this ordinance, unless some other meaning is plainly
7 intended.

8 A. "Authorized Officer" means any of the following: The
9 King County executive or deputy executive or clerk of the county
10 council, and such other persons as may be designated from time to
11 time by the county executive.

12 B. "Bonds" means the \$22,965,000 of King County,
13 Washington, Unlimited Tax General Obligation Bonds, 1986
14 (Woodland Park Zoo Project), issued pursuant to this ordinance
15 for the purposes provided in King County Ordinance 7344.

16 C. "Bond Register" means the registration books maintained
17 by the Bond Registrar for purposes of identifying ownership of
18 the Bonds.

19 D. "Bond Registrar" means the fiscal agency of the State
20 of Washington in either Seattle, Washington, or New York, New
21 York, for the purposes of registering and authenticating the
22 Bonds, maintaining the Bond Register, effecting transfer of
23 ownership of the Bonds and paying interest on and principal of
24 the Bonds.

25 E. "City" means the City of Seattle.

26 F. "Zoo Cooperation Agreement" means the Zoo Cooperation
27 Agreement between the City and the county dated May 15, 1986, as
28 such agreement may be amended from time to time.

29 G. "Zoo Project" means the planning, design, purchase,
30 acquisition, development, construction, equipping or rehabilitat-
31 ing of new or existing facilities as summarized in Exhibit A of
32

1 King County Ordinance 7344, as revised by Exhibit A to this
2 ordinance, and more specifically described in the report of the
3 Mayor's Zoo Commission: Woodland Park Zoo 1984-1985 attached to
4 King County Ordinance 7344 as Exhibit C, as such undertakings may
5 be modified from time to time pursuant to King County Ordinance
6 7344 and the Zoo Cooperation Agreement.

7 SECTION 2. Approval of Finance Plan. The county hereby
8 finds that the plan of financing for the Zoo Project contained in
9 Exhibit A hereto and incorporated herein by reference is in the
10 best interest of the citizens of the county and approves such
11 plan. Such plan of financing modifies and supercedes the plan of
12 financing approved by King County Ordinance 7344. The plan
13 hereby approved may be further modified only in accordance with
14 the terms and conditions of the Zoo Cooperation Agreement.

15 ARTICLE II

16 Creation, Amount, Designation and Purpose of Issue

17 SECTION 1. Authorization of Bonds. The county shall now
18 issue and sell \$22,965,000 of bonds out of the \$31,500,000 of
19 general obligation bonds authorized by the qualified electors of
20 the county at a special election held November 5, 1985, therein
21 for the purpose of providing the City with part of the funds
22 required to pay the cost of the Zoo Project as authorized by King
23 County Ordinance 7344 and pursuant to the Zoo Cooperation
24 Agreement.

25 The Bonds shall be dated July 1, 1986, shall be fully
26 registered as to both principal and interest, shall be in the
27 denomination of \$5,000 each or any integral multiple thereof but
28 no Bond shall represent more than one maturity, shall be numbered
29 separately in such manner and with any additional designation as
30 the Bond Registrar deems necessary for purposes of identifica-
31 tion, shall bear interest payable on June 1, 1987, and semi-
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1 Bonds shall be payable upon presentation and surrender of the

1 annually thereafter on the first days of each succeeding December
2 and June. The Bonds shall mature on December 1 in the years and
3 amounts as follows:

4	<u>Maturity Years</u>	<u>Amounts</u>
5	1987	\$1,080,000
	1988	1,130,000
6	1989	1,190,000
	1990	1,255,000
7	1991	1,335,000
	1992	1,415,000
8	1993	1,510,000
	1994	1,610,000
9	1995	1,725,000
	1996	1,845,000
10	1997	1,985,000
	1998	2,130,000
11	1999	2,290,000
	2000	2,465,000

12
13 The Bonds shall be in registered form as to both principal
14 and interest. The Bond Registrar shall maintain the Bond Regis-
15 ter. Such Bond Register shall contain the name and mailing
16 address of the owner of each Bond or nominee of such owner and
17 the principal amount and number of Bonds held by each owner or
18 nominee.

19 Upon surrender thereof to the Bond Registrar, the Bonds are
20 interchangeable for Bonds in any authorized denomination of an
21 equal aggregate principal amount and of the same interest rate
22 and maturity. Bonds may be transferred only if endorsed in the
23 manner provided thereon and surrendered to the Bond Registrar.
24 Such exchange or transfer shall be without cost to the owner or
25 transferee.

26 Both principal of and interest on the Bonds shall be payable
27 in lawful money of the United States of America. Interest on the
28 Bonds shall be paid by check or draft mailed (on the date such
29 interest is due) to the registered owners or assigns at the
30 addresses appearing on the Bond Register as of the 15th day of
31 the month preceding the interest payment date. Principal of the
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1 Bonds shall be payable upon presentation and surrender of the
2 Bonds by the registered owners at the principal offices of either
3 of the fiscal agencies of the State of Washington in the cities
4 of Seattle, Washington, or New York, New York, at the option of
5 such owners.

6 SECTION 2. Optional Redemption of Bonds. The county
7 reserves the right to redeem outstanding Bonds maturing on or
8 after December 1, 1997, in whole or in part, in inverse order of
9 maturities (and by lot within a maturity, in increments of
10 \$5,000, with the manner of selection to be as chosen by the Bond
11 Registrar) on December 1, 1996, or on any interest payment date
12 thereafter, at par plus accrued interest to the date of redemp-
13 tion. Portions of the principal amount of any Bond, in incre-
14 ments of \$5,000 or any integral multiple of \$5,000, may be
15 redeemed. If less than all of the principal amount of any Bond
16 is redeemed, upon surrender of such Bond at the principal office
17 of the Bond Registrar there shall be issued to the registered
18 owner, without charge therefor, for the then unredeemed balance
19 of the principal amount thereof, a new Bond or Bonds, at the
20 option of the registered owner, of like maturity and interest
21 rate in any denomination authorized by this ordinance.

22 SECTION 3. Notice of Redemption. Notice of any such
23 intended redemption pursuant to Article 2, Section 2 of this
24 ordinance shall be given not less than 30 nor more than 60 days
25 prior to the date fixed for redemption by first class mail,
26 postage prepaid, to the registered owner of any Bond to be
27 redeemed at the address appearing on the Bond Register. The
28 requirements of this section shall be deemed to be complied with
29 when notice is mailed as herein provided, regardless of whether
30 or not it is actually received by the owner of any Bond. The
31 interest on the Bond so called for redemption shall cease to
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1 accrue on the date fixed for redemption unless such Bond or Bonds
2 so called are not redeemed upon presentation made pursuant to
3 such call.

4 SECTION 4. Form of Bonds. The Bonds shall be in substan-
5 tially the following form:

6 UNITED STATES OF AMERICA

7 NO. _____ \$ _____

8 STATE OF WASHINGTON

9 KING COUNTY

10 UNLIMITED TAX GENERAL OBLIGATION BOND, 1986
11 (Woodland Park Zoo Project)

12 INTEREST RATE: MATURITY DATE: CUSIP NO.:

13 SEE REVERSE SIDE FOR
14 CERTAIN ADDITIONAL PROVISIONS

15 Registered Owner:

16 Principal Amount:

17 KING COUNTY, WASHINGTON (the "County"), hereby acknowl-
18 edges itself to owe and for value received promises to pay
19 to the Registered Owner identified above, or registered
20 assigns, on the Maturity Date identified above, the Prin-
21 cipal Amount indicated above and to pay interest thereon
22 from July 1, 1986, or the most recent date to which interest
23 has been paid or duly provided for until payment of this
24 bond at the Interest Rate set forth above, payable on
25 June 1, 1987, and semiannually thereafter on the first days
26 of each succeeding December and June. Both principal of and
27 interest on this bond are payable in lawful money of the
28 United States of America. Principal shall be paid to the
29 registered owner or assigns upon presentation and surrender
30 of this bond at the principal office of the fiscal agencies
31 of the State of Washington in either Seattle, Washington or
32 New York, New York (collectively the "Bond Registrar").
Interest shall be paid by mailing a check or draft (on the
date such interest is due) to the registered owner or
assigns at the address shown on the registration books
maintained by the Bond Registrar (the "Bond Register") as of
the 15th day of the month prior to the interest payment
date.

Reference is hereby made to additional provisions of
this bond set forth on the reverse side hereof and such
additional provisions shall for all purposes have the same
effect as if set forth in this space.

1 This bond shall not be valid or become obligatory for
 2 any purpose or be entitled to any security or benefit under
 3 King County Ordinance 7666 (the "Bond Ordinance") until
 the Certificate of Authentication hereon shall have been
 manually signed by the Bond Registrar.

4 It is hereby certified that all acts, conditions and
 5 things required by the Constitution and statutes of the
 6 State of Washington and the Charter and ordinances of the
 7 County to exist, to have happened, been done and performed
 8 precedent to and in the issuance of this bond have happened,
 been done and performed and that the issuance of this bond
 and the bonds of this series does not violate any constitu-
 tional, statutory or other limitation upon the amount of
 bonded indebtedness that the County may incur.

9 IN WITNESS WHEREOF, the County has caused this bond to
 10 be executed by the facsimile signatures of the King County
 11 Executive and the Clerk of the King County Council, and the
 seal of the County to be impressed or imprinted hereon, as
 of this first day of July, 1986.

12 KING COUNTY, WASHINGTON

13 By _____
 14 King County Executive

15 ATTEST:

16 _____
 17 Clerk of the King County Council

18
 19 ADDITIONAL PROVISIONS

20 This bond is one of an authorized issue of bonds of
 21 like date and tenor, except as to number, amount, rate of
 22 interest and date of maturity in the aggregate principal
 23 amount of \$22,965,000, and is issued to pay a portion of the
 costs for certain capital improvements to the Woodland Park
 Zoo pursuant to an election authorizing the same.

24 The bonds of this issue are issued under and in accor-
 25 dance with the provisions of the Constitution and applicable
 statutes of the State of Washington and the Charter and
 applicable ordinances duly adopted by the County.

26 The County has reserved the right to redeem outstanding
 27 bonds of this issue maturing on or after December 1, 1997,
 28 in whole or in part, in inverse order of maturities (and by
 29 lot within a maturity, in increments of \$5,000, with the
 30 manner of selection to be as chosen by the Bond Registrar)
 31 on December 1, 1996, or on any interest payment date there-
 32 after, at par plus accrued interest to the date of
 redemption.

1 Additional abbreviations may also be used though not listed
2 above.

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

5 CERTIFICATE OF AUTHENTICATION

6 This bond is one of the bonds described in the within-
7 mentioned Bond Ordinance and is one of the Unlimited Tax
8 General Obligation Bonds, 1986 of King County, dated July 1,
9 1986.

10 WASHINGTON STATE FISCAL AGENCY,
11 as Bond Registrar

12 By _____
13 Authorized Officer

14 ASSIGNMENT

15 FOR VALUE RECEIVED, the undersigned hereby sells,
16 assigns and transfers unto _____

17 PLEASE INSERT SOCIAL SECURITY OR
18 TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

19 / _____ /

20 (Please print or typewrite name and address, including zip
21 code of Transferee)

22 the within bond and does hereby irrevocably constitute and
23 appoint _____ of _____, or
24 its successor, as Bond Registrar to transfer said bond on
25 the books kept for registration thereof with full power of
26 substitution in the premises.

27 DATED: _____, 19__.

28 NOTE: The signature on this Assign-
29 ment must correspond with the name
30 of the registered owner as it
31 appears upon the face of the within
32 bond in every particular, without
alteration or enlargement or any
change whatever.

SIGNATURE GUARANTEED:

33 SECTION 5. Execution of Bonds. The Bonds shall be executed
34 on behalf of the county with the facsimile signatures of two

1 Authorized Officers, and shall have the seal of the county
2 impressed or imprinted thereon.

3 Only such Bonds as shall bear thereon a Certificate of
4 Authentication in the form hereinbefore recited, manually execut-
5 ed by the Bond Registrar, shall be valid or obligatory for any
6 purpose or entitled to the benefits of this ordinance. Such
7 Certificate of Authentication shall be conclusive evidence that
8 the Bonds so authenticated have been duly executed, authenticated
9 and delivered hereunder and are entitled to the benefits of this
10 ordinance.

11 In case either or both of the officers who shall have
12 executed the Bonds shall cease to be an officer or officers of
13 the county before the Bonds so signed shall have been authenti-
14 cated or delivered by the Bond Registrar, or issued by the
15 county, such Bonds may nevertheless be authenticated, delivered
16 and issued and upon such authentication, delivery and issuance,
17 shall be as binding upon the county as though those who signed
18 the same had continued to be such officers of the county. Any
19 Bond may also be signed and attested on behalf of the county by
20 such persons as at the actual date of execution of such Bond
21 shall be the proper officers of the county although at the
22 original date of such Bond any such person shall not have been
23 such officer of the county.

24 SECTION 6. Bond Registrar. The Bond Registrar shall keep,
25 or cause to be kept, at its principal corporate trust office,
26 sufficient books for the registration and transfer of the Bonds
27 which shall at all times be open to inspection by the county.
28 The Bond Registrar is authorized, on behalf of the county, to
29 authenticate and deliver the Bonds transferred or exchanged in
30 accordance with the provisions of such Bonds and this ordinance
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1 SECTION 4. Bonds to Constitute Legal, Valid and Binding

7666

1 and to carry out all of the Bond Registrar's powers and duties
2 under this ordinance.

3 The Bond Registrar shall be responsible for its representa-
4 tions contained in the Certificate of Authentication on the
5 Bonds. The Bond Registrar may become the owner of Bonds with the
6 same rights it would have if it were not the Bond Registrar, and
7 to the extent permitted by law may act as depository for and
8 permit any of its officers or directors to act as a member of, or
9 in any other capacity with respect to, any committee formed to
10 protect the rights of Bond owners.

11 ARTICLE III12 Representations and Warranties

13 The county represents, warrants and agrees as follows:

14 SECTION 1. Corporate Authority. The county has full legal
15 right, power and authority to: A. adopt this ordinance, B. to
16 sell, issue and deliver the Bonds as provided herein, and C. to
17 carry out and consummate all other transactions contemplated by
18 this ordinance.

19 SECTION 2. Due Authorization and Approval of Ordinance
20 and Bonds. By all necessary official action prior to or concur-
21 rently herewith, the county has duly authorized and approved the
22 execution and delivery of, and the performance by the county of
23 its obligations contained in the Bonds and in this ordinance and
24 the consummation by it of all other transactions necessary to
25 effectuate this ordinance in connection with the issuance of the
26 Bonds, and such authorizations and approvals are in full force
27 and effect and have not been amended, modified or supplemented in
28 any material respect.

29 SECTION 3. Ordinance to Constitute Legal, Valid and Binding
30 Obligations of County. This ordinance constitutes a legal, valid
31 and binding obligation of the county.
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1 interest on the Bonds are paid from other sources, it will make
2 annual levies of taxes without limitation as to rate or amount
3 upon all of the property in the county subject to taxation in
4 amounts sufficient, together with any other monies legally
5 available and to be used therefor, to pay such principal and
6 interest as the same shall become due. The full faith, credit
7 and resources of the county are hereby irrevocably pledged for
8 the annual levy and collection of such taxes and for the prompt
9 payment of such principal and interest.

10 SECTION 2. Arbitrage. The county hereby covenants that it
11 will not make any use of the proceeds of sale of the Bonds or any
12 other funds of the county which may be deemed to be proceeds of
13 such Bonds pursuant to Section 103(c) of the Internal Revenue
14 Code and the applicable regulations thereunder which will cause
15 the Bonds to be "arbitrage bonds" within the meaning of said
16 section and said regulations. The county will comply with the
17 requirements of subsection (c) of Section 103 of the Internal
18 Revenue Code (or any successor provision thereof applicable to
19 the Bonds) and the applicable regulations thereunder throughout
20 the term of the bonds.

21 SECTION 3. Special Covenant Regarding Tax-Exempt Status of
22 Bonds. The county covenants that it will comply with the provi-
23 sions of H.R. 3838, as reported by the Senate Finance Committee
24 on May 29, 1986, if, in the opinion of nationally recognized bond
25 counsel to the county, such compliance is necessary to maintain
26 the general exemption of interest on the Bonds from federal
27 taxation.

28 SECTION 4. Use of Bond Proceeds; Restrictions on Amend-
29 ments. The county covenants that none of the proceeds of the
30 Bonds will be used for any purpose other than as provided in this
31 ordinance and that the county shall not suffer any amendment or
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1 supplement to this ordinance, or any departure from the due
2 performance of the obligations of the county hereunder, which
3 might materially adversely affect the rights of the holders from
4 time to time of the Bonds.

5 SECTION 5. Financial Information. The county covenants
6 that it will make available for inspection by the Bond owners, at
7 the King County Office of Finance, a copy of the latest audit
8 report on the county's books and accounts and will also furnish a
9 copy thereof, upon request, to any Bond owner.

10 ARTICLE V

11 Miscellaneous

12 SECTION 1. Sale of Bonds. The Bonds shall be sold at
13 public sale in accordance with the terms and conditions of the
14 Notice of Bond Sale attached hereto as Exhibit B. Bids must be
15 on an all or none basis. The clerk of the county council is
16 hereby directed to cause the Notice of Bond Sale in substantially
17 the form attached hereto as Exhibit B to be published at least
18 once in a financial newspaper or journal of general circulation
19 throughout the United States and to provide such other notice as
20 he/she may deem advisable. Upon sale of the Bonds, the proper
21 officials of the county are authorized and directed to do every-
22 thing necessary for the prompt execution and delivery of the
23 Bonds to said purchaser and for the proper application and use of
24 the proceeds of sale thereof.

25 SECTION 2. Severability. If any one or more of the cove-
26 nants or agreements provided in this ordinance to be performed on
27 the part of the county shall be declared by any court of compe-
28 tent jurisdiction to be contrary to law, then such covenant or
29 covenants, agreement or agreements, shall be null and void and
30 shall be deemed separable from the remaining covenants and
31 agreements of this resolution and shall in no way affect the
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1 validity of the other provisions of this resolution or of the
2 Bonds.

3 SECTION 3. Defeasance. In the event that money and/or
4 "Government Obligations," as such Obligations are defined in Ch.
5 39.53 RCW, as now or hereafter amended, maturing at such time or
6 times and bearing interest to be earned thereon in amounts
7 (together with such money, if necessary) sufficient to redeem and
8 retire part or all of the Bonds in accordance with their terms,
9 are set aside in a special account of the county to effect such
10 redemption and retirement, and such moneys and the principal of
11 and interest on such Government Obligations are irrevocably set
12 aside and pledged for such purpose, then no further payments need
13 be made into the bond redemption fund of the county for the
14 payment of the principal of and interest on the Bonds so provided
15 for, and such Bonds shall cease to be entitled to any lien,
16 benefit or security of this ordinance except the right to receive
17 the moneys so set aside and pledged, and such Bonds shall be
18 deemed not to be outstanding hereunder.

19 SECTION 4. Emergency. The county council finds as a fact
20 and declares that an emergency exists and that this ordinance is
21 necessary for the immediate preservation of public peace, health
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1 or safety or for the support of county government and its exist-
2 ing public institutions.

3 INTRODUCED AND READ for the first time this 27th day of
4 May, 1986.

5 PASSED this 16th day of June, 1986.

7 KING COUNTY COUNCIL
8 KING COUNTY, WASHINGTON

9 Audrey Inger
10 Chair

11 ATTEST:

12 Bonny M. Owens
13 Clerk of the Council

14 APPROVED this 26th day of June, 1986.

15 Jim Hill
16 King County Executive

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City of Seattle
OMB/Shuman 09-Jun-86

FINANCIAL PLAN - SIMULATION OF '200 02' ALTERNATIVE
(Dollars in 000's)

INTEREST/INFLATION ASSUMPTIONS

Bond sale costs, each sale:	100.0
Donations fund earnings rate:	7.20%
Bond fund earnings rate:	7.20%
With arbitrage bid:	7.20%
Annual inflation rate: 1985 - 1986	2.80%
1986 - 1995	3.70%

First bond issue: sale - June 30, 1986
 closing - July 31, 1986
Second bond issue: sale - July 1, 1991
 closing - July 31, 1991

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	TOTALS
NEEDS:												
Project costs (1985 dollars):	228.0	1,788.6	4,535.0	8,187.0	6,280.0	3,143.0	4,326.0	3,724.0	3,053.0	3,451.0	2,050.0	40,765.6
plus: inflation reserve	0.0	50.1	299.5	863.6	919.3	593.4	1,007.0	1,036.7	994.4	1,293.3	872.5	7,929.7
less: City of Seattle contributions	133.0	60.0										193.0
King County contributions	60.0											60.0
pre-bond issue donations/spending	35.0											35.0
Required bond fund revenue	0.0	1,778.7	4,834.5	9,050.6	7,199.3	3,736.4	5,333.0	4,760.7	4,047.4	4,744.3	2,922.5	48,407.3
DONATIONS:												
Beginning balance, donations		0.0	2,109.0	3,507.6	2,571.0	3,329.6	3,841.2	4,744.7	5,515.6	5,381.6	2,050.0	
plus: donations, major campaigns		1,965.0	1,000.0	700.0	300.0	700.0	300.0	700.0	300.0	700.0	300.0	6,965.0
donations, other		0.0	200.0	200.0	250.0	250.0	300.0	400.0	450.0	450.0	500.0	3,000.0
interest earnings		144.0	198.6	214.9	208.6	233.5	303.5	362.7	385.2	262.7	72.5	2,406.3
less: project costs		0.0	0.0	2,051.5	0.0	691.9	0.0	691.9	1,269.2	4,744.3	2,922.5	12,371.3
Ending balance, donations		2,109.0	3,507.6	2,571.0	3,329.6	3,841.2	4,744.7	5,515.6	5,381.6	2,050.0	0.0	
BOND FUNDS:												
Beginning balance, 1st bond sale proceeds		0.0	21,719.4	18,299.7	12,385.5	5,830.1	3,101.4	0.0	(.0)	(.0)	(.0)	
plus: bond sale proceeds		22,965.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22,965.0
interest earnings		633.1	1,414.8	1,084.8	644.0	315.8	66.1	0.0	(.0)	(.0)	(.0)	4,158.5
less: bond sale expenses		100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
project costs		1,778.7	4,834.5	6,999.1	7,199.3	3,044.5	3,167.5	0.0	0.0	0.0	0.0	27,023.5
Ending balance, 1st bond sale proceeds		21,719.4	18,299.7	12,385.5	5,830.1	3,101.4	0.0	(.0)	(.0)	(.0)	(.0)	
Beginning balance, 2nd bond sale proceeds		0.0	0.0	0.0	0.0	0.0	0.0	6,447.7	2,702.3	20.4	21.9	
plus: bond sale proceeds		0.0	0.0	0.0	0.0	0.0	8,535.0	0.0	0.0	0.0	0.0	8,535.0
interest earnings		0.0	0.0	0.0	0.0	0.0	178.2	323.5	96.3	1.5	1.6	601.1
less: bond sale expenses		0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	100.0
project costs		0.0	0.0	(.0)	0.0	0.0	2,165.6	4,068.8	2,778.1	0.0	0.0	9,012.5
Ending balance, 2nd bond sale proceeds		0.0	0.0	0.0	0.0	0.0	6,447.7	2,702.3	20.4	21.9	23.5	
Beginning balance, total fund		0.0	23,828.5	21,807.3	14,956.4	9,159.7	6,942.6	11,192.4	8,217.9	5,402.0	2,072.0	
plus: bond sale proceeds		22,965.0	0.0	0.0	0.0	0.0	8,535.0	0.0	0.0	0.0	0.0	31,500.0
donations, major campaigns		1,965.0	1,000.0	700.0	300.0	700.0	300.0	700.0	300.0	700.0	300.0	6,965.0
donations, other		0.0	200.0	200.0	250.0	250.0	300.0	400.0	450.0	450.0	500.0	3,000.0
interest earnings		777.1	1,613.3	1,299.7	852.6	569.3	547.8	686.2	481.5	264.2	74.1	7,165.8
less: bond/note sale expenses		100.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	200.0
project costs		1,778.7	4,834.5	9,050.6	7,199.3	3,736.4	5,333.0	4,760.7	4,047.4	4,744.3	2,922.5	48,407.3
Ending balance, total fund		23,828.5	21,807.3	14,956.4	9,159.7	6,942.6	11,192.4	8,217.9	5,402.0	2,072.0	23.5	

Shuman/OHB
DRAFT - 03-Jun-86

ZOO DEVELOPMENT PLAN, REVISED
PROJECT COSTS (dollars in 000's)

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	TOTALS
---PHASE I---												
Overall Project Activities												
Zoo Project Overall Planning		130.0	125.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	255.0
Major Utilities Installation		10.0	1,055.0	835.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,900.0
Major Bioclimatic Exhibits												
Elephant Tropical Forest	228.0	1,578.6	2,018.0	1,946.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5,770.6
Animal Care and Zoo Support Facilities												
Chemical and maintenance Storage	0.0	10.0	37.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	47.0
Keeper and maintenance improvements		20.0	401.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	421.0
Education Facilities and Visitor Amenities												
NW Parking Lot and Parking Study	0.0	0.0	70.0	200.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	270.0
Graphics and site improvements	0.0	40.0	100.0	260.0	140.0	140.0	140.0	150.0	150.0	150.0	153.0	1,423.0
Phase I Totals- 1985 Dollars	228.0	1,788.6	3,806.0	3,241.0	140.0	140.0	140.0	150.0	150.0	150.0	153.0	10,006.6
- Inflation Reserve	0.0	50.1	251.3	341.9	20.5	26.4	32.6	41.8	48.9	56.2	65.1	934.7
- Inflated Dollars	228.0	1,838.7	4,057.3	3,582.9	160.5	166.4	172.6	191.8	198.9	206.2	218.1	11,021.3
---PHASE II---												
Major Bioclimatic Exhibits												
Completion of Asian Trop Forest Zone			100.0	820.0	1,249.0	0.0	0.0	0.0	0.0	0.0	0.0	2,169.0
African/ S Amer Tropical Forest Zone		0.0	119.0	2,972.0	2,983.0	0.0	0.0	0.0	0.0	0.0	0.0	6,074.0
Special Purpose Exhibits												
Family Farm improvements			225.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	225.0
Animal Care and Zoo Support Facilities												
Veterinary Complex - Stage I			100.0	280.0	536.0	0.0	0.0	0.0	0.0	0.0	0.0	936.0
Expansion on-site holding facilities				190.0	130.0	0.0	0.0	0.0	0.0	0.0	0.0	320.0
Education Facilities and Visitor Amenities												
Food service facilities												
Gift shop/bookstore			185.0	516.0	140.0	0.0	0.0	0.0	0.0	0.0	0.0	841.0
Graphics and site improvements												
Phase II Totals - 1985 Dollars	0.0	0.0	725.0	4,786.0	5,058.0	0.0	0.0	0.0	0.0	0.0	0.0	10,573.0
- Inflation Reserve	0.0	0.0	48.1	504.8	740.4	0.0	0.0	0.0	0.0	0.0	0.0	1,293.4
- Inflated Dollars	0.0	0.0	777.1	5,290.8	5,798.4	0.0	0.0	0.0	0.0	0.0	0.0	11,866.4

PROJECT COSTS (dollars in 000's)

---PHASE III---	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	TOTALS
Major Bioclimatic Exhibits												
Taiga Zone				100.0	600.0	1,100.0	896.0	0.0	0.0	0.0	0.0	2,696.0
Montane Zone						560.0	1,000.0	1,080.0	0.0	0.0	0.0	2,640.0
Completion of Savanna Zone						150.0	1,100.0	919.0	0.0	0.0	0.0	2,169.0
Steppe Zone						0.0	550.0	1,300.0	1,230.0	0.0	0.0	3,080.0
Special Purpose Exhibits												
Horse and pony facilities						140.0	85.0	0.0	0.0	0.0	0.0	225.0
Other Special Exhibits						140.0	85.0	0.0	0.0	0.0	0.0	225.0
Animal Care and Zoo Support Facilities												
Administration facilities						47.0	0.0	0.0	0.0	0.0	0.0	47.0
Veterinary Complex - Stage 2						566.0	470.0	275.0	0.0	0.0	0.0	1,311.0
Education Facilities and Visitor Amenities												
Education facilities				60.0	408.0	0.0	0.0	0.0	0.0	0.0	0.0	468.0
Parking improvements					74.0	300.0	0.0	0.0	0.0	0.0	0.0	374.0
Phase III Totals - 1985 Dollars	0.0	0.0	0.0	160.0	1,082.0	3,003.0	4,186.0	3,574.0	1,230.0	0.0	0.0	13,235.0
- Inflation Reserve	0.0	0.0	0.0	16.9	158.4	567.0	974.4	995.0	400.6	0.0	0.0	3,112.3
- Inflated Dollars	0.0	0.0	0.0	176.9	1,240.4	3,570.0	5,160.4	4,569.0	1,630.6	0.0	0.0	16,347.3
---PHASE IV---	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	TOTALS
Major Bioclimatic Exhibits												
Desert Zone									858.0	1,311.0	0.0	2,169.0
Temperate and Forest Zones									280.0	700.0	340.0	1,320.0
Special Purpose Exhibits												
Tropical/Nocturnal improvements									185.0	85.0	0.0	270.0
Other special exhibits									70.0	334.0	0.0	404.0
Animal Care and Zoo Support Facilities												
Off-site breeding and holding									0.0	309.0	1,182.0	1,491.0
Education Facilities and Visitor Amenities												
Pathways, restrooms, benches, etc.									280.0	562.0	375.0	1,217.0
Phase IV Totals - 1985 Dollars	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,673.0	3,301.0	1,897.0	6,871.0
- Inflation Reserve	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	544.9	1,237.0	807.4	2,589.3
- Inflated Dollars	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,217.9	4,538.0	2,704.4	9,460.3
Total project costs, all phases	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	TOTALS
1985 \$	228.0	1,788.6	4,535.0	8,187.0	6,280.0	3,143.0	4,326.0	3,724.0	3,053.0	3,451.0	2,050.0	40,765.6
inflated \$	228.0	1,838.7	4,834.5	9,050.6	7,199.3	3,736.4	5,333.0	4,760.7	4,047.4	4,744.3	2,922.5	48,695.3

7666

City of Seattle
 PB/Struan

09-Jun-86

FINANCIAL PLAN - SIMULATION OF "ZOO 02" ALTERNATIVE
 (Dollars in 000's)

INTEREST/INFLATION ASSUMPTIONS

Bond sale costs, each sale:	100.0
Donations fund earnings rate:	7.20%
Bond fund earnings rate:	7.20%
With arbitrage bid:	7.20%
Annual inflation rate: 1985 - 1986	3.00%
1986 - 1993	3.70%

First bond issue: sale - June 30, 1986
 closing - July 31, 1986
 Second bond issue: sale - July 1, 1991
 closing - July 31, 1991

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	TOTALS
NEEDS:												
Project costs (1985 dollars):	228.0	1,788.6	4,335.0	8,187.0	6,288.0	3,143.0	4,326.0	3,724.0	3,853.0	3,451.0	2,858.0	48,765.6
plus: inflation reserve	0.0	50.1	297.5	863.6	919.3	953.4	1,007.0	1,036.7	994.4	1,293.3	872.5	7,929.7
less: City of Seattle contributions	133.0	60.0										193.0
King County contributions	60.0											60.0
pre-bond issue donations/spending	35.0											35.0
Required bond fund revenue	0.0	1,778.7	4,834.5	9,050.6	7,199.3	3,736.4	5,333.0	4,760.7	4,047.4	4,744.3	2,922.5	48,487.3
KNOWLEDGE:												
Beginning balance, donations	0.0	2,189.0	3,587.6	2,571.0	3,329.6	3,841.2	4,744.7	5,515.6	5,381.6	2,858.0		
plus: donations, major campaigns	1,965.0	1,000.0	700.0	300.0	700.0	300.0	700.0	300.0	700.0	300.0	300.0	6,965.0
donations, other	0.0	200.0	200.0	250.0	250.0	300.0	400.0	450.0	450.0	500.0	500.0	3,000.0
interest earnings	144.0	190.6	214.9	208.6	253.5	303.5	362.7	385.2	362.7	72.5	72.5	2,486.3
less: project costs	0.0	0.0	2,851.5	0.0	691.9	0.0	691.9	1,269.2	4,744.3	2,922.5	12,371.3	
Ending balance, donations	2,189.0	3,587.6	2,571.0	3,329.6	3,841.2	4,744.7	5,515.6	5,381.6	2,858.0			
BOND FUNDS:												
Beginning balance, 1st bond sale proceeds	0.0	21,719.4	18,299.7	12,385.3	5,838.1	3,181.4		(.0)	(.0)	(.0)	(.0)	
plus: bond sale proceeds	22,965.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22,965.0
interest earnings	633.1	1,414.0	1,004.8	644.0	315.0	66.1		(.0)	(.0)	(.0)	(.0)	4,158.3
less: bond sale expenses	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
project costs	1,778.7	4,834.5	6,999.1	7,199.3	3,844.5	3,167.5						27,823.5
Ending balance, 1st bond sale proceeds	21,719.4	18,299.7	12,385.3	5,838.1	3,181.4		(.0)	(.0)	(.0)	(.0)	(.0)	
Beginning balance, 2nd bond sale proceeds	0.0	0.0	0.0	.0	.0	.0	6,447.7	2,782.3	28.4	21.9		
plus: bond sale proceeds	0.0	0.0	0.0	0.0	0.0	8,335.0	0.0	0.0	0.0	0.0	0.0	8,335.0
interest earnings	0.0	0.0	.0	.0	.0	178.2	323.5	96.3	1.5	1.6		681.1
less: bond sale expenses	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	100.0
project costs	0.0	0.0	(.0)	0.0	.0	2,165.6	4,068.8	2,778.1	0.0	0.0	0.0	9,812.5
Ending balance, 2nd bond sale proceeds	0.0	0.0	.0	.0	.0	6,447.7	2,782.3	28.4	21.9	23.5		
Beginning balance, total fund	0.0	23,828.5	21,887.3	14,956.4	9,199.7	6,942.6	11,192.4	8,217.9	5,482.0	2,872.0		
plus: bond sale proceeds	22,965.0	0.0	0.0	0.0	0.0	8,335.0	0.0	0.0	0.0	0.0	0.0	31,300.0
donations, major campaigns	1,965.0	1,000.0	700.0	300.0	700.0	300.0	700.0	300.0	700.0	300.0	300.0	6,965.0
donations, other	0.0	200.0	200.0	250.0	250.0	300.0	400.0	450.0	450.0	500.0	500.0	3,000.0
interest earnings	777.1	1,613.3	1,299.7	852.6	569.3	547.8	686.2	481.5	264.2	74.1	74.1	7,163.8
less: bond/sale expenses	100.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	200.0
project costs	1,778.7	4,834.5	9,050.6	7,199.3	3,736.4	5,333.0	4,760.7	4,047.4	4,744.3	2,922.5		48,487.3
Ending balance, total fund	23,828.5	21,887.3	14,956.4	9,199.7	6,942.6	11,192.4	8,217.9	5,482.0	2,872.0	23.5		

Section 9.c. of the Zoo Cooperation Agreement executed by Mayor and County Executive on May 15, 1986 and approved by County Ordinance 7616 and City Ordinance 112838 provides as follows:

C. If necessary to complete the Zoo Project in total as described in King County Ordinance 7344 or modified through the process described in Sections 7 and 8 of this Agreement, the City agrees to contribute sufficient funds from other revenue sources or reserve funds of the City not to exceed \$3.5 million to address shortfalls if they occur under either of the following circumstances:

1. Investment earnings from all sources do not reach the projected levels contained in the Financing and Development Plan as amended; or
2. Total project costs including inflation of the Zoo Project exceed the projection contained in the Financing and Development Plan as amended.

7666

6/12/86

EXHIBIT B

NOTICE OF BOND SALE
 KING COUNTY, WASHINGTON
 UNLIMITED TAX GENERAL OBLIGATION BONDS, 1986
 (WOODLAND PARK ZOO PROJECT)
 \$22,965,000

NOTICE IS HEREBY GIVEN that sealed bids will be received at the Office of the Clerk of the Council, Room 403, King County Courthouse in Seattle, Washington, on

June 30, 1986

until 10:00 o'clock a.m., Pacific Daylight Time, at which time bids will be publicly opened, for the purchase of the general obligation bonds of the County in the principal amount of \$22,965,000.

BOND DETAILS: The bonds will be dated July 1, 1986, will be registered as to both principal and interest, will be in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on December 1 in the following years and the following amounts:

<u>Maturity Years</u>	<u>Amounts</u>
1987	\$1,080,000
1988	1,130,000
1989	1,190,000
1990	1,255,000
1991	1,335,000
1992	1,415,000
1993	1,510,000
1994	1,610,000
1995	1,725,000
1996	1,845,000
1997	1,985,000
1998	2,130,000
1999	2,290,000
2000	2,465,000

The bonds will bear interest payable on June 1, 1987, and semi-annually thereafter on the first day of each succeeding June and December.

PAYING AGENT: The bonds will be payable at the principal corporate trust offices of the Bond Registrar (the fiscal agency of the State of Washington in either Seattle, Washington or New York, New York).

PRIOR REDEMPTION: The County has reserved the right to redeem the outstanding bonds maturing on and after December 1, 1997, in whole or in part, in inverse numerical order (and by lot within a maturity), on December 1, 1996, or on any interest payment date thereafter at par.

SECURITY: The bonds will be general obligation bonds. The County, as authorized by law, vote of its qualified electors, and ordinances of its Council duly and regularly adopted, has irrevocably pledged that, unless the principal of and interest on the bonds of this issue are paid from other sources, it will make annual levies of taxes without limitation as to rate or amount upon all of the property in the County subject to taxation in amounts sufficient, together with any other money legally available and to be used therefor, to pay such principal and interest as the same shall become due.

INTEREST RATE AND BIDDING DETAILS: Each bid shall be submitted enclosed in a sealed envelope plainly marked "Bid for Purchase of King County, Washington Unlimited Tax General Obligation Bonds, 1986 (Woodland Park Zoo Project)." Each bid must be in accordance with the terms and conditions set forth in this Notice and must be submitted on, or in substantial accordance with, the bid form provided by the County. The bonds shall be purchased at no less than par. Each bid submitted shall provide for payment of accrued interest to date of delivery and shall specify the rate or rates of interest at which the bidder will purchase said bonds. No bid will be accepted for the purchase of less than all of the bonds.

One or more rates of interest may be fixed for the bonds, which rate or rates must be in a multiple of 1/8 or 1/20 of 1% or both. The interest rate shall be the same on all bonds maturing in any one year and the same for each year on any bond. There shall not be a difference of more than 3% between the lowest and highest rates named. No limitation is imposed upon bidders as to the number of rates which may be used.

To enable the County to comply with the requirements of H.R. 3838 with respect to the determination of yield on the Bonds the winning bidder shall provide the reoffering price for all maturities at or prior to closing on the bonds.

The County reserves the right to reject any and all bids received and to waive any irregularities therein or in the bidding.

DEPOSIT: All bids, except that of the State of Washington, shall be accompanied by a deposit of \$459,300, whether in cash or by cashier's or certified check made payable unconditionally to the Director of the King County Office of Finance, which amount or check will be returned to the bidder if the bid is not accepted. Such good faith deposit of the successful bidder shall be retained by the County, shall be applied upon the purchase price of the bonds upon the delivery of the bonds to the successful bidder and, pending such delivery, may be invested for the sole benefit of the County. If the successful bidder shall fail or neglect to complete the purchase of said bonds within thirty-five days from the acceptance of its bid, the amount so deposited shall be forfeited to the County. No interest shall be allowed the successful bidder on such deposit.

AWARD: The bonds will be sold to the bidder making a bid conforming to the terms of the offering, and whose proposal produces the lowest true interest cost. The true interest cost is defined as the annual rate which, when compounded

semiannually, will discount the debt service payments from the payment dates to the date of the bonds and to the price bid, without regard to interest accrued to the date of delivery. In the event that two or more bidders have bid the same true interest cost the award shall be made by lot. The Council will take action awarding all of the Bonds or rejecting all proposals not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of the bids; provided, that the award may be made after the expiration of the specified time if the bidder shall not have given the Council notice in writing of the withdrawal of such bid.

REGISTRATION: Before the close of banking on July 3, 1986, the successful bidder shall provide the Fiscal Agent, Seattle-First National Bank, Seattle, Washington, with a list of persons in whose names bonds are to be registered and the denominations of the bonds for each maturity for such persons. If such list is not provided at the specified place and time, one (1) bond for each maturity, registered in the name of the senior manager of the group or syndicate purchasing the bonds, will be delivered at the closing of the bonds.

TAX REFORM LEGISLATION: On December 17, 1985, the United States House of Representatives adopted the Tax Reform Act of 1985 ("H.R. 3838"). If H.R. 3838 as so adopted were enacted into law, the bonds would be subject to certain of its provisions retroactive to their date of issue.

On March 14, 1986, the Chairman and Ranking Members of the House Committee on Ways and Means and the Senate Committee on Finance and the Secretary of the Treasury issued a Joint Statement on the Effective Dates of Pending Tax Reform Legislation. With exceptions not here applicable, the Statement endorsed a postponement until September 1, 1986 (or the date of enactment of tax reform legislation, if earlier) of any application of certain

specified provisions and restrictions of the pending tax reform legislation, including but not limited to investment restrictions, rebates of earnings to the federal government, restrictions on advance refundings, information reporting, time limitations within which proceeds of tax-exempt obligations must be spent and treatment of interest on tax-exempt bonds as a minimum tax preference item.

On May 29, 1986, the Finance Committee of the United States Senate reported tax reform legislation. The tax reform legislation has not been adopted by the U.S. Senate. In general and except as described below, the Senate Finance Committee legislation would, if enacted, take effect after the date of enactment. However, the Senate Finance Committee's tax reform proposal would, if enacted, reduce the maximum tax rate applicable to corporations from 46% to 33%, and would reduce the maximum tax rate applicable to individuals from 50% to 27%. The proposal would also impose a 20% alternative corporate minimum tax (payable in lieu of the regular tax if the amount of minimum tax exceeds the amount of regular tax) on certain items of "tax preference" of a corporation to the extent such tax preference items exceed \$150,000 (such exemption amount decreasing by 25% for each dollar of "tax preferences" in excess of \$150,000). This alternative corporate minimum tax proposal includes as a tax preference item one-half of the amount by which (i) a corporation's "pre-tax book income" (e.g., the income reported by a corporation in reports or statements to its shareholders or creditors) exceeds (ii) the corporation's "alternative minimum taxable income" (i.e., its regular taxable income plus tax preference items other than this book income item).

Interest on tax-exempt bonds, such as the bonds, is excluded from regular taxable income but is generally included in a corporation's pre-tax book income. Under the Senate Finance

Committee proposal interest on all bonds issued by state or local government units, without regard to the date of issuance of such bonds, would be included in pre-tax book income for purposes of calculating the corporate alternative minimum tax. Thus, if the minimum tax proposed by the Senate Finance Committee is enacted into law, the receipt of tax exempt interest may be included in a corporate taxpayer's pre-tax book income for purposes of computing its alternative minimum tax.

The County has covenanted to comply with the provisions of H.R. 3838 as reported by the Senate Finance Committee on May 29, 1986, including, if necessary, to restrict the yield on the investment of bond proceeds, if compliance with such provisions in the opinion of nationally recognized bond counsel is required to maintain the exemption of interest on the bonds from federal income taxation.

DELIVERY: Printed bonds will be furnished by the County, and will be delivered to the purchasers in Seattle, Washington, at the expense of the County, or elsewhere as may be mutually agreed upon at the purchaser's option and expense. The County expects to make such delivery in the form of definitive bonds on or about July 20, 1986, but reserves the right to make such delivery in the form of temporary bonds, exchangeable for definitive Bonds. Settlement for the bonds shall be made in federal funds available on the date and at the time and place of delivery. The purchaser must pay accrued interest (computed on a 360 day year basis) from the date of the bonds to the date of delivery.

The approving legal opinion of the law firm of Preston, Thorgrimson, Ellis & Holman, bond counsel of Seattle, Washington, approving the legality of the bonds and the exemption of interest thereon from federal income taxation as of the date of their

delivery, will be printed on the bonds and will be furnished, without cost, to the successful bidder at the time of delivery.

The successful bidder will be furnished with certificates in form satisfactory to said law firm evidencing the proper execution and delivery of the bonds and receipt of payment therefor. The obligations hereunder to deliver or accept the bonds shall be conditioned on the availability and delivery at the time of delivery of the bonds of said approving opinion, and of a certificate, in form and tenor satisfactory to said law firm and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the bonds.

The successful bidder will also be provided with a reasonable number of copies of the Official Statement relating to the bonds. At the time of payment for and delivery of the bonds, the County will furnish the successful bidder a certificate, signed by the appropriate officials of the County acting in their official capacity, to the effect that (a) to the best of their knowledge and belief, neither the Official Statement nor any amendment or supplement thereto contains any untrue statement of material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; nor (b) to the best of their knowledge and belief has there been any material adverse change in the operation or financial affairs or economy of the County since the date of such Official Statement.

CHANGE IN TAX EXEMPT STATUS: At any time before the bonds are tendered for delivery, the successful bidder may disaffirm and withdraw the proposal if the interest received by private owners of bonds of the same type and character shall be declared to be taxable income under present federal income tax laws, either by a ruling of the Internal Revenue Service or by a

decision of any federal court, or shall be declared taxable other than as a tax preference or alternative minimum tax item by the terms of any federal income tax law enacted subsequent to the date of this notice.

In the event (1) a change in tax law which is not contained in H.R. 3838 as reported by the Senate Finance Committee on May 29, 1986, is enacted or announced by a conference committee prior to delivery of the bonds, (2) such change would be applicable to the bonds and would become effective prior to delivery, and (3) the County cannot reasonably comply with the provisions thereof which are necessary to maintain the exemption from federal taxation of interest on the bonds, the County shall cancel the sale of the bonds and remit the good faith deposit to the winning bidder. The County will proceed with such sale if a yield restriction on bond proceeds will maintain such tax exemption.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on said bonds, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said bonds in accordance with the terms of the bid. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the issuer; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

FURTHER INFORMATION: Copies of the bid form and the preliminary official statement containing financial and statistical information regarding the County and these bonds will be furnished prospective bidders upon request made to Shearson Lehman Brothers Inc., Foster & Marshall Division, 999 Third Avenue, Suite 4000, Seattle, Washington 98104, financial consultants to the County.

DATED at Seattle, Washington, this _____ day of _____,

1986.

ACTING DIRECTOR OF
THE OFFICE OF FINANCE