

1 June 13, 1986

INTRODUCED BY: Audrey Gruger

2 PROPOSED NO. 86-351

3
4 ORDINANCE NO. 7672

5
6 AN ORDINANCE PROVIDING FOR THE ESTABLISHMENT OF
7 CONSOLIDATED ROAD IMPROVEMENT DISTRICT NO. 1986-1
8 CONSISTING OF ROAD IMPROVEMENT DISTRICTS NOS. 86
9 AND 88; AUTHORIZING THE ISSUANCE OF BONDS OF
CONSOLIDATED ROAD IMPROVEMENT DISTRICT NO. 1986-1
IN THE PRINCIPAL AMOUNT OF \$286,192.16 AND PROVIDING
FOR THE SALE OF THE BONDS

10 PREAMBLE:

11 King County Road Improvement Districts Nos. 86 and 88 were
12 duly created by Ordinance No. 4683, passed January 7, 1980,
and Ordinance No. 6079, passed July 26, 1982, respectively.

13 The improvements authorized to be constructed in Road
14 Improvement Districts Nos. 86 and 88 have now been
completed. The final assessment rolls for said Road
15 Improvement Districts were confirmed by Ordinances Nos.
6443 and 7472, respectively. The thirty (30) day periods
16 permitted by law for the payment of assessments without
penalty or interest have expired.

17 For the purpose of issuing bonds, it is deemed necessary
18 and desirable that the Road Improvement Districts be
consolidated into a single Consolidated Road Improvement
19 District pursuant to RCW 36.88.375, and that the County
issue and sell bonds of said Consolidated Road Improvement
20 District in the principal amount of \$286,192.16 in order to
pay part of the cost and expense of said improvements.

21
22 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

23 SECTION 1. Definitions. Unless the context otherwise
24 requires, the terms defined in this section shall, for all
25 purposes of this ordinance and of any ordinance supplemental
26 hereto, have the meanings specified; words importing the
27 singular number include the plural number and vice versa:

28 A. "Bond Fund" means the King County Consolidated Road
29 Improvement District No. 1986-1 Bond Redemption Fund authorized
30 to be created by section 5 of this ordinance.

31 B. "Bond Register" means the registration book on which
32 are maintained the names and addresses of the owners or

1 nominees of the owners of the Bonds.

2 C. "Bond Registrar" means the Fiscal Agency or Fiscal
3 Agencies.

4 D. "Bonds" means the \$286,192.16 principal amount of
5 Consolidated Road Improvement District No. 1986-1 Bonds of the
6 county, the sale and issuance of which are provided for in this
7 ordinance.

8 E. "County" means King County, Washington.

9 F. "Council" means the county council of King County,
10 Washington.

11 G. "Director of the office of finance" means such person
12 as the deputy county executive may from time to time appoint to
13 manage the office of finance as it now exists as part of the
14 organizational structure of the executive branch of county
15 government and, in the event of a reorganization of the
16 executive branch after the date of passage of this ordinance,
17 the person who is from time to time appointed by the county
18 executive or deputy county executive to manage performance of
19 the duties of treasurer of the county.

20 H. "Fiscal Agency" or "Fiscal Agencies" means either or
21 both of the Fiscal Agencies of the State of Washington in
22 Seattle, Washington, and New York, New York, currently
23 Seattle-First National Bank and J. Henry Schroder Bank & Trust
24 Co., respectively, which Fiscal Agencies are appointed from
25 time to time by the State Finance Committee of the State of
26 Washington pursuant to Chapter 43.80 RCW. The Fiscal Agencies
27 of the State of Washington are also the Fiscal Agencies of the
28 county as provided in Ordinance No. 6803 of the county.

29 I. "Guaranty Fund" means the King County Road Improvement
30 Guaranty Fund created by Resolution No. 13558 of the county.

31 J. "Laws" means the statutes of the State of Washington.

32 K. "Registered Owner" means the person named as the

1 registered owner of a Bond on the Bond Register.

2 L. "Road Improvement Districts" means Road Improvement
3 District No. 86 of the county and Road Improvement District
4 No. 88 of the county.

5 SECTION 2. Establishment of Consolidated Road Improvement
6 District No. 1986-1.

7 For the purpose of issuing bonds to finance part of the
8 cost and expense of improvements made in Road Improvement
9 Districts No. 86 and 88 of the county, Consolidated Road
10 Improvement District No. 1986-1 is hereby established, and said
11 Road Improvement Districts are hereby consolidated into
12 Consolidated Road Improvement District No. 1986-1.

13 SECTION 3. Authorization and Terms of Bonds.

14 King County, Washington, shall sell and issue its
15 Consolidated Road Improvement District No. 1986-1 Bonds in the
16 aggregate principal amount of two hundred eighty-six thousand
17 one hundred ninety-two dollars and sixteen cents (\$286,192.16)
18 for purposes of financing part of the cost and expense of the
19 improvements authorized and directed to be constructed in the
20 Road Improvement Districts and to pay incidental costs and
21 costs related to the sale and issuance of the Bonds, including
22 payments for financial advisory services, legal services,
23 obtaining bond ratings, printing, engraving, advertising, and
24 other similar activities and purposes.

25 The Bonds shall be designated "King County, Washington,
26 Consolidated Road Improvement District No. 1986-1 Bonds"; shall
27 be dated July 1, 1986; shall be issued in fully registered
28 form; shall be in the denomination of five thousand dollars
29 (\$5,000) each, except for Bond No. 1, which shall be in the
30 denomination of six thousand one hundred ninety-two dollars and
31 sixteen cents (\$6,192.16); shall be numbered from one (1) to
32 fifty-seven (57), inclusive, and shall bear any additional

1 designation as the Bond Registrar or the county shall deem
2 necessary for purposes of identification; and shall mature on
3 July 1, 2008.

4 The Bonds shall bear interest from their date or from the
5 most recent interest payment date to which interest has been
6 paid or duly provided for, whichever is later, payable on
7 July 1, 1987, and annually thereafter on July 1 of each year to
8 the maturity or earlier redemption thereof. The rate of
9 interest for each Bond shall be the rate stated on the bid of
10 the successful bidder. If any Bond shall be duly presented for
11 payment and not paid when due, then interest shall continue to
12 accrue at the rate stated on such Bond until it is paid.

13 The Bonds shall be negotiable instruments to the extent
14 provided by RCW 62A.8-105.

15 Both principal of and interest on the Bonds shall be
16 payable in lawful money of the United States of America.
17 Interest on the Bonds shall be paid by check or draft mailed on
18 or before the interest payment date, to the persons who are the
19 Registered Owners on the fifteenth (15th) day of the month
20 preceding the interest payment date at their addresses
21 appearing on the Bond Register. Principal of the Bonds shall
22 be payable upon presentation and surrender of the Bonds by the
23 Registered Owners at the principal offices of the Bond
24 Registrar.

25 SECTION 4. Optional Redemption; Notice; Open Market
26 Purchase; Cancellation.

27 The county reserves the right to redeem the Bonds as a
28 whole or in part in numerical order on any interest payment
29 date, at par plus accrued interest to the date fixed for
30 redemption, whenever, and to the extent that, there shall be
31 sufficient money in the Bond Fund to pay the same, over and
32 above the amount necessary to pay the interest next accruing on

1 the Bonds then outstanding.

2 Notice of any such intended redemption shall be given not
3 less than thirty (30) nor more than sixty (60) days prior to
4 the date fixed for redemption by first class mail, postage
5 prepaid, to the Registered Owner of each Bond to be redeemed at
6 the address appearing on the Bond Register. The requirements
7 of this section shall be deemed to be complied with when notice
8 is mailed as herein provided, whether or not it is actually
9 received by the Registered Owner. In addition, such redemption
10 notice shall be mailed within the same time period, postage
11 prepaid, to Moody's Investor's Service, Inc., and Standard &
12 Poor's Corporation at their offices in New York, New York, or
13 their successors, but such mailing shall not be a condition
14 precedent to the redemption of such Bonds.

15 If the county shall set aside sufficient money for the
16 payment of all Bonds called for redemption on the date fixed
17 for redemption, the Bonds so called shall cease to accrue
18 interest after such redemption date, and all such Bonds shall
19 be deemed not to be outstanding hereunder for any purpose,
20 except that the Registered Owners thereof shall be entitled to
21 receive payment of the redemption price and interest accrued on
22 the principal of the Bonds to the redemption date from the
23 money set aside for such purpose.

24 The county reserves the right to purchase any or all of the
25 Bonds on the open market at any time for a price not exceeding
26 par, plus accrued interest.

27 SECTION 5. Security for Bonds.

28 A special fund of the county to be known as the King County
29 Consolidated Road Improvement District No. 1986-1 Bond
30 Redemption Fund (the "Bond Fund") is hereby authorized and
31 directed to be created. After payment in full of all
32 outstanding warrants previously issued and all interfund loans

1 previously made to provide funds for the making of improvements
2 in the Road Improvement Districts, all money received by the
3 county in payment of the principal of, penalties, if any, and
4 interest on the assessments levied in Consolidated Road
5 Improvement District No. 1986-1, and all money, if any, on hand
6 in the Road Improvement District No. 86 Fund and the Road
7 Improvement District No. 88 Fund of the county shall be paid
8 into the Bond Fund and used to pay the principal of and
9 interest on the bonds authorized by this ordinance, and as
10 security for such payment the Bond Fund is hereby pledged.

11 The Bonds are not general obligations of the county. Both
12 principal of and interest on the bonds are payable solely out
13 of the Bond Fund and from the Guaranty Fund. The Registered
14 Owners of the Bonds shall have no claim therefor against the
15 county except for payment from the special assessments made for
16 the improvements for which the bonds are issued and except
17 against the Guaranty Fund. The county shall not be liable to
18 the Registered Owners of the Bonds for any loss to the Guaranty
19 Fund occurring in the lawful operation thereof by the county.

20 The county shall pay, on or before the date such payments
21 are due from time to time, to the Bond Registrar, from money in
22 the Bond Fund, sums sufficient to pay the principal of and/or
23 interest coming due on Bonds then outstanding.

24 Principal of outstanding Bonds shall be considered as
25 coming due, for purposes of this section 5, on the date of
26 maturity thereof. The amounts required to be deposited into
27 the Bond Fund and paid to the Bond Registrar for purposes of
28 effecting the payment of Bonds are subject to reductions
29 arising from the county's purchase or optional redemption of
30 Bonds in the manner described in section 4 hereof.

31 SECTION 6. Form of Bonds. The Bonds shall be in
32 substantially the following form:

(Form of Bond-Front)

Bond Number: _____ \$ _____

UNITED STATES OF AMERICA
STATE OF WASHINGTON
KING COUNTY, WASHINGTON,
CONSOLIDATED ROAD IMPROVEMENT DISTRICT NO. 1986-1 BOND

Interest Rate: _____ Maturity Date: July 1, 2008 CUSIP No.: _____

Registered Owner: _____ King County Issue No.: _____

Principal Amount: _____

KING COUNTY, WASHINGTON (the "County"), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount identified above; and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the date of this Bond, or from the most recent date to which interest has been paid, whichever is later, at the Interest Rate per annum set forth above, payable on July 1, 1987 and annually thereafter on July 1 of each year to the maturity or earlier redemption of this Bond. If this Bond is duly presented for payment and not paid on such applicable date, then interest shall continue to accrue at the Interest Rate set forth above until this Bond is paid.

Both principal of and interest on this Bond are payable in lawful money of the United States of America. Principal shall be paid to the Registered Owner or assigns only upon the presentation and surrender of this Bond at the principal office of the Fiscal Agency of the State of Washington in either Seattle, Washington, or New York, New York (collectively, the "Bond Registrar"). The Fiscal Agencies of the State of Washington are also the Fiscal Agencies of the County. Interest shall be paid by check or draft mailed on or before the interest payment date to the person identified as the Registered Owner on the 15th day of the month preceding the interest payment date at the address shown for the Registered Owner on the registration books maintained by the Bond Registrar.

This Bond is not a general obligation of the County. Both principal of and interest on the bonds of this issue are payable solely out of the Consolidated Road Improvement District No. 1986-1 Bond Redemption Fund (the "Bond Fund") created by Ordinance No. _____ of the County, passed on _____, 1986 (the "Bond Ordinance") and from the King County Road Improvement Guaranty Fund created by Resolution No. 13558 of the County. The registered owner of this bond shall have no claim therefor against the County except for payment from the special assessments made for the improvements for which this bond was issued and except as against the King County Road Improvement Guaranty Fund.

Laws of Washington 1963, Chapter 4, as amended (RCW 36.88.240) provides, in part, as follows:

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The owner of any bond or warrant issued under the provisions of this chapter shall not have any claim therefor against the county by which the same is issued, except for payment from the special assessments made for the improvement for which said bond or warrant was issued and except as against the improvement guaranty fund of such county, and the county shall not be liable to any owner of such bond or warrant for any loss to the guaranty fund occurring in the lawful operation thereof by the county. The remedy of the owner of a bond, or warrant in the case of nonpayment, shall be confined to the enforcement of any assessments made in such road improvement district and to the guaranty fund.

Foreclosure actions brought to collect delinquent special assessments are subject to the homestead exemption set forth in Chapter 6.12 of the Revised Code of Washington.

Reference is made to the additional provisions of this Bond set forth on the reverse side hereof and in the Bond Ordinance, and such provisions shall for all purposes have the same effect as if set forth on the front side hereof. The County unconditionally covenants that it will keep and perform all of the covenants of this Bond and the Bond Ordinance. Terms defined in the Bond Ordinance shall have the same meanings when used herein.

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 Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

It is certified that all acts, conditions and things required by the constitution and statutes of the State of Washington and the County charter and ordinances of the County to have happened, been done and performed precedent to and in the issuance of this Bond have happened, been done and performed.

IN WITNESS WHEREOF, the County has caused this Bond to be executed with the facsimile signatures of the County Executive and the Clerk of the County Council and has caused a facsimile of the seal of the County Council to be reproduced hereon, all as of the first day of July, 1986.

[FACSIMILE SEAL] KING COUNTY, WASHINGTON
By [Facsimile Signature]
COUNTY EXECUTIVE

ATTEST:

By [Facsimile Signature]
CLERK OF COUNTY COUNCIL

DATE OF AUTHENTICATION: _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the King County, Washington, Consolidated Road Improvement District No. 1986-1 Bonds, dated July 1, 1986, described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY
Bond Registrar

By (Manual Signature)
Authorized Officer

(Form of Bond-Reverse)

ADDITIONAL PROVISIONS

This Bond is one of a duly authorized series of bonds designated "King County, Washington, Consolidated Road Improvement District No. 1986-1 Bonds" (the "Bonds"), aggregating \$286,192.16 in principal amount, maturing on July 1, 2008, of like date, tenor and effect, except as to number, interest rate and denomination. The Bonds are issued in fully registered form in the denomination of \$5,000 each, except Bond No. 1, which is in the denomination of \$6,192.16.

This Bond may be transferred by the Registered Owner hereof or by his/her/its duly authorized agent, but only in the manner and subject to the limitations set forth in the Bond Ordinance, and only upon the due completion of the assignment form appearing hereon and upon the surrender of this Bond to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver to the new Registered Owner, without charge, a new bond (or Bonds, at the option of the new Registered Owner) of the same maturity and interest rate and for the same aggregate principal amount and in any authorized denomination. The Bond Registrar shall not be obligated to transfer any Bond during the 15 days preceding any principal or interest payment, or redemption, date.

The Bonds may be called prior to maturity and redeemed at par plus accrued interest to the date of redemption, as a whole or in part in numerical order on any interest payment date, whenever, and to the extent that, there shall be sufficient money in the Bond Fund to pay the same, over and above the amount necessary for the payment of the interest next accruing on the outstanding Bonds of this issue.

Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption, by first-class mail, postage prepaid, to the Registered Owner of each Bond to be redeemed, at the address appearing on the registration books for the Bonds maintained by the Bond Registrar on the date notice is mailed. The requirements of the Bond Ordinance shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the Registered Owner. If such notice has been given and if the County has set aside sufficient money for the payment of all Bonds called for redemption on the date fixed for redemption, this Bond will cease to accrue interest after such redemption date, and this Bond shall no longer be deemed to be outstanding.

1 The Bonds are issued for the purpose of providing funds
2 to pay part of the costs of the improvements in Road
3 Improvement Districts Nos. 86 and 88 of the County. Said Road
4 Improvement Districts have been consolidated into Consolidated
5 Road Improvement District No. 1986-1 solely for the purpose of
6 issuing bonds.

7 This Bond and the other Bonds of the same series are
8 issued pursuant to and in full compliance with the constitution
9 and statutes of the State of Washington, the charter and
10 ordinances of the County; and pursuant to proceedings duly
11 adopted by the County, including the Bond Ordinance.

12 The covenants contained herein and in the Bond Ordinance
13 may be discharged by making provision, at any time, for the
14 payment of the principal of and interest on this Bond in the
15 manner provided in the Bond Ordinance.

16 The County and the Bond Registrar may deem and treat the
17 Registered Owner hereof as the absolute owner hereof for all
18 purposes, and neither the County nor the Bond Registrar shall
19 be affected by any notice to the contrary.

20 CERTIFICATE AS TO LEGAL OPINION

21 I certify that the following is a true copy of the legal
22 opinion of Skellenger Ginsberg & Bender as to the Bonds, the
23 original of which was manually executed, dated and delivered on
24 the date of delivery of and payment for the Bonds and is on
25 file as part of the permanent records of King County,
26 Washington.

(Facsimile signature)

Clerk of County Council

[Legal Opinion]

ASSIGNMENT

27 FOR VALUE RECEIVED, the undersigned sells, assigns and
28 transfers unto: _____

29 PLEASE INSERT SOCIAL SECURITY NUMBER OR
30 TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

31 _____
32 (Please print or typewrite name and address, including zip code,
of Transferee)

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

DATED: _____.

1 obligatory for any purpose or entitled to the benefits of this
2 ordinance. Such certificate of authentication shall be
3 conclusive evidence that the Bonds so authenticated have been
4 duly executed, authenticated and delivered hereunder and are
5 entitled to the benefits of this ordinance.

6 The Bond Registrar shall be responsible for its
7 representations contained in the certificate of authentication
8 on the Bonds.

9 SECTION 9. Registration and Transfer of Bonds.

10 The Bonds shall be issued only in registered form as to
11 both principal and interest.

12 The Fiscal Agencies are appointed as Bond Registrar,
13 transfer agent and authenticating and paying agent with respect
14 to the Bonds. The Bond Registrar shall keep, or cause to be
15 kept, at its principal corporate trust offices, the Bond
16 Register.

17 The county and the Bond Registrar, each in its discretion,
18 may deem and treat the Registered Owner of each Bond as the
19 absolute owner thereof for all purposes, and neither the county
20 nor the Bond Registrar shall be affected by any notice to the
21 contrary. Payment of any such Bond shall be made only as
22 described in section 3 hereof, but such registration may be
23 transferred as herein provided. All such payments made as
24 described in section 3 shall be valid and effectual to satisfy
25 and discharge the liability of the county upon such Bond to the
26 extent of the sum or sums so paid.

27 Any Bond may be transferred, but no transfer of any Bond
28 shall be valid unless it is surrendered to the Bond Registrar,
29 with the assignment form appearing on such Bond duly executed
30 by the Registered Owner or such Registered Owner's duly
31 authorized agent, in a manner satisfactory to the Bond
32 Registrar. Upon such surrender, the Bond Registrar shall

1 cancel the surrendered Bond and shall authenticate and deliver,
2 without charge to the Registered Owner or transferee therefor,
3 a new Bond naming as Registered Owner the person or persons
4 listed as the assignee on the assignment form appearing on the
5 surrendered Bond, of the same maturity and interest rate and
6 for the same principal amount, in exchange for such surrendered
7 and cancelled Bond. The Bond Registrar shall not be obligated
8 to transfer or exchange any Bond during the fifteen (15) days
9 preceding any interest payment, principal payment or redemption
10 date.

11 The Bond Registrar may become the Registered Owner of any
12 Bond with the same rights it would have if it were not the Bond
13 Registrar, and to the extent permitted by law, may act as
14 depository for and permit any of its officers or directors to
15 act as a member of, or in any other capacity with respect to,
16 any committee formed to protect the rights of the Registered
17 Owners of the Bonds.

18 The county covenants that, until all Bonds shall have been
19 surrendered and cancelled, it will maintain a system of
20 recording the ownership of each Bond that complies with the
21 provisions of Section 103(j) of the United States Internal
22 Revenue Code of 1954, as amended, and applicable regulations
23 promulgated thereunder.

24 SECTION 10. Lost, Stolen or Destroyed Bonds. If any Bond
25 becomes mutilated, lost, stolen or destroyed, the Bond
26 Registrar may authenticate and deliver a new Bond of the same
27 interest rate and maturity and of like tenor and effect in
28 substitution therefor, all in accordance with Law. If such
29 mutilated, lost, stolen or destroyed Bond has matured, the
30 county may, at its option, pay the same without the surrender
31 thereof. However, no such substitution or payment shall be
32 made unless and until the applicant shall furnish (1) evidence

1 satisfactory to the Bond Registrar of the destruction or loss
2 of the original Bond and of the ownership thereof and (2) such
3 additional security, indemnity or evidence as may be required
4 by the county. No substitute Bond shall be furnished unless
5 the applicant shall reimburse the county and the Bond Registrar
6 for their respective expenses in the furnishing thereof. Any
7 such substitute Bond so furnished shall be equally and
8 proportionately entitled to the security of this ordinance with
9 all other Bonds issued hereunder.

10 SECTION 11. Defeasance. In the event the county shall
11 issue advance refunding bonds, or have money available from any
12 other lawful source, to pay the principal of and interest on
13 the Bonds or such portion thereof included in the refunding
14 plan as the same become due and payable and to refund all such
15 then outstanding Bonds and to pay the costs of refunding, and
16 shall have irrevocably set aside in a special fund for and
17 pledged to such payment and refunding, money and/or direct
18 obligations of the United States of America or other legal
19 investments sufficient in amount, together with known earned
20 income from the investment thereof, to make such payments and
21 to accomplish the refunding as scheduled (hereinafter called
22 the "trust account"), and shall irrevocably make provision for
23 redemption or payment of such Bonds, then in that case all
24 right and interest of the Registered Owners of the Bonds to be
25 so retired or refunded (hereinafter collectively called the
26 "defeased Bonds") in the covenants of this ordinance and in the
27 funds and accounts obligated to the payment of such Bonds shall
28 thereafter cease and become void. Such Registered Owners shall
29 thereafter have the right to receive payment of the principal
30 of and interest on the defeased Bonds from the trust account
31 and, in the event the funds in the trust account are not
32 available for such payment, shall have the right to receive

1 payment of the principal of and interest on the defeased Bonds
 2 from the funds and accounts obligated to the payment of such
 3 Bonds. Subject to the rights of the Registered Owners of
 4 Bonds, the county may then apply any money in any other fund or
 5 account established for the payment or redemption of the
 6 defeased Bonds to any lawful purposes as it shall determine.

7 SECTION 12. Sale of Bonds. The Bonds shall be sold at
 8 public sale for a price not less than the principal amount of
 9 the Bonds plus accrued interest to the date of delivery. No
 10 bid shall be accepted for the purchase of less than all of the
 11 Bonds.

12 A rate of interest must be specified for each Bond,
 13 identified by Bond number. The same rate of interest must be
 14 specified for each of the Bonds with the same estimated date of
 15 redemption, as set forth in the next paragraph.

16 The Bonds shall be sold to the bidder offering to purchase
 17 all of the Bonds at the lowest true interest cost determined
 18 assuming that Bonds will be redeemed prior to maturity
 19 according to the following estimated redemption schedule and
 20 discounting the debt service payments from the estimated
 21 redemption dates to the date of the Bonds:

<u>Bond Numbers</u>	<u>Estimated Date of Redemption</u>	<u>Bond Numbers</u>	<u>Estimated Date of Redemption</u>
1-3	July 1, 1987	31-33	July 1, 1997
4-6	July 1, 1988	34-36	July 1, 1998
7-9	July 1, 1989	37-39	July 1, 1999
10-12	July 1, 1990	40-42	July 1, 2000
13-15	July 1, 1991	43-45	July 1, 2001
16-18	July 1, 1992	46-48	July 1, 2002
19-21	July 1, 1993	49-51	July 1, 2003
22-24	July 1, 1994	52-53	July 1, 2004
25-27	July 1, 1995	54-55	July 1, 2005
28-30	July 1, 1996	56-57	July 1, 2006

29 Sealed bids will be received at the office of the clerk of
 30 the council, Room 403 in the King County Courthouse, Seattle,
 31 Washington, until 10:00 a.m., Seattle time, on such date as
 32 the chair of the council shall hereafter determine. All bids

1 submitted shall be publicly opened, read, considered and acted
2 upon by the council at its regular meeting on such date.

3 Notice of sale of the Bonds in substantially the form set
4 forth in Exhibit A attached hereto shall be published prior to
5 such sale at least once in the official newspaper of the
6 county.

7 The county reserves the right to reject any and all bids
8 and to waive any irregularity or informality in any bid. All
9 bids shall be made without condition.

10 Each bid shall be enclosed in a sealed envelope. All bids
11 shall be on the form which will be furnished by the county.
12 Each bid shall be accompanied by a cashier's or certified
13 check, as a good faith deposit, made payable to the order of
14 King County, Washington, in the amount of twelve thousand
15 dollars (\$12,000.00). The good faith check of the successful
16 bidder shall be security for the performance of its bid and
17 shall be held as liquidated damages in case the successful
18 bidder fails to accept and pay for the Bonds if the Bonds are
19 tendered for delivery within forty (40) days after the bid is
20 accepted.

21 The good faith checks of any unsuccessful bidders shall be
22 returned after the county has accepted a bid for the sale of
23 the Bonds. The county may invest the good faith deposit of
24 the successful bidder pending the payment for the Bonds. The
25 successful bidder shall not be credited for the earnings on
26 such investment.

27 The director of the office of finance of the county is
28 authorized and directed to cause to be prepared and circulated
29 an official statement and a bid form for the sale of the
30 Bonds.

31 The appropriate county officials are further authorized
32 and directed to take such other actions to publicize or

1 facilitate the sale as may be desirable or necessary.

2 SECTION 13. Delivery of Bonds; Temporary Bonds. The
3 Bonds shall be delivered to the purchaser in the City of
4 Seattle, Washington, at the expense of the county, or
5 elsewhere as may be mutually agreed upon, at the option and
6 expense of the purchaser. Settlement in full shall be made at
7 the time of delivery and shall be in federal funds available
8 upon the date and at the place of delivery.

9 If definitive Bonds are not ready for delivery by the
10 agreed closing date, the director of the office of finance,
11 with the approval of the purchaser, may cause to be issued and
12 delivered to the purchaser one or more temporary Bonds with
13 appropriate omissions, changes and additions. Any temporary
14 Bond or Bonds shall be entitled and subject to the same
15 benefits and provisions of this ordinance with respect to the
16 payment, security and obligation thereof as definitive Bonds
17 authorized hereby. Such temporary Bond or Bonds shall be
18 exchangeable without cost to the Registered Owner thereof for
19 definitive Bonds when the latter are ready for delivery.

20 SECTION 14. Disposition of Bond Proceeds.

21 Accrued interest, if any, on the Bonds shall be deposited
22 in the Bond Fund and shall be applied to the payment of
23 interest first coming due on the Bonds. The rest of the
24 proceeds of the Bonds shall be deposited as follows:

25 Road Improvement District No. 86 Construction Fund:
26 \$34,394.22

27 Road Improvement District No. 88 Construction Fund:
28 \$251,797.94

29 The proceeds of the Bonds, together with other monies in said
30 funds, shall be used to pay and redeem the warrants
31 outstanding against said funds, to repay any outstanding
32 interfund loans, to pay any other remaining costs of

1 improvements constructed in the respective Road Improvement
2 Districts, and to pay all expenses incidental thereto and to
3 the issuance of the Bonds.

4 Any Bond proceeds remaining after carrying out such
5 purposes shall be deposited in the Bond Fund.

6 SECTION 15. Non-Arbitrage Covenant. The county covenants
7 that it will spend the proceeds of the Bonds with due
8 diligence to the completion of the purposes specified herein
9 and will make no use of the proceeds of the Bonds or of its
10 other money at any time or take any other action during the
11 term of the Bonds which will cause the Bonds to be arbitrage
12 bonds within the meaning of Section 103(c) of the United
13 States Internal Revenue Code of 1954, as amended, and
14 applicable regulations promulgated thereunder, or industrial
15 development bonds within the meaning of Section 103(b) of the
16 United States Internal Revenue Code of 1954, as amended, and
17 applicable regulations promulgated thereunder.

18 SECTION 16. Contract -- Savings Clause. The covenants
19 contained in this ordinance and in the Bonds shall constitute
20 a contract between the county and the Registered Owner of each
21 and every Bond. If any one or more of the covenants or
22 agreements provided in this ordinance to be performed on the
23 part of the county shall be declared by any court of competent
24 jurisdiction and final appeal (if any appeal be taken) to be
25 contrary to law, then such covenant or covenants, agreement or
26 agreements, shall be null and void and shall be deemed
27 separable from the remaining covenants and agreements in this
28 resolution and shall in no way affect the validity of the
29 other provisions of this ordinance or of the Bonds.

30 SECTION 17. Authorization to Officials and Agents;
31 Ratification.

32 The appropriate officials, agents and representatives of

1 the county are hereby authorized and directed to do everything
2 necessary for the prompt sale, issuance, execution and
3 delivery of the Bonds and for the proper use and application
4 of the proceeds of such sale. Any act taken pursuant to the
5 authority of this ordinance but prior to its effective date is
6 hereby ratified, approved and confirmed.

7 INTRODUCED AND READ for the first time this 16th day of
8 June, 1986.

9 PASSED this 23rd day of June, 1986.

11 KING COUNTY COUNCIL
12 KING COUNTY, WASHINGTON

13 Audrey Gruger
14 Chair

14 ATTEST:

15 Dorothy M. Owens
16 Clerk of the Council

17 APPROVED this 27th day of June, 1986.

18 Jim Hill
19 King County Executive

20 1847E

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Exhibit A

NOTICE OF BOND SALE
KING COUNTY, WASHINGTON
CONSOLIDATED ROAD IMPROVEMENT DISTRICT NO. 1986-1 BONDS
\$286,192.16

NOTICE IS HEREBY GIVEN that sealed bids will be received by King County, Washington, at the office of the Clerk of the County Council, Room 403 in the King County Courthouse in Seattle, Washington, on *July 7, 1986*

until 10:00 o'clock a.m., for the purchase of the Consolidated Road Improvement District No. 1986-1 Bonds (the "Bonds") of the county in the aggregate principal amount of \$286,192.16, at which time bids will be publicly opened, read and considered.

BOND DETAILS. The Bonds will be dated July 1, 1986, and will be in the denomination of \$5,000 each, except that Bond No. 1 will be in the denomination of \$6,192.16. The Bonds will be fully registered as to both principal and interest, and will be numbered separately from 1 to 57. The Bonds will bear interest from the date thereof payable July 1, 1987, and annually thereafter on July 1 of each year, and will mature on July 1, 2008.

Both principal of and interest on the Bonds will be payable in lawful money of the United States of America. Interest on the Bonds will be paid by check or draft mailed to the registered owners or assigns at the addresses appearing on the Bond Register (as hereinafter defined) as of the 15th day of the month preceding the interest payment date. Principal of the Bonds will be payable upon presentation and surrender of the Bonds by the registered owners at the principal offices of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, and New York, New York, at the

1 option of such owners.

2 BOND REGISTRAR AND PAYING AGENT. The fiscal agencies of
3 the State of Washington in the cities of Seattle, Washington,
4 and New York, New York, currently Seattle-First National Bank
5 and J. Henry Schroder Bank & Trust Co., will act as bond
6 registrar, transfer agent, and authenticating and paying agent
7 with respect to the Bonds (collectively, the "Bond Registrar").

8 The Bonds may be transferred only upon the records
9 maintained for such purpose (the "Bond Register") and only upon
10 the surrender thereof at the principal office of the Bond
11 Registrar, together with a form of transfer duly executed by
12 the registered owner or his attorney duly authorized in
13 writing, substantially in the form set forth on the Bonds.

14 Upon the transfer of any Bond, there will be issued in the name
15 of the transferee or transferees a new fully registered Bond of
16 the same principal amount, maturity and interest rate as the
17 surrendered Bond. The new Bond will bear the same date as the
18 date of the surrendered Bond but will bear interest from the
19 immediately preceding interest payment date to which interest
20 has been paid or duly provided for. Such transfer will be
21 without cost to the registered owner or transferee.

22 PRIOR REDEMPTION. The Bonds will be subject to
23 redemption prior to maturity as a whole or in part in numerical
24 order on any interest payment date at par plus accrued interest
25 to the date of redemption.

26 SECURITY. Both principal of and interest on the Bonds
27 will be payable solely out of the Consolidated Road Improvement
28 District No. 1986-1 Bond Redemption Fund and the King County
29 Road Improvement Guaranty Fund. The Bonds will not be general
30 obligations of the county.

31 INTEREST RATE AND BIDDING DETAILS. Each bid shall be on
32 the form furnished by the county and shall be enclosed in a

1 sealed envelope. Each bid submitted shall provide for the
2 payment of accrued interest to date of delivery. No bid will
3 be accepted for the purchase of less than all of the Bonds or
4 for a price less than 100% of the principal amount of the Bonds.

5 A rate of interest must be specified for each Bond,
6 identified by Bond number.

7 The rate or rates of interest fixed for the Bonds must be
8 in multiples of 1/8 or 1/20 of 1%. The same rate of interest
9 must be specified for each of the Bonds with the same estimated
10 date of redemption.

11 It is requested that each bid state the net interest cost
12 and the true interest cost of such bid. Such information shall
13 not be deemed to be part of such bid.

14 All bids shall be made without condition. The county
15 reserves the right to reject any and all bids received and to
16 waive any irregularities therein or in the bidding. No bid may
17 be withdrawn after the same is delivered unless permission is
18 first obtained from the Director of the Office of Finance.

19 DEPOSIT. Each bid shall be sealed and shall be
20 accompanied by a good faith deposit of \$12,000 evidenced by
21 cash or by a certified or bank cashier's check made payable to
22 the order of King County, Washington, which deposit shall be
23 security for the performance of such bid and shall be held for
24 liquidated damages in case the successful bidder fails to take
25 up and pay for the Bonds within forty (40) days, if tendered
26 for delivery, after the acceptance thereof. Interest will not
27 be allowed to the purchaser on such good faith deposit. The
28 good faith checks of all bidders except that of the successful
29 bidder will be returned as soon as possible after the bids have
30 been opened and evaluated. The award of such Bonds, if any,
31 will be made at the county council meeting on the date when the
32 bids are opened.

1 If, prior to the delivery of the Bonds, the income
 2 receivable by the owners thereof shall be taxable by the terms
 3 of any federal income tax law or regulations, the successful
 4 bidder may at his option be relieved of his obligation to
 5 purchase the Bonds, and in such case the deposit accompanying
 6 his bid will be returned without interest.

7 AWARD. The Bonds will be awarded to the bidder offering
 8 to purchase all of the Bonds at the lowest true interest cost
 9 determined assuming the following estimated redemption schedule
 10 and discounting the debt service payments from the estimated
 11 redemption dates to the date of the Bonds:

12	<u>Bond</u>	<u>Estimated Date</u>	<u>Bond</u>	<u>Estimated Date</u>
	<u>Numbers</u>	<u>of Redemption</u>	<u>Numbers</u>	<u>of Redemption</u>
13	1-3	July 1, 1987	31-33	July 1, 1997
14	4-6	July 1, 1988	34-36	July 1, 1998
	7-9	July 1, 1989	37-39	July 1, 1999
15	10-12	July 1, 1990	40-42	July 1, 2000
	13-15	July 1, 1991	43-45	July 1, 2001
16	16-18	July 1, 1992	46-48	July 1, 2002
	19-21	July 1, 1993	49-51	July 1, 2003
17	22-24	July 1, 1994	52-53	July 1, 2004
	25-27	July 1, 1995	54-55	July 1, 2005
18	28-30	July 1, 1996	56-57	July 1, 2006

19 DELIVERY. The Bonds will be delivered to the purchaser
 20 in the City of Seattle, Washington, at the expense of the
 21 county, or elsewhere as may be mutually agreed upon, at the
 22 option and expense of the purchaser. Settlement in full shall
 23 be made at the time of delivery and shall be in federal funds
 24 available upon the date and at the place of delivery.

25 The county will pay the cost of printing the Bonds and
 26 will furnish without cost to the purchaser thereof the
 27 unqualified approving opinion of Skellenger, Ginsberg & Bender
 28 approving the legality of the issuance of the same, but
 29 expressing no opinion with respect to any official statement or
 30 other similar disclosure document. The opinion will be
 31 reproduced on each Bond.

32 CUSIP NUMBERS. It is anticipated that CUSIP

1 identification numbers will be printed on the Bonds, but
 2 neither the failure to print such numbers on the Bonds nor any
 3 error with respect thereto shall constitute cause for a failure
 4 or refusal by the purchaser to accept delivery of and pay for
 5 the Bonds in accordance with the terms of the purchase
 6 contract. All expenses in relation to the printing of the
 7 CUSIP numbers on the Bonds shall be paid for by the county, but
 8 the charge by the CUSIP Bureau shall be paid by the purchaser.

9 FURTHER INFORMATION. Further information regarding these
 10 Bonds may be obtained upon request made to Seattle-Northwest
 11 Securities Corporation, Suite 3700, Seafirst Fifth Avenue
 12 Plaza, Seattle, Washington 98104, the Financial Consultant to
 13 the county.

14 DATED at Seattle, Washington, this _____ day of
 15 _____, 1986.

17 _____
 18 Director of the Office of Finance
 King County, Washington

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