

Introduced by: Bob Greive

Proposed No.: 86-426

ORDINANCE NO. 7710

AN ORDINANCE relating to county indebtedness; providing for the issuance and sale of limited tax levy general obligation bonds of the county in the principal amount of \$6,050,000 for the purpose of providing funds to pay part of the cost of various capital improvement projects as described in part in Ordinances 7355, 7422 and 7684 of the county; providing the date, form, terms, maturities and covenants of those bonds; providing for the annual levy of taxes to pay the principal of and interest on the bonds; providing for the pledge of certain special excise tax receipts of the county to pay the principal of and interest on a portion of the bonds; and creating acquisition and construction funds.

PREAMBLE:

It is for the best interest of the county that \$6,050,000 par value limited tax ("councilmanic") general obligation bonds now be issued to provide part of the money necessary to carry out various county capital improvement projects as described in part in Ordinances 7335, 7422 and 7684.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Authorization and Purpose of Bonds.

For the strictly capital purposes of providing part of the funds for the acquisition, construction, equipping and furnishing of district court and other capital facilities, including but not limited to Aukeen District Court, Bellevue District Court and other county facilities at the Surrey Downs Complex, Issaquah District Court and Shoreline District Court, as described in Ordinances 7355, 7422, and 7684 and the attachments thereto, and for the acquisition and installation of public seating facilities in the King County domed stadium as described in Ordinance 7422 and the attachments thereto, and to pay administrative and other costs relating to such acquisition, construction and installation and the costs of issuance of the bonds provided for in this ordinance, the county shall now issue and sell \$6,050,000 par value of limited tax general obligation bonds.

SECTION 2. Description of Bonds. The bonds shall be designated "Limited Tax General Obligation Bonds,

1 1986, Series A (Various Capital Improvement Projects)"  
 2 (hereinafter called the "Bonds"); shall be dated as of  
 3 August 1, 1986; shall be in the denomination of \$5,000  
 4 each or any integral multiple thereof within a single  
 5 maturity; shall be numbered separately and in the manner  
 6 and with any additional designation as the Bond Registrar  
 7 (the fiscal agencies of the State of Washington in  
 8 Seattle, Washington, and New York, New York) deems neces-  
 9 sary for the purpose of identification; and shall bear  
 10 interest at a rate or rates contained in the bid of the  
 11 purchaser which is awarded the Bonds pursuant to Section  
 12 14 of this ordinance, payable on June 1, 1987, and semi-  
 13 annually thereafter on each December 1 and June 1. Both  
 14 principal of and interest on the Bonds shall be payable  
 15 in lawful money of the United States of America out of  
 16 the "King County Limited General Obligation Bond  
 17 Redemption Fund" (the "Bond Fund"), at either of the fis-  
 18 cal agencies of the State of Washington in Seattle, Wash-  
 19 ington, or New York, New York. The Bonds shall mature on  
 20 December 1 of each year and in the amounts as follows:

<u>Maturity Years</u>	<u>Amounts</u>
1987	\$145,000
1988	280,000
1989	295,000
1990	310,000
1991	330,000
1992	345,000
1993	370,000
1994	390,000
1995	415,000
1996	445,000
1997	475,000
1998	505,000
1999	540,000
2000	580,000
2001	625,000

31 The lives of the capital facilities to be acquired with  
 32 proceeds of the Bonds is not less than 15-1/2 years.

33 SECTION 3. Failure to Redeem Bonds. If any Bond is

1 not redeemed when duly presented for payment at its  
2 maturity or call date, the county shall be obligated to  
3 pay interest at the same rate for each such Bond from and  
4 after the maturity or call date thereof until such Bond  
5 shall have been paid or until sufficient money for such  
6 payment is on deposit in the Bond Fund for such payment  
7 in full and such Bond has been duly called for payment by  
8 the Bond Registrar's mailing notice thereof by first  
9 class mail, postage prepaid to the registered owner of  
10 any Bond to be redeemed at the registered owner's address  
11 appearing on the Bond Register (hereinafter defined) at  
12 the time the Bond Registrar prepares such notice, not  
13 less than ten nor more than thirty days prior to the date  
14 fixed for redemption. The requirements of this section  
15 shall be deemed to be complied with when notice is mailed  
16 as herein provided, whether or not it is actually  
17 received by the owner of any Bond.

18 SECTION 4. Registration and Transfer of Bonds.

19 The Bonds shall be issued only in registered form as  
20 to both principal and interest on books or records (the  
21 "Bond Register") maintained by the Bond Registrar. Such  
22 Bond Register shall contain the name and mailing address  
23 of the owner of each Bond and the principal amount and  
24 the certificate number of each of the Bonds held by each  
25 owner. Upon surrender thereof to the Bond Registrar,  
26 Bonds are interchangeable for Bonds in any authorized  
27 denomination of an equal aggregate principal amount and  
28 of the same interest rate and maturity. Bonds may be  
29 transferred only if endorsed in the manner provided  
30 thereon and surrendered to the Bond Registrar. Such  
31 exchange or transfer shall be without cost to the owner  
32 or transferee. The Bond Registrar shall not be obligated  
33 to transfer or exchange any Bond during the fifteen days

1 preceding any principal payment, interest payment or re-  
2 demption date.

3 SECTION 5. Redemption or Purchase of Bonds by  
4 County. The county reserves the right and option to re-  
5 deem Bonds maturing on or after December 1, 1997, as a  
6 whole, or in part in inverse order of maturity (and by  
7 lot within a maturity in such manner as the Bond Regis-  
8 trar shall determine), on December 1, 1996, and on any  
9 interest payment date thereafter, at par plus accrued in-  
10 terest to the date of redemption.

11 The county may redeem portions of the principal  
12 amount of any Bond, in installments of \$5,000 or any in-  
13 tegral multiple of \$5,000. If less than all of the prin-  
14 cipal amount of any Bond is redeemed, upon surrender of  
15 such Bond at the principal office of the Bond Registrar,  
16 there shall be issued to the registered owner, without  
17 charge therefor, a new Bond or Bonds, at the option of  
18 the registered owner, of like maturity and interest rate  
19 in any of the denominations authorized by this ordinance  
20 in the aggregate principal amount remaining unredeemed.

21 The county shall give or cause to be given notice of  
22 any such intended redemption not less than thirty nor  
23 more than sixty days prior to the date fixed for redemp-  
24 tion by first class mail, postage prepaid, to the regis-  
25 tered owner of any Bond to be redeemed at the address ap-  
26 pearing on the Bond Register at the time the Bond Regis-  
27 trar prepares such notice, and the requirements of this  
28 sentence shall be deemed to be complied with when such  
29 notice is mailed as so provided, whether or not it is  
30 actually received by the owner of any Bond. The interest  
31 on the Bonds so called for redemption shall cease on the  
32 date fixed for redemption unless the Bonds so called are  
33 not redeemed upon presentation made pursuant to such

1 call. In addition, such redemption notice shall be  
2 mailed within the same period, postage prepaid, to  
3 Moody's Investors Service, Inc., and Standard & Poor's  
4 Corporation at their offices in New York, New York, or  
5 their successors, but such mailing shall not be a  
6 condition precedent to the redemption of such Bonds.

7 The county also reserves the right and option to  
8 purchase any of the Bonds on the open market at a price  
9 not in excess of par plus accrued interest to the date of  
10 purchase.

11 SECTION 6. Form of Bonds. The Bonds shall be in  
12 substantially the following form:

13 No.

14 UNITED STATES OF AMERICA

15 STATE OF WASHINGTON

16 KING COUNTY

17 LIMITED TAX GENERAL OBLIGATION BOND, 1986, SERIES A

18 (VARIOUS CAPITAL IMPROVEMENT PROJECTS)

19 Interest Rate: Maturity Date: CUSIP No.

20  
21 Registered Owner:

22  
23  
24  
25 Principal Amount: DOLLARS

1 KING COUNTY, WASHINGTON (the "County"), promises to  
2 pay to the Registered Owner identified above, or regis-  
3 tered assigns as hereinafter provided, on the Maturity  
4 Date identified above from the King County Limited  
5 General Obligation Bond Redemption Fund the Principal  
6 Amount identified above and to pay interest (computed on  
7 the basis of a 360-day year of twelve 30-day months)  
8 thereon from the date of this bond or from the most  
9 recent interest payment date to which interest has been  
10 paid at the Interest Rate per annum set forth above pay-  
11 able on June 1, 1987, and semiannually thereafter on each  
12 succeeding December 1 and June 1 until the Principal  
13 Amount is paid. Both principal of and interest on this  
14 bond are payable in lawful money of the United States of  
15 America at the fiscal agencies of the State of Washington  
16 in Seattle, Washington, and New York, New York, which  
17 shall serve as the Bond Registrar. Payment of each  
18 installment of interest shall be made to the Registered  
19 Owner hereof whose name shall appear on the registration  
20 books of the County maintained by the Bond Registrar (the  
21 "Bond Register") at the close of business on the 15th day  
22 of the calendar month next preceding the interest payment  
23 date and shall be paid by check or draft of the Bond  
24 Registrar mailed to such Registered Owner at the Regis-  
25 tered Owner's address as it appears on the Bond Register.

26 Reference is made to the additional provisions of  
27 this bond set forth on the reverse side hereof and in  
28 Ordinance 7710 (the "Bond Ordinance") of the County  
29 and such additional provisions shall for all purposes  
30 have the same effect as if set forth on the front side  
31 hereof.

32 The County irrevocably covenants that it will levy  
33 taxes annually, within the constitutional and statutory  
34 tax limitations provided by law without a vote of the  
35 electors of the County, on all of the taxable property  
36 within the County, in an amount sufficient, together with  
37 other money legally available and to be used therefor, to  
38 pay the principal of and interest on the bonds of this  
39 issue as the same shall become due, and the full faith,  
40 credit and resources of the County are pledged  
41 irrevocably for the annual levy and collection of such  
42 taxes and for the prompt payment of that principal and  
43 interest. The County also irrevocably covenants to  
44 appropriate for payment of a portion of the bonds of this  
45 issue certain special excise tax receipts of the County  
46 under R.C.W. 67.28.180, as amended, as described in the  
47 Bond Ordinance.

48 This bond shall not be valid or become obligatory  
49 for any purpose until the Certificate of Authentication  
50 hereon shall have been signed by the Bond Registrar.

51 The principal of and interest on this bond shall be  
52 paid only to the owner hereof registered as such on the  
53 Bond Register as of the record date set forth above and  
54 to no other person, and this bond may not be assigned  
55 except on the Bond Register.

56 It is certified and declared that all acts,  
57 conditions and things required to be done precedent to  
58 and in the issuance of this bond have been done, have  
59 happened and have been performed as required by law, and  
60 that the total indebtedness of the County, including this  
61 bond issue, does not exceed any constitutional or

7710

1 statutory limitations.

2 IN WITNESS WHEREOF, the County has caused this bond  
3 to be signed in the corporate name of the County by the  
4 facsimile signatures of its County Executive and the  
5 Clerk of the County Council, and a facsimile reproduction  
6 of the seal of the County Council to be imprinted hereon,  
7 this first day of August, 1986.

6 KING COUNTY, COUNCIL  
7 KING COUNTY, WASHINGTON

8 By: \_\_\_\_\_  
9 County Executive

10 ATTEST:

11 \_\_\_\_\_  
12 Clerk of the Council Office of Finance Issue No. \_\_\_\_\_

13 Date of Authentication:

14 CERTIFICATE OF AUTHENTICATION

15 This bond is one of the fully registered King  
16 County, Washington, Limited Tax General Obligation Bonds,  
17 1986, Series A (Various Capital Improvement Projects),  
18 described in the Bond Ordinance.

18 WASHINGTON STATE FISCAL AGENCY  
19 Bond Registrar

20 BY \_\_\_\_\_  
21 Authorized Officer

22 ADDITIONAL PROVISIONS

23 This bond is one of a total issue of \$6,050,000 par  
24 value of King County, Washington, Limited Tax General  
25 Obligation Bonds, 1986, Series A (Various Capital  
26 Improvement Projects) (the "Bonds"), all of like date,  
27 tenor and effect, except as to denomination, option of  
28 redemption, maturities and interest rates, and issued by  
29 the County for the acquisition, construction, equipping  
30 and furnishing of district court and other capital facil-  
31 ities and for the acquisition and installation of public  
32 seating facilities in the King County domed stadium, all  
33 as described in the Bond Ordinance, and in accordance and  
in strict compliance with all statutes of the State of  
Washington applicable thereto, with the Constitution of  
the State of Washington and pursuant to the Bond Ordin-  
ance and all other applicable ordinances of the County.

This Bond is transferable by the Registered Owner  
hereof or by the Registered Owner's duly authorized agent  
at the Bond Registrar, 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 and cancellation

1 of this Bond. Upon such transfer, a new Bond (or Bonds  
2 at the option of the new Registered Owner) of the same  
3 maturity and for the same aggregate principal amount will  
4 be issued to the new Registered Owner, without charge, in  
5 exchange therefor. This Bond and other Bonds may be sur-  
6 rendered to the Bond Registrar and exchanged, without  
7 charge, for an equal aggregate principal amount of Bonds  
8 of the same maturity and interest rate, in any authorized  
9 denomination. The Bond Registrar shall not be obligated  
10 to transfer or exchange any Bond during the fifteen days  
11 preceding any principal payment, interest payment or  
12 redemption date.

13 The County reserves the right to redeem any or all  
14 of the Bonds maturing December 1, 1997, and thereafter,  
15 prior to their stated maturity dates as a whole, or in  
16 part in inverse order of maturity (and by lot within a  
17 maturity in such manner as the Bond Registrar shall  
18 determine), on December 1, 1996, or on any semiannual  
19 interest payment date thereafter, at par plus accrued  
20 interest to date of redemption.

21 Portions of the principal amount of any Bond, in  
22 installments of \$5,000 or any integral multiple of  
23 \$5,000, may be redeemed. If less than all of the princi-  
24 pal amount of any Bond is redeemed, upon surrender of  
25 such Bond at the principal office of the Bond Registrar,  
26 there shall be issued to the Registered Owner, without  
27 charge therefor, a new Bond or Bonds, at the option of  
28 the Registered Owner, of like maturity and interest rate  
29 in any of the denominations authorized by the Bond Ordin-  
30 ance. Notice of any such intended redemption shall be  
31 given not less than thirty nor more than sixty days prior  
32 to the date fixed for redemption by first class mail,  
33 postage prepaid, to the Registered Owner of any Bond to  
be redeemed at the address appearing on the Bond Register  
at the time the Bond Registrar prepares the notice. 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 owner of  
any Bond. In addition, such redemption notice shall be  
mailed within the same period, postage prepaid, to  
Moody's Investors Service, Inc., and Standard & Poor's  
Corporation at their offices in New York, New York, or  
their successors, but such mailing shall not be a condi-  
tion precedent to the redemption of such Bonds. The in-  
terest on the Bonds so called for redemption shall cease  
on the date fixed for redemption unless such Bonds so  
called are not redeemed upon presentation made pursuant  
to such call.

26 The County also reserves the right and option to  
27 purchase any of the Bonds on the open market at a price  
28 not in excess of par plus accrued interest to the date of  
29 purchase.

30 Reference is made to the Bond Ordinance for other  
31 covenants and declarations of the County and other terms  
32 and conditions upon which this Bond has been issued,  
33 which terms and conditions, including, but not limited  
to, terms pertaining to defeasance, are made a part here-  
of by this reference. The County irrevocably and uncon-  
ditionally covenants that it will keep and perform all  
covenants of this Bond and of the Bond Ordinance.

The County and the Bond Registrar may deem and treat



1 the Registered Owner of this Bond as its absolute owner  
2 for the purpose of receiving payment of principal hereof  
3 and interest hereon and for all other purposes, and  
4 neither the County nor the Bond Registrar shall be  
5 affected by any notice to the contrary. "Registered  
6 Owner," as used herein, means the person named as the  
7 Registered Owner of this Bond on the front hereof and on  
8 the Bond Register.

[Legal Opinion]

ASSIGNMENT

For value received, the undersigned Registered Owner  
does sell, assign and transfer unto:

\_\_\_\_\_

10 (name, address and social security or other identifying  
11 number of assignee) the within mentioned Bond and  
12 irrevocably constitutes and appoints \_\_\_\_\_  
13 \_\_\_\_\_ to transfer the same on the  
14 Bond Register with full power of substitution in the  
15 premises.

DATED: \_\_\_\_\_.

\_\_\_\_\_  
Registered Owner

(NOTE: The signature above must correspond with the  
name of the Registered Owner as it appears on the front  
of this Bond in every particular, without alteration or  
enlargement or any change whatsoever.)

Signature Guaranteed:

\_\_\_\_\_  
(Note: Signature must be guaranteed  
by a member firm of the New York Stock  
Exchange or a commercial bank or trust  
company.)

SECTION 7. Signing and Authentication of Bonds.

The Bonds shall be signed in the corporate name of the  
county by the facsimile signatures of its county  
executive and the clerk of the county council and a  
facsimile reproduction of the seal of the county council  
shall be imprinted thereon.

Only such Bonds as shall bear thereon a Certificate  
of Authentication in the form hereinbefore set forth,  
manually executed by the Bond Registrar, shall be valid

1 or obligatory for any purpose or entitled to the benefits  
2 of this ordinance. Such Certificate of Authentication  
3 shall be conclusive evidence that the Bonds so authenti-  
4 cated have been duly executed, authenticated and deliv-  
5 ered hereunder and are entitled to the benefits of this  
6 ordinance.

7 In case either or both of the officers whose  
8 facsimile signatures appear on the Bonds shall cease to  
9 be such officer or officers of the county before the  
10 Bonds so signed shall have been authenticated or  
11 delivered by the Bond Registrar, or issued by the county,  
12 such Bonds nevertheless may be authenticated, delivered  
13 and issued and upon such authentication, delivery and  
14 issue, shall be as binding upon the county as though  
15 those whose facsimile signatures appear on the Bonds had  
16 continued to be such officers of the county. Any Bond  
17 also may be signed and attested on behalf of the county  
18 by such persons as at the actual date of execution of  
19 such Bond shall be proper officers of the county  
20 authorized to execute bonds although on the original date  
21 of such Bond such persons were not such officers of the  
22 county.

23 SECTION 8. Bond Registrar. The Bond Registrar  
24 shall keep, or cause to be kept, at its principal  
25 corporate trust office, sufficient books for the  
26 registration and transfer of the Bonds which shall at all  
27 times be open to inspection by the county. The Bond  
28 Registrar is authorized, on behalf of the county, to  
29 authenticate and deliver Bonds transferred or exchanged  
30 in accordance with the provisions of such Bonds and this  
31 ordinance, to serve as the county's paying agent for the  
32 Bonds and to carry out all of the Bond Registrar's powers  
33 and duties under this ordinance and Ordinance 6803

1 establishing a system of registration for the county's  
2 Bonds and obligations.

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

12 SECTION 9. District Courts Acquisition and  
13 Construction Fund. A special fund of the county is  
14 created to be known as the "District Courts Acquisition  
15 and Construction Fund" (the "Acquisition and Construction  
16 Fund"). Of the total principal proceeds received from  
17 the sale of the Bonds, \$5,118,135.02 shall be paid into  
18 that fund and shall be expended solely for the  
19 acquisition, construction, equipping and furnishing of  
20 district court and other capital facilities, including,  
21 but not limited to, Aukeen, Bellevue, Issaquah, and  
22 Shoreline District Courts, and to pay administrative  
23 costs relating to such acquisition and construction and  
24 the costs of issuance of the Bonds attributable to such  
25 facilities, and including reimbursement of funds expended  
26 for such costs prior to the sale of the Bonds, as  
27 described in Ordinances 7355, 7422 and 7684 and the  
28 attachments thereto and this ordinance. Interest and  
29 other earnings received from the interim investment of  
30 such money shall be deposited in the Acquisition and  
31 Construction Fund and shall not exceed the applicable  
32 limits provided by the federal statutes and regulations  
33 relating to arbitrage.

1           SECTION 10. Stadium Public Seating Acquisition  
2 Fund. A special fund of the county is created to be  
3 known as the "Stadium Public Seating Facilities  
4 Acquisition Fund" (the "Stadium Seating Acquisition  
5 Fund"). Of the total principal proceeds of the sale of  
6 the Bonds, \$931,864.98 shall be paid into that fund, and  
7 shall be expended solely for the acquisition and  
8 installation of public seating facilities in the King  
9 County domed stadium as described in Ordinance 7422 and  
10 the attachments thereto and this ordinance and to pay  
11 administrative costs relating to such acquisition and  
12 installation and the costs of issuance of the Bonds  
13 attributable to such seating facilities, and including  
14 reimbursement of funds expended for such costs prior to  
15 the sale of the Bonds. Interest and other earnings  
16 received from the interim investment of such proceeds  
17 shall be deposited in the Stadium Seating Acquisition  
18 Fund and shall not exceed applicable limits provided by  
19 federal statutes and regulations relating to arbitrage.

20           SECTION 11. Bond Fund. A special fund of the  
21 county has been created known as the "King County Limited  
22 General Obligation Bond Redemption Fund" (herein the  
23 "Bond Fund"), which fund shall be drawn upon for the  
24 purpose of paying the principal of and interest on the  
25 Bonds and other limited tax levy general obligation bonds  
26 of the county. The accrued interest and premium, if any,  
27 received from the sale of the Bonds shall be deposited in  
28 the Bond Fund. The county irrevocably covenants that it  
29 will make annual levies of taxes, within the consti-  
30 tutional and statutory tax limitations provided by law  
31 without a vote of the electors of the county, upon all  
32 the property in the county subject to taxation in an  
33 amount sufficient, together with other money which may

1 become legally available and used for such purposes, to  
2 pay the principal of and interest on the Bonds as such  
3 principal and interest shall become due. The county fur-  
4 ther irrevocably covenants that it will appropriate to  
5 the Bond Fund for the payment of the principal of and  
6 interest on that portion of the Bonds the proceeds of  
7 which are to be deposited in the Stadium Seating Acquisi-  
8 tion Fund so much of the special excise tax receipts of  
9 the county under the provisions of R.C.W. 67.28.180, as  
10 amended, as is necessary (and available after allocation  
11 of such receipts to the obligations payable therefrom) to  
12 pay such portion of the Bonds without regard to the  
13 availability of general property taxes, and such special  
14 excise tax receipts are pledged to the payment of such  
15 portion of the Bonds. Such taxes so collected to pay the  
16 Bonds shall be paid into the Bond Fund, and shall not be  
17 used for any other purpose than the payment of the prin-  
18 cipal of and interest on the Bonds. The full faith,  
19 credit and resources of the county are pledged irrevoc-  
20 ably for the annual levy and collection of such taxes  
21 and the prompt payment of such principal and interest.

22 If and to the extent special excise taxes received  
23 by the county under the provisions of R.C.W. 67.28.180,  
24 as amended, are insufficient to pay when due all of the  
25 principal of and interest on that portion of the Bonds  
26 the proceeds of which are to be deposited in the Stadium  
27 Seating Acquisition Fund, amounts necessary to make such  
28 principal and interest payments on such Bonds may be lent  
29 by and transferred from the Current Expense Fund or other  
30 fund of the county to the Bond Fund and used for the sole  
31 purpose of paying the principal of and interest on such  
32 Bonds. Any and all such loans shall be repaid from  
33 special excise tax receipts of the county under R.C.W.

1 67.28.180, as amended, as soon as such receipts become  
2 available for that purpose.

3 For the purpose of this section, the Bonds issued  
4 for the purpose of acquiring stadium seating shall be  
5 allocated pro rata to each maturity.

6 SECTION 12. Preservation of Tax Exemption for  
7 Bonds. The county will not take or permit to be taken on  
8 its behalf any action which would adversely affect the  
9 exemption from federal income taxation of the interest on  
10 the Bonds and will take or require to be taken such acts  
11 as may reasonably be within its ability and as may from  
12 time to time be required under applicable law to continue  
13 the exemption from federal income taxation of the  
14 interest on the Bonds. Without limiting the generality  
15 of the foregoing, and except to the extent the investment  
16 of any Bond proceeds is limited to a yield required to  
17 comply with federal arbitrage regulations, the county  
18 will spend the proceeds of the Bonds with due diligence  
19 to completion of the purposes specified herein and will  
20 not invest or make other use of the proceeds of the  
21 Bonds, which if such use had been reasonably expected at  
22 the date that the Bonds are issued, would have caused  
23 such Bonds to be arbitrage bonds within the meaning of  
24 Section 103(c) of the United States Internal Revenue Code  
25 of 1954, as amended, and applicable regulations  
26 thereunder.

27 In addition, if future federal laws or regulations  
28 require the payment of any federal tax or rebate by the  
29 county or the observing by the county of any other  
30 requirement to maintain the exemption from federal income  
31 taxation of the interest on the Bonds, the county shall  
32 make any such payment and observe any such requirement.  
33

1           The county has not been notified of any listing or  
2 proposed listing by the Internal Revenue Service to the  
3 effect that the county is a bond issuer whose arbitrage  
4 certifications may not be relied upon.

5           SECTION 13. Defeasance. The County may issue  
6 advance refunding bonds pursuant to the laws of the  
7 State of Washington or use money available from any other  
8 lawful source to pay the principal of and interest on the  
9 Bonds, or such portion thereof included in a refunding or  
10 defeasance plan, as the same become due and payable and  
11 to redeem and retire or refund all such then-outstanding  
12 Bonds (hereinafter collectively called the "defeased  
13 Bonds") and to pay the costs of such refunding or  
14 defeasance. In the event that money and/or "government  
15 obligations," as such obligations are defined in chapter  
16 39.53 R.C.W., as now or hereafter amended, maturing at  
17 such time or times and bearing interest thereon, in  
18 amounts (together with such money, if necessary)  
19 sufficient to redeem and retire or refund the defeased  
20 Bonds in accordance with their terms, are set aside  
21 irrevocably in a special fund for and pledged to such  
22 redemption and retirement (hereinafter called the "trust  
23 account") and are pledged irrevocably for such purpose,  
24 then all right and interest of the owners of the defeased  
25 Bonds in the covenants of this ordinance and, except as  
26 hereinafter provided, in the funds and accounts obligated  
27 to the payment of such defeased Bonds thereafter shall  
28 cease and become void. Such owners thereafter shall have  
29 the right to receive payment of the principal of and  
30 interest on the defeased Bonds from the trust account,  
31 and the defeased Bonds shall be deemed not to be  
32 outstanding hereunder. Anything herein to the contrary  
33 notwithstanding, the pledge of the full faith, credit and

1 taxing power of the county to the payment of the Bonds  
2 shall remain in full force and effect after the  
3 establishing and full funding of the trust account.  
4 Subject to the rights of the owners of the Bonds, the  
5 county may then apply any money in any other fund or  
6 account established for the payment or redemption of the  
7 defeased Bonds to any lawful purposes as it shall  
8 determine.

9 SECTION 14. Bonds Negotiable. The Bonds shall be  
10 negotiable instruments to the extent provided by R.C.W.  
11 62A.8-102 and 62A.8-105.

12 SECTION 15. Sale of Bonds. The Bonds shall be sold  
13 for cash at public sale upon sealed bids to be received  
14 at the office of the clerk of the county council, room  
15 403, King County Courthouse, Seattle, Washington, until  
16 10:00 a.m., local time, on a day to be fixed by the  
17 county executive after consultation with the chair of the  
18 council. The clerk of the council is authorized and  
19 directed to advertise the Bonds for sale in the manner  
20 required by law and to give such additional notice as she  
21 shall deem to be in the best interests of the county.

22 The terms of such sale are set forth in the Notice  
23 of Bond Sale and the Bid Form contained in Exhibit A and  
24 attached hereto, the provisions thereof and form of which  
25 are approved and made a part of this ordinance by this  
26 reference.

27 SECTION 16. Temporary Bond. Pending the printing,  
28 execution and delivery to the purchaser of the definitive  
29 Bonds, the county may cause to be executed and delivered  
30 to such purchaser a single temporary Bond in the  
31 principal amount of \$6,050,000. Such temporary Bond  
32 shall bear the same date of issuance, interest rates,  
33 principal payment dates and terms and covenants as the



1 definitive Bonds, and shall be issued as a fully  
 2 registered bond in the name of such purchaser, and shall  
 3 be in such form as acceptable to such purchaser. Such  
 4 temporary Bond shall be exchanged for the definitive  
 5 Bonds as soon as the same are printed, executed and  
 6 available for delivery by the director of the office of  
 7 finance of the county.

8 SECTION 17. Further Acts Authorized. Upon the sale  
 9 of the Bonds, the proper county officials are authorized  
 10 and directed to do everything necessary for prompt  
 11 printing, execution and delivery thereof, the appropriate  
 12 use and application of the proceeds of such sale, and the  
 13 execution of the certificates necessary to the delivery  
 14 thereof.

15 SECTION 18. Ratification. Any act done pursuant to  
 16 the authority and prior to the effective date of this  
 17 ordinance is ratified and confirmed.

18 INTRODUCED and read for the first time this 21<sup>st</sup>  
 19 day of July, 1986.

20 PASSED this 28<sup>th</sup> day of July, 1986

21  
 22 KING COUNTY COUNCIL  
 KING COUNTY, WASHINGTON

23 Audrey Bruger  
 24 Chair

25 ATTEST:

26  
 27 Bonny M. Owens  
 28 Clerk of the Council

29  
 30 APPROVED this 29<sup>th</sup> day of July, 1986

31 Jim Hill  
 32 King County Executive  
 33

17716

EXHIBIT A

NOTICE OF BOND SALE

KING COUNTY, WASHINGTON

\$6,050,000

LIMITED TAX GENERAL OBLIGATION BONDS, 1986, SERIES A

(VARIOUS CAPITAL IMPROVEMENT PROJECTS)

SEALED BIDS will be received by the county council of King County, Washington, at the office of the clerk of the county council, room 403, King County Courthouse, Seattle, Washington, until 10:00 a.m., local time, on August 11, 1986

for the purchase of all or none of \$6,050,000 "Limited Tax General Obligation Bonds, 1986, Series A (Various Capital Improvement Projects)," of King County, Washington (the "Bonds"), at which time and place such bids will be publicly opened, read and evaluated.

All of the Bonds will be dated August 1, 1986; will be in the denomination of \$5,000 each or integral multiples thereof within a single maturity; and will be payable both principal and interest in lawful money of the United States at either fiscal agency of the State of Washington in Seattle, Washington, or New York, New York. Interest will be payable on June 1, 1987, and semiannually thereafter on each December 1 and June 1. The Bonds will mature on December 1 of each of the following years in the following amounts:

<u>Maturity</u>	<u>Amounts</u>
<u>Years</u>	
1987	\$145,000
1988	280,000
1989	295,000
1990	310,000
1991	330,000
1992	345,000
1993	370,000
1994	390,000
1995	415,000
1996	445,000
1997	475,000
1998	505,000
1999	540,000
2000	580,000
2001	625,000

1 King County has reserved the right to redeem Bonds  
2 maturing on December 1, 1997, and thereafter in whole, or  
3 in part in inverse order of maturity, on December 1,  
4 1996, and any interest payment date thereafter at par  
5 plus accrued interest to the date of redemption.

6 The county reserves the right to purchase any of the  
7 Bonds on the open market at a price not in excess of par  
8 plus accrued interest to the date of purchase.

9 The Bonds will be secured by an annual levy of  
10 taxes, within the constitutional and statutory tax limita-  
11 tions provided by law without a vote of the electors of  
12 the county, upon all the property within King County sub-  
13 ject to taxation in an amount sufficient, together with  
14 other money which may become legally available and used  
15 for such purposes, to pay the principal of and interest  
16 on the Bonds as they become due. Special excise tax  
17 receipts of the county under RCW 67.28.180 are also  
18 pledged to the payment of \$932,051.31 in principal amount  
19 of the Bonds the proceeds of which are used for stadium  
20 capital improvement projects of the county.

21 Bidders shall submit bids on blank forms furnished  
22 by the county, and each bid shall conform to the follow-  
23 ing requirements:

24 1. The net effective interest rate on the Bonds  
25 shall not exceed 10% per annum, and each installment  
26 of interest on each Bond shall be evidenced by a  
27 single interest rate.

28 2. All interest rates must be in multiples of 1/8  
29 or 1/20 of 1%.

30 3. A single interest rate must be fixed for all  
31 Bonds maturing on the same date.

32 4. The spread between the highest and lowest inter-  
33 est rates shall not exceed 3%.

5. Each bid shall provide for payment of accrued  
interest to date of delivery and shall specify  
either (a) the lowest rate or rates of interest and  
premium above par at which the bidder will purchase  
the Bonds, or (b) the lowest rate or rates of inter-  
est at which the bidder will purchase the Bonds at  
par. The Bonds shall not be sold below par.

6. Each bid shall state the total interest cost,  
total premium, the true interest cost to the county,  
and the net effective interest rate thereunder, but  
such statement shall not be considered a part of the  
bid, the actual interest rates and any premium bid  
being determinative of the best bid.

7. Each bid shall be sealed and shall be accompan-  
ied by a good faith deposit of \$121,000, evidenced  
by a certified or bank cashier's check made payable  
to the director of the office of finance of King  
County, Washington, which check shall be security  
for the performance of such bid and shall be held  
for liquidated damages in case the successful bidder  
fails to take up and pay for the Bonds within forty

1 days, if tendered for delivery, after the acceptance  
2 thereof. The county may deposit the good faith  
3 deposit of the successful bidder into the District  
4 Courts Acquisition and Construction Fund or the  
5 Stadium Seating Facilities Acquisition Fund and  
6 invest the same for the county's benefit pending the  
7 payment for and delivery of the Bonds. The purchas-  
8 er shall not be credited for such earnings. The  
9 good faith checks of all bidders except that of the  
10 successful bidder will be returned as soon as  
11 possible after the bids have been opened and  
12 evaluated. The award of such Bonds, if any, will be  
13 made promptly after bid opening but not later than  
14 1:00 p.m., local time, on the date when bids are  
15 opened.

9 The Bonds will be awarded to the bidder offering to  
10 purchase all of the same at the lowest true interest  
11 cost, subject to the right of the county to reject any  
12 and all bids and to readvertise the Bonds for sale in the  
13 manner provided by law. The "true interest cost" is the  
14 annual rate which, when compounded semiannually, will  
15 discount the debt service payments from the payment dates  
16 to the date of the Bonds and the price bid, without  
17 regard to interest accrued to the date of delivery. No  
18 bid for less than the entire issue will be considered.  
19 In the event two or more bids are submitted at the same  
20 true interest cost, the Bonds will be awarded by lot.  
21 The county reserves the right to waive any irregularities  
22 that may appear in any bid or the bidding process, but no  
23 bid submitted after the specified time for receiving bids  
24 will be opened, and no bid will be read or considered  
25 which is not accompanied by the required good faith  
26 check.

18 The Bonds will be delivered to the purchaser at  
19 Seattle, Washington, at the county's expense, or at such  
20 other place as the purchaser and the Director of the  
21 Office of Finance of King County may mutually agree upon  
22 at the expense of the purchaser. Settlement in full  
23 shall be made at the time of delivery and shall be in  
24 federal funds available in Seattle, Washington, on the  
25 day of delivery, except that the principal amount of the  
26 good faith deposit of the purchaser shall be applied to  
27 the purchase price of the Bonds.

24 If, prior to the delivery of the Bonds, the income  
25 receivable by the owners thereof shall be taxable by the  
26 terms of any federal income tax law becoming effective  
27 after the sale date of the Bonds, the successful bidder  
28 may at its option be relieved of its obligation to pur-  
29 chase the Bonds, and in such case the deposit accompany-  
30 ing its bid will be returned without interest.

28 It is anticipated that CUSIP identification numbers  
29 will be printed on the Bonds, but neither the failure to  
30 print such number on any Bond nor any error with respect  
31 thereto shall constitute cause for a failure or refusal  
32 by the purchaser thereof to accept delivery of and pay  
33 for the Bonds. Expenses related to the printing of CUSIP  
34 numbers on the Bonds shall be paid for by the issuer,  
35 except that the CUSIP Service Bureau charge for the  
36 assignment of the numbers shall be the responsibility of  
37 and shall be paid for by the purchaser. The county

1 will pay the cost of printing the Bonds, and will furnish  
2 without cost to the purchaser thereof the unqualified  
3 approving opinion of Roberts & Shefelman approving the  
4 legality of the issuance of the Bonds and the exemption  
5 of the interest on the Bonds from federal income taxation  
6 under existing law and rulings, which legal opinion will  
7 be printed on each Bond. The legal opinion shall state  
8 that the bond counsel expresses no opinion on the  
9 completeness or accuracy of any official statement,  
10 offering circular or other sales material relating to the  
11 issuance of the Bonds prepared by the county or its  
12 financial advisor or otherwise used in connection with  
13 the Bonds, except that bond counsel will have reviewed  
14 the preliminary and final official statements for the  
15 completeness and accuracy of the description of  
16 procedural and legal matters.

17 A no-litigation certificate in the usual form will  
18 be included in the closing papers.

19 Further information regarding the details of such  
20 Bonds and the ordinance fixing their purposes, covenants  
21 and terms, together with financial data with reference to  
22 the county, will be found in an official statement which  
23 may be obtained upon request made to the undersigned,  
24 Clerk of the County Council, King County Courthouse,  
25 Seattle, Washington 98104, or made to Drexel Burnham,  
26 Lambert, Inc., 3860 Seafirst Fifth Avenue Plaza, Seattle,  
27 Washington 98104, financial consultants.

28  
29  
30  
31  
32  
33  

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Clerk of the County Council,  
King County, Washington

17710

KING COUNTY, WASHINGTON

BID FORM

FOR PURCHASE OF BONDS

\$6,050,000

LIMITED TAX GENERAL OBLIGATION BONDS, 1986, SERIES A  
(VARIOUS CAPITAL IMPROVEMENT PROJECTS)

County Council of King County  
King County Courthouse  
Seattle, Washington 98104

For \$6,050,000 King County, Washington, "Limited Tax General Obligation Bonds, 1986, Series A (Various Capital Improvement Projects)," to be dated August 1, 1986, and to mature on December 1 of each of the years 1987 through 2001 in the amounts shown below, with interest payable on June 1, 1987, and semiannually thereafter on each December 1 and June 1, we will pay the sum of \$6,050,000, a premium of \$\_\_\_\_\_ and accrued interest from August 1, 1986, to the date of their delivery for Bonds to bear interest at the annual rates set forth below:

<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>
December 1, 1987	\$145,000	_____ %
December 1, 1988	280,000	_____ %
December 1, 1989	295,000	_____ %
December 1, 1990	310,000	_____ %
December 1, 1991	330,000	_____ %
December 1, 1992	345,000	_____ %
December 1, 1993	370,000	_____ %
December 1, 1994	390,000	_____ %
December 1, 1995	415,000	_____ %
December 1, 1996	445,000	_____ %
December 1, 1997	475,000	_____ %
December 1, 1998	505,000	_____ %
December 1, 1999	540,000	_____ %
December 1, 2000	580,000	_____ %
December 1, 2001	625,000	_____ %

This bid is submitted in accordance with and subject to all provisions contained in the official Notice of Bond Sale of these Bonds attached hereto and made a part of this bid.

A certified or bank cashier's check in the sum of \$121,000 payable to the order of the director of the office of finance of King County, Washington, is attached, which check is to be returned to us if this bid is not accepted. If this bid is accepted, this check shall be retained, and may be invested, by the County, and when the Bonds are delivered and paid for under the terms of this bid, the principal amount thereof shall be considered as an advance part payment thereon and shall be retained as and for liquidated damages in case we fail to take up and pay for the Bonds at the price agreed upon under the terms of this bid. No interest earned on the amount of this check shall be credited to the purchase price of the Bonds.

The following information is submitted in accordance with the requirements of the Notice of Bond Sale but is not a part of this bid:

Total Interest	\$ _____
Less Premium	_____
True Interest Cost	_____
Net Effective Interest Rate	_____

Respectfully submitted this \_\_\_\_\_ day of \_\_\_\_\_, 1986.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Good faith check returned and receipt thereof acknowledged.

(signed) \_\_\_\_\_

(For) \_\_\_\_\_