

1 Date: June 17, 1987

PAUL BARDEN
BRUCE LAING

3 INTRODUCED BY: BOB GREIVE

4 PROPOSED NO.: 87-411

6 ORDINANCE NO. 8126

7 AN ORDINANCE providing for the consolidation of Road
8 Improvement Districts Nos. 72 and 91 of King
9 County into and the establishment of Consolidated
10 Road Improvement District No. 1987-1; authorizing
11 the issuance of bonds of Consolidated Road
12 Improvement District No. 1987-1 in the aggregate
13 principal amount of \$2,576,844.82; providing for
14 the sale of said bonds; providing for the disposi-
15 tion of proceeds of the sale of the bonds; and
16 establishing a bond redemption fund for the
17 payment of the bonds.

13 PREAMBLE:

14 King County Road Improvement Districts Nos. 72 and 91 were
15 duly created by Ordinance No. 3296, passed July 11, 1977 and
16 Ordinance No. 6503, passed August 22, 1983, respectively.

17 The improvements authorized to be constructed in Road
18 Improvement Districts Nos. 72 and 91 (the "Road Improvement
19 Districts") have now been completed. The final assessment
20 rolls for said Road Improvement Districts were confirmed by
21 Ordinances Nos. 6424 and 7943, respectively, in the total
22 amount of \$3,894,562.02, of which \$1,317,717.20 was paid
23 during the thirty (30) day periods permitted by law for the
24 payment of assessments without penalty or interest or as
25 installment payments of said assessments.

26 For the purpose of issuing bonds, it is deemed desirable
27 that the Road Improvement Districts be consolidated into a
28 single consolidated road improvement district pursuant to
29 RCW 36.88.375, and that the county issue and sell bonds of
30 said consolidated road improvement district in the principal
31 amount of \$2,576,844.82 (the "Bonds") in order to pay part
32 of the cost and expense of said improvements.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

27 SECTION 1. Consolidation of Districts and Establishment
28 of Consolidated District. For the purpose of issuing bonds to
29 finance part of the cost and expense of improvements made in Road
30 Improvement Districts Nos. 72 and 91 of the county, Consolidated
31 Road Improvement District No. 1987-1 is hereby established and

1 Road Improvement Districts Nos. 72 and 91 are hereby consolidated
2 into such Consolidated Road Improvement District No. 1987-1.

3 SECTION 2. Bond Redemption Fund. A special fund of the
4 county to be known as the Consolidated Road Improvement District
5 No. 1987-1 Bond Redemption Fund (the "Bond Fund") is hereby
6 authorized and directed to be created in the office of finance of
7 King County. After payment in full from proceeds of the Bonds of
8 all outstanding warrants and notes previously issued and all
9 interfund loans previously made to provide funds for the making
10 of improvements in the Road Improvement Districts, all money
11 thereafter received by the county in payment of the principal of,
12 penalties, if any, and interest on the assessments levied in Road
13 Improvement District Nos. 72 and 91, and all money, if any, on
14 hand in the Road Improvement District No. 72 Fund and the Road
15 Improvement District No. 91 Fund of the county shall be paid into
16 the Bond Fund and used to pay the principal of and interest on
17 the Bonds authorized by this ordinance, and as security for such
18 payments the Bond Fund is hereby pledged.

19 Money deposited into the Bond Fund shall be invested as
20 permitted by law for the sole benefit of such fund, and irrespec-
21 tive of the general provisions of Ordinance No. 7112 and K.C.
22 4.10, the county current expense fund shall not receive any
23 earnings attributable to such fund.

24 SECTION 3. Authorization and Terms of Bonds. For the
25 purpose of financing part of the cost and expense of the improve-
26 ments ordered by Ordinances Nos. 3296 and 6503 of the county and
27 constructed in Consolidated Road Improvement District No. 1987-1,
28 and of paying the costs of issuing the Bonds, the county shall
29 issue its Consolidated Road Improvement District No. 1987-1 Bonds
30 (the "Bonds") in the aggregate principal amount of \$2,576,844.82.

31 The Bonds shall be designated "King County Consolidated Road
32 Improvement District No. 1987-1 Bonds," shall be dated July 1,

1 1987, and shall be in the denomination of \$5,000 each (except
2 that Bond No. 1 shall be in the denomination of \$6,844.82). The
3 Bonds shall be registered as to both principal and interest,
4 shall bear interest at such rates as shall hereafter be fixed by
5 the county council payable on July 1, 1988, and annually
6 thereafter on July 1 of each year until the bond bearing such
7 interest has been paid, shall be numbered separately, from 1 to
8 515, inclusive, with any additional designation as the Bond
9 Registrar (as hereinafter defined) deems necessary for purposes
10 of identification, and shall mature on July 1, 2009.

11 Both principal of and interest on the Bonds shall be payable
12 in lawful money of the United States of America. Interest on the
13 Bonds shall be paid by check or draft mailed on or before the
14 interest payment date to the registered owners or assigns at the
15 addresses appearing on the Bond Register (as hereinafter defined)
16 as of the 15th day of the month preceding the interest payment
17 date. Principal of the Bonds shall be payable upon presentation
18 and surrender of the Bonds by the registered owners at either of
19 the principal offices of the fiscal agency of the State of
20 Washington in either Seattle, Washington, or New York, New York,
21 at the option of such owners.

22 Both principal of and interest on the Bonds shall be payable
23 solely out of the Bond Fund and the King County Road Improvement
24 Guaranty Fund heretofore created by Resolution No. 13558 of the
25 county adopted on September 8, 1952. The registered owners of
26 the Bonds shall have no claim therefore against the county except
27 for payment from the special assessments made for the improve-
28 ments in Road Improvement Districts Nos. 72 and 91 and against
29 the Guaranty Fund. The Bonds are not general obligations of the
30 county.

31 SECTION 4. Bond Registrar and Registration of the Bonds.

32 The fiscal agency of the State of Washington in either Seattle,

1 Washington or New York, New York, currently Seattle-First
2 National Bank and IBJ Schroder Bank & Trust Co., are hereby
3 appointed as bond registrar, transfer agent, and authenticating
4 and paying agent with respect to the Bonds (collectively, the
5 "Bond Registrar"). The system of registration for the Bonds
6 shall be that system approved by the Washington State Finance
7 Committee.

8 The Bond Registrar shall keep, or cause to be kept, at its
9 principal corporate trust office sufficient records for the
10 registration and transfer of the Bonds (the "Bond Register").
11 The Bond Register shall contain the name and mailing address of
12 the owner of each Bond or nominee of such owner and the principal
13 amount and number of Bonds held by each owner or nominee. The
14 Bond Register shall at all times be open to inspection by the
15 county. The Bond Registrar is authorized and directed, on behalf
16 of the county, to authenticate and deliver the Bonds transferred
17 or exchanged in accordance with the provisions of such Bonds and
18 this ordinance and to carry out all of the Bond Registrar's
19 powers and duties under this ordinance.

20 The Bond Registrar shall be responsible for its representa-
21 tions contained in the Certificate of Authentication on the
22 Bonds. The Bond Registrar may become the owner of the Bonds with
23 the same rights it would have if it were not the Bond Registrar.
24 To the extent permitted by law, the Bond Registrar may also act
25 as depository for and may permit any of its officers or directors
26 to act as a member of, or in any other capacity with respect to,
27 any committee formed to protect the rights of owners of the
28 Bonds.

29 The Bonds may be transferred only upon the Bond Register and
30 only upon the surrender thereof at the principal office of the
31 Bond Registrar, together with a form of transfer duly executed by
32 the registered owner or his attorney duly authorized in writing,

1 substantially in the form set forth on the Bonds. Upon the
 2 transfer of any Bond, the Bond Registrar shall cancel the trans-
 3 ferred Bond and shall issue in the name of the transferee or
 4 transferees a new fully registered Bond of the same aggregate
 5 principal amount, maturity and interest rate as the surrendered
 6 Bond. The new Bond shall bear the same date as the date of the
 7 surrendered Bond but shall bear interest from the immediately
 8 preceding interest payment date to which interest has been paid
 9 or duly provided for. Such transfer shall be without cost to the
 10 registered owner or transferee.

11 The county may deem the person in whose name each Bond is
 12 registered to be the absolute owner thereof for the purpose of
 13 receiving payment of the principal of and interest on such Bond
 14 and for any and all other purposes whatsoever, and neither the
 15 county nor the Bond Registrar shall be affected by any notice to
 16 the contrary.

17 The Bond Registrar shall not be required to issue, register,
 18 transfer or exchange any Bond during a period beginning at the
 19 opening of business on the fifteenth (15th) day of the month
 20 preceding any interest payment date and ending at the close of
 21 business on the interest payment date or, in the case of any
 22 proposed redemption of Bonds, after the mailing of notice of the
 23 call of such Bonds for redemption.

24 SECTION 5. Redemption of Bonds. The county reserves the
 25 right to redeem the outstanding Bonds at par plus accrued inter-
 26 est to the date of redemption on July 1, 1988 and on any interest
 27 payment date thereafter as a whole, or in part in numerical
 28 order, whenever there shall be sufficient money in the Bond Fund
 29 to pay the same, over and above an amount sufficient to pay the
 30 interest next accruing on the Bonds then outstanding.

31 Notice of any such intended redemption shall be given not
 32 less than thirty (30) nor more than sixty (60) days prior to the

1 date fixed for redemption by first class mail, postage prepaid,
2 to the registered owner of any Bond to be redeemed at the address
3 appearing on the Bond Register. The requirements of this section
4 shall be deemed to be complied with when notice is mailed as
5 herein provided, regardless of whether or not it is actually
6 received by the owner of any Bond.

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

- 9 A. the redemption date;
- 10 B. the redemption price;
- 11 C. if less than all outstanding Bonds are to be redeemed,
12 the identification of the Bonds to be redeemed;
- 13 D. that on the redemption date the redemption price will
14 become due and payable upon each such Bond called for redemption,
15 and that interest thereon shall cease to accrue from and after
16 said date; and
- 17 E. the place where such Bonds are to be surrendered for
18 payment of the redemption price, which place of payment shall be
19 either of the principal offices of the Bond Registrar.

20 Prior to any redemption date, the county shall deposit with
21 the Bond Registrar an amount of money sufficient to pay the
22 redemption price of all the Bonds which are to be redeemed on
23 that date.

24 Official notice of redemption having been given as afore-
25 said, the Bonds to be redeemed shall, on the redemption date,
26 become due and payable at the redemption price therein specified,
27 and from and after such date (unless the county shall default in
28 the payment of the redemption price upon presentation) such Bonds
29 shall cease to bear interest. Upon surrender of such Bonds for
30 redemption in accordance with said notice, such Bonds shall be
31 paid by the Bond Registrar at the redemption price. Installments
32 of interest due on or prior to the redemption date shall be

1 payable as herein provided for payment of interest. All Bonds
 2 which have been redeemed shall be cancelled and destroyed by the
 3 Bonds Registrar and shall not be reissued.

4 SECTION 6. Form of the Bonds. The Bonds shall be in
 5 substantially the following form:

6 UNITED STATES OF AMERICA

7 NO. _____ \$ _____

8 STATE OF WASHINGTON

9 KING COUNTY

10 CONSOLIDATED ROAD IMPROVEMENT DISTRICT NO. 1987-1 BOND

11 INTEREST RATE: MATURITY DATE:

12 SEE REVERSE SIDE FOR CERTAIN DEFINITIONS

13 Registered Owner:

14 Principal Amount: _____ DOLLARS

15 King County, Washington (the "County"), hereby acknowledges
 16 itself to owe and for value received promises to pay to the
 17 Registered Owner identified above, or registered assigns, from
 18 the Consolidated Road Improvement District No. 1987-1 Bond
 19 Redemption Fund (the "Bond Fund") created by Ordinance No. 8126
 20 passed June 22, 1987 (the "Bond Ordinance"), on the
 21 Maturity Date identified above, the Principal Amount indicated
 22 above, unless redeemed prior thereto as provided herein, together
 with interest on such Principal Amount from July 1, 1987, or the
 most recent date to which interest has been paid or duly provided
 for, at the Interest Rate set forth above, computed on the basis
 of a 360 day year consisting of 12 30-day months, payable on
 July 1, 1988, and annually thereafter on July 1 of each year
 until this bond has been paid or its payment has been duly
 provided for.

23 Both principal of and interest on this bond are payable in
 24 lawful money of the United States of America. Interest on this
 25 bond is payable by check or draft mailed to the registered owner
 26 hereof at the address appearing on the records maintained by the
 27 Bond Registrar as of the 15th day of the month preceding the
 28 interest payment date. Principal shall be paid to the registered
 owner hereof upon presentation and surrender of this bond at the
 principal offices of the fiscal agency of the State of Washington
 in either the city of Seattle, Washington, or New York, New York
 (collectively, the "Bond Registrar").

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

30 The owner of any bond or warrant issued under the
 31 provisions of this chapter shall not have any claim
 32 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

1 was issued and except as against the improvement
 2 guaranty fund of such county, and the county shall not
 3 be liable to any owner of such bond or warrant for any
 4 loss to the guaranty fund occurring in the lawful
 5 operation thereof by the county. The remedy of the
 6 owner of a bond, or warrant in case of nonpayment,
 7 shall be confined to the enforcement of any assessments
 8 made in such road improvement district and to the
 9 guaranty fund.

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

13 Both principal of and interest on the bonds of this issue
 14 are payable solely out of the Bond Fund and from the King County
 15 Road Improvement Guaranty Fund created by Resolution No. 13558 of
 16 the County pursuant to Laws of Washington 1951, Chapter 192. The
 17 registered owner of this bond shall have no claim therefor
 18 against the County except for payment from the special assess-
 19 ments made for the improvements for which this bond was issued
 20 and except as against the King County Road Improvement Guaranty
 21 Fund. The bonds are not a general obligation of the County.

22 Reference is hereby made to additional provisions of this
 23 bond set forth on the reverse side hereof, and such additional
 24 provisions shall for all purposes have the same effect as if set
 25 forth in this space. Reference is also made to the Bond Ordinance
 26 for a complete description of the rights of the registered
 27 owners of the bonds of this issue and the security for the
 28 payment hereof and thereof.

29 This bond shall not be valid or become obligatory for any
 30 purpose or be entitled to any security or benefit under the Bond
 31 Ordinance until the Certificate of Authentication hereon shall
 32 have been manually signed by the Bond Registrar.

It is hereby certified and declared that all acts, condi-
 tions, and things required by the Constitution and statutes of
 the State of Washington and ordinances of the County to have
 happened, been done, and performed precedent to and in the
 issuance of this bond and the bonds of this issue have happened,
 been done, and performed.

IN WITNESS WHEREOF, the County Council of King County,
 Washington, has caused this bond to be signed with the facsimile
 signature of the County Executive, attested by the facsimile
 signature of the Clerk of the Council, and has caused the seal of
 the County to be imprinted hereon, all as of this 1st day of
 July, 1987.

KING COUNTY, WASHINGTON

By _____
 King County Executive

ATTEST:

 Clerk of the King County Council

1 CERTIFICATE OF AUTHENTICATION

2 Date of Authentication:

3 This bond is one of the bonds described in the within-
4 mentioned Bond Ordinance and is one of the Consolidated Road
5 Improvement District No. 1987-1 Bonds of the County dated July 1,
6 1987.

7 WASHINGTON STATE FISCAL AGENCY, as
8 Bond Registrar

9 By _____
10 Authorized Officer

11 KING COUNTY OFFICE OF FINANCE ISSUE NO. _____

12 ADDITIONAL PROVISIONS

13 This bond is one of an authorized issue of bonds of like
14 date and tenor, except as to number, amount, and rate of inter-
15 est, in the aggregate principal amount of \$2,576,844,82.

16 The County Council of King County, Washington, has caused
17 this bond to be issued in the name of the County as a bond of
18 Consolidated Road Improvement District No. 1987-1, established by
19 Ordinance No. 8126, said bonds to be applied in payment of
20 part of the cost of the improvements in Road Improvement Dis-
21 tricts Nos. 72 and 91 of the County. Said Road Improvement
22 Districts have been consolidated into Consolidated Road
23 Improvement District No. 1987-1 pursuant to 36.88.375 RCW solely
24 for the purpose of issuing bonds.

25 The bonds of this issue are issued under and in accordance
26 with the provision of the Constitution and applicable statutes of
27 the State of Washington and the Bond Ordinance.

28 The bonds may be called in advance of maturity and redeemed
29 at par plus accrued interest to the date of redemption on July 1,
30 1988 and on any interest payment date thereafter as a whole, or
31 in part in numerical order, whenever there shall be sufficient
32 money in the Bond Fund to pay the same, over and above an amount
sufficient for the payment of the interest next accruing on the
unpaid bonds of this issue.

Notice of any such intended redemption shall be given not
less than thirty (30) nor more than sixty (60) days prior to the
date fixed for redemption by first class mail, postage prepaid,
to the registered owner of any bond to be redeemed at the address
appearing on the Bond Register. The requirements of the Bond
Ordinance shall be deemed to be complied with when notice is
mailed as herein provided, regardless of whether or not it is
actually received by the owner of any bond. Interest on the
bonds so called for redemption shall cease to accrue on the date
fixed for redemption unless such bond or bonds so called are not
redeemed upon presentation made pursuant to such call.

The bonds of this issue are issued in fully registered form
in the denomination of \$5,000 each (except for Bond No. 1 in the
denomination of \$6,844.82).

1 This bond is transferable only on the records maintained by
 2 the Bond Registrar for that purpose upon the surrender of this
 3 bond by the registered owner hereof or his duly authorized agent
 4 and only if endorsed in the manner provided hereon, and thereupon
 5 a new fully registered bond of like principal amount, maturity
 6 and interest rate shall be issued to the transferee in exchange
 7 therefor. The County may deem the person in whose name this bond
 8 is registered to be the absolute owner hereof for the purpose of
 9 receiving payment of the principal of and interest on this bond
 10 and for any and all other purposes whatsoever.

11 The Bond Registrar is not required to issue, register,
 12 transfer or exchange any bond during a period beginning at the
 13 opening of business on the fifteenth (15th) day of the month
 14 preceding any interest payment date and ending at the close of
 15 business on the interest payment date, or, in the case of any
 16 proposed redemption of the bonds, after the mailing of notice of
 17 call of such bonds for redemption.

18 ASSIGNMENT

19 FOR VALUE RECEIVED, the undersigned hereby sells, assigns
 20 and transfers unto _____

21 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER
 22 OF TRANSFEREE

23 _____ / _____ /

24 (Please print or typewrite name and address, including zip code,
 25 of Transferee)

26 the within bond and does hereby irrevocably constitute and
 27 appoint _____ of _____, or
 28 its successor, as Bond Registrar to transfer said bond on the
 29 books kept for registration thereof with full power of substi-
 30 tution in the premises.

31 DATED: _____

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

SIGNATURE GUARANTEED:

SECTION 7. Execution of Bonds. The Bonds shall be executed
 by the county executive by his facsimile signature and attested
 by the clerk of the council by her facsimile signature, and the

1 seal of the county shall be imprinted or impressed on the face of
2 each Bond.

3 Only such Bonds as shall bear thereon a Certificate of
4 Authentication in the form hereinbefore recited, manually exe-
5 cuted 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 fully executed, authenti-
9 cated, and delivered hereunder and are entitled to the benefits
10 of this ordinance.

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

23 SECTION 8. Tax-Exempt Covenants; Excess Earnings Rebate.

24 The county covenants and agrees that throughout the term of the
25 Bonds no part of the proceeds of such Bonds or any other money or
26 obligations held in the Consolidated Road Improvement District
27 No. 1987-1 Bond Redemption Fund shall at any time be used for any
28 purpose, nor shall the county take any other action, which would
29 cause any of the Bonds to be (1) an "arbitrage bond" under
30 Section 148 of the Internal Revenue Code of 1986, as amended, and
31 the applicable regulations thereunder, or (2) a "private activity
32

1 bond" under Section 141 of the Internal Revenue Code of 1986, as
2 amended, and the applicable regulations thereunder.

3 The county covenants and agrees to calculate or cause to be
4 calculated the Rebate Amount and to pay the Rebate Amount to the
5 Internal Revenue Service in the manner and at the times required
6 in this section unless nationally recognized bond counsel de-
7 livers to the county its opinion that the Rebate Amount must be
8 calculated in another manner, in which case the county covenants
9 and agrees to calculate and pay the Rebate Amount in the manner
10 required by law.

11 A. A special fund of the county to be known as the "1987
12 CRID Excess Earnings Fund" (the "Excess Earnings Fund") is hereby
13 authorized and created. The county shall make deposits into and
14 withdrawals from the Excess Earnings Fund at such times and in
15 such manner as provided herein or in such other manner as may be
16 required, in the opinion of nationally recognized bond counsel,
17 to maintain the tax-exempt status of the interest on the Bonds.
18 Money in the Excess Earnings Fund shall be invested as provided
19 by law for the sole benefit of such fund, and irrespective of the
20 general provisions of Ordinance No. 7112 and K.C. 4.10, the
21 current expense fund shall not receive any earnings attributable
22 to the Excess Earnings Fund.

23 B. The county shall calculate the Rebate Amount for each
24 Bond Year and shall maintain the Rebate Amount in the Excess
25 Earnings Fund for the next succeeding one-year period beginning
26 on the date of issue of the Bonds and ending on the date prior to
27 the first anniversary thereof, and each subsequent one-year
28 period ("Bond Year"), less the amounts, if any, previously paid
29 to the United States as provided herein. The Rebate Amount shall
30 be calculated as follows:

31 1. The aggregate amount earned on the amounts deposited
32 in the Road Improvement District No. 72 Fund, the Road

1 Improvement District No. 91 Fund, and the Bond Fund for the
2 Computation Period, minus

3 2. The aggregate amount that would have been earned on
4 the amounts deposited in the funds described in subparagraph (1)
5 above for the Computation Period (the period from the date of
6 issue of the Bonds through the date as of which the Rebate Amount
7 is determined) if such amounts had been invested at a yield equal
8 to the actual yield on the Bonds for the Computation Period, plus

9 3. Any income (whether or not that income exceeds the
10 yield on the Bonds) attributable to the excess of the amount
11 computed under subparagraph 1 above over the amount computed
12 under subparagraph 2 above.

13 If the gross earnings on the Bond Fund for any Bond Year
14 during the Computation Period are less than \$100,000, the amount
15 of earnings on such fund for such Bond Year shall not be taken
16 into account in making the computations under subparagraphs 1 and
17 2 above.

18 C. The county shall make deposits into the Excess Earnings
19 Fund to maintain it at the Rebate Amount, less the amounts, if
20 any, previously paid to the United States as provided herein.
21 Such deposits shall be made from money in the Bond Fund, the Road
22 Improvement District No. 72 Fund and the Road Improvement
23 District No. 91 Fund, if and to the extent that the Rebate Amount
24 is payable to the Excess Earnings Fund as a result of earnings on
25 such funds respectively and if money is available therein for
26 such purpose, or from any other lawfully available money of the
27 county. Any amounts that are withdrawn from the Excess Earnings
28 Fund as a result of a decrease in the Rebate Amount may be
29 deposited in the Bond Fund. Earnings on amounts in the Excess
30 Earnings Fund must remain therein and may not be taken into
31 account in determining a decrease in the Rebate Amount.

32

1 D. The county shall make installment payments from the
2 Excess Earnings Fund to the United States as required by law.

3 E. The Rebate Amount shall be calculated within thirty
4 (30) days of the end of the first Bond Year, within thirty (30)
5 days of the end of each subsequent Bond Year, and within sixty
6 (60) days of the retirement of the last obligation of the Bonds.
7 Any required deposits into the Excess Earnings Fund shall be made
8 within the thirty (30) or sixty (60) day period, as the case may
9 be.

10 F. If, during any Computation Period, the Rebate Amount is
11 less than the amounts previously paid to the United States, such
12 a deficit may not be recovered from amounts previously paid to
13 the United States.

14 G. The aggregate amount earned on any fund or account must
15 include all income realized under federal income tax accounting
16 principles (whether or not the entity earning the income is
17 subject to federal income taxation) with respect to any obli-
18 gation and with respect to the reinvestment of investment re-
19 cepts from such obligations. Transaction costs incurred in
20 acquiring, carrying, selling or redeeming such obligations may
21 not be offset in determining the aggregate amount earned. If any
22 investments are retained after retirement of the last obligation
23 of the Bonds, any unrealized gain or loss as of such retirement
24 date must be taken into account in determining aggregate
25 earnings. Gain or loss must be computed with reference to the
26 fair market value of an obligation or security on the date that
27 it is deposited into any fund or account created hereunder.

28 H. The county covenants and agrees to make payments of the
29 Rebate Amount to the U.S. Treasury in a manner other than as
30 described in this section if necessary to comply with the
31 Internal Revenue Code of 1986, and reserves the right to modify
32 the procedures outlined within this ordinance for the deposit of

1 money and for the calculation of excess earnings if required or
2 permitted by regulations promulgated by the U.S. Treasury.

3 SECTION 9. Lost, Stolen or Destroyed Bonds. In case any
4 Bond shall be lost, stolen, or destroyed, the Bond Registrar may
5 authenticate and deliver a new Bond of like amount, date, tenor,
6 and effect to the registered owner thereof upon the owner's
7 paying the expenses and charges of the county in connection
8 therewith and upon the owner's filing with the Bond Registrar
9 evidence satisfactory to said Bond Registrar that such Bond was
10 actually lost, stolen, or destroyed and of his ownership thereof,
11 and upon furnishing the county with indemnity satisfactory to
12 both the Bond Registrar and the county.

13 SECTION 10. Sale of Bonds. The Bonds shall be sold at
14 public sale at 10:30 o'clock a.m., Pacific Daylight Savings Time,
15 on Monday, July 6, 1987. The sale shall take place substantially
16 in accordance with the Notice of Bond Sale attached hereto as
17 Exhibit A. The Bonds shall be sold at a price no less than the
18 principal amount plus accrued interest to the date of delivery
19 and the bids shall be for no less than all of the Bonds. The
20 clerk of the council is hereby directed to publish the Notice of
21 Bond Sale substantially in the form attached hereto as Exhibit A,
22 or a short form of such notice, prior to such sale once in a
23 newspaper of general circulation in the county. Sealed bids for
24 the purchase of the Bonds shall be received by the clerk of the
25 county council in the King County Courthouse in Seattle,
26 Washington, until such time, whereupon said bids will be publicly
27 opened and read. Said bids will be considered and acted upon by
28 the county council at its regular meeting on such date.

29 Following the sale of the Bonds, the county shall cause
30 definitive Bonds to be prepared, executed and delivered, which
31 Bonds shall be lithographed or printed with engraved or
32 lithographed borders. Until the definitive Bonds are prepared,

1 the county may execute a temporary Bond which shall be
 2 typewritten, and which shall be delivered to the purchaser or
 3 purchasers of the Bonds in lieu of definitive Bonds, but subject
 4 to the same provisions, limitations and conditions. The
 5 temporary Bond shall be dated as of the date of the Bonds, shall
 6 be fully registered, shall be in the denomination of
 7 \$2,576,844.82, shall be numbered T-1, shall be substantially of
 8 the tenor of such definitive Bonds, but with such omissions,
 9 insertions and variations as may be appropriate to temporary
 10 bonds, and shall be signed by the county executive and clerk of
 11 the county council.

12 Upon surrender to the county of any such temporary Bond, the
 13 county without charge to the registered owner shall execute and
 14 deliver to the registered owner of the temporary Bond in exchange
 15 therefor definitive Bonds of the same series, maturities, inter-
 16 est rates, redemption provisions and aggregate principal amount
 17 as the temporary Bond, if any, surrendered. Until so exchanged,
 18 the temporary Bond shall be in all respects entitled to the same
 19 benefit and security as definitive Bonds executed and issued
 20 pursuant to this ordinance.

21 Section 11. Application of Bond Proceeds. Accrued inter-
 22 est, if any, on the Bonds shall be deposited in the Bond Fund and
 23 shall be applied to the payment of interest first coming due on
 24 the Bonds. The principal proceeds of the Bonds shall be depos-
 25 ited as follows:

26 Road Improvement District No. 72 Fund \$ 918,928.82

27 Road Improvement District No. 91 Fund 1,657,916.00

28 The proceeds of the Bonds, together with other money in said
 29 Funds, shall be used to pay and redeem the warrants or notes
 30 outstanding against said Funds, to repay any outstanding inter-
 31 fund loans, to pay any other remaining costs of improvements
 32 constructed in the respective Road Improvement District, and to

1 pay all expenses incidental thereto and to the issuance of the
2 Bonds. Any proceeds remaining in such funds after the above
3 expenses have been paid shall be transferred to the Bond Fund.

4 SECTION 12. Authorization to Officials and Agents. Upon
5 the sale of the Bonds, the appropriate officials, agents, and
6 representatives of the county are hereby authorized and directed
7 to do everything necessary for the prompt issuance, execution,
8 and delivery of the Bonds and for the proper use and application
9 of the proceeds of such sale.

10 SECTION 13. Severability. If any one or more of the
11 covenants or agreements provided in this ordinance to be per-
12 formed on the part of the county shall be declared by any court
13 of competent jurisdiction to be contrary to law, then such
14 covenant or covenants, agreement or agreements shall be null and
15 void and shall be deemed separable from the remaining covenants
16 and agreements of this ordinance and shall in no way affect the
17 validity of the other provisions of this ordinance or of the
18 Bonds.

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SECTION 14. Ratification. Any act taken pursuant to the authority of this ordinance but prior to its effective date is hereby ratified, approved and confirmed.

INTRODUCED AND READ for the first time this 1st day of June, 1987.

PASSED this 22nd day of June, 1987.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

By Gary Grant
Chairman

ATTEST:

Dorothy M. Owens
Clerk of the Council

APPROVED THIS 2nd day of July, 1987.

Jim Hill
King County Executive

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EXHIBIT A

NOTICE OF BOND SALE

KING COUNTY, WASHINGTON

CONSOLIDATED ROAD IMPROVEMENT DISTRICT NO. 1987-1 BONDS

\$2,576,844.82

SEALED BIDS WILL BE RECEIVED UNTIL 10:30 A.M.

PACIFIC DAYLIGHT SAVINGS TIME

MONDAY, JULY 6, 1987,

IN ROOM 403, KING COUNTY COURTHOUSE

SEATTLE, WASHINGTON 98104

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NOTICE OF BOND SALE
KING COUNTY, WASHINGTON
CONSOLIDATED ROAD IMPROVEMENT DISTRICT NO. 1987-1 BONDS
\$2,576,844.82

NOTICE IS HEREBY GIVEN that 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 in the King County Courthouse in Seattle, Washington, on
MONDAY, JULY 6, 1987
until 10:30 o'clock a.m., Pacific Daylight Savings Time, for the purchase of the Consolidated Road Improvement District No. 1987-1 Bonds (the "Bonds") of the county in the aggregate principal amount of \$2,576,844.82, at which time bids will be publicly opened, read and considered.

BOND DETAILS. The Bonds will be dated July 1, 1987 and will be in the denomination of \$5,000 each (except that Bond No. 1 shall be in the denomination of \$6,844.82). The Bonds will be fully registered as to both principal and interest, and will be numbered from 1 to 515, inclusive, with such additional designation as the Bond Registrar deems necessary for purposes of identification. The Bonds will bear interest from the date thereof payable July 1, 1988, and annually thereafter on July 1 of each year, computed on the basis of a 360 day year consisting of twelve 30-day months, and will mature on July 1, 2009. The following is the estimated redemption schedule for the Bonds:

<u>Bond Nos.</u>	<u>Estimated Amounts</u>	<u>Date</u>
1-31	\$156,844.82	7/1/88
32-62	155,000.00	7/1/89
63-93	155,000.00	7/1/90
94-124	155,000.00	7/1/91
125-155	155,000.00	7/1/92
156-183	140,000.00	7/1/93
184-211	140,000.00	7/1/94

1	212-239	140,000.00	7/1/95
	240-267	140,000.00	7/1/96
2	268-295	140,000.00	7/1/97
	296-323	140,000.00	7/1/98
3	324-351	140,000.00	7/1/99
	352-379	140,000.00	7/1/00
4	380-407	140,000.00	7/1/01
	408-435	140,000.00	7/1/02
5	436-458	115,000.00	7/1/03
	459-473	75,000.00	7/1/04
6	474-488	75,000.00	7/1/05
	489-503	75,000.00	7/1/06
7	504-515	60,000.00	7/1/07

8 The schedule is based on anticipated payments of assessments
9 from property owners in Road Improvement Districts Nos. 72 and
10 91. There is no assurance that the Bonds will be called in
11 accordance with the above schedule, and the Bonds may in fact be
12 called either earlier or later, depending upon the payments and
13 prepayments of assessments.

14 BOND REGISTRAR AND PAYING AGENT. The fiscal agency of the
15 State of Washington in either Seattle, Washington or New York,
16 New York will act as bond registrar, transfer agent, and authen-
17 ticating and paying agent with respect to the Bonds (collec-
18 tively, the "Bond Registrar").

19 PRIOR REDEMPTION. The Bonds will be subject to redemption
20 prior to maturity in whole or in part in numerical order on any
21 interest payment date at par plus accrued interest to the date of
22 redemption.

23 SECURITY. Both principal of and interest on the Bonds will
24 be payable solely out of the Consolidated Road Improvement
25 District No. 1987-1 Bond Redemption Fund and the King County Road
26 Improvement Guaranty Fund. The county has heretofore levied
27 assessments payable into the Consolidated Road Improvement
28 District No. 1987-1 Fund in the total amount of \$3,894,562.02, of
29 which \$1,317,717.20 was paid prior to the passage of the Bond
30 Ordinance and not less than \$2,576,844.82 remains payable into
31 said Fund in annual installments together with interest and
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1 penalties. The Bonds will not be general obligations of the
2 county.

3 INTEREST RATE AND BIDDING DETAILS. Each bid shall be on the
4 official bid form furnished by the county and enclosed in a
5 sealed envelope marked "Bid for Purchase of King County,
6 Washington Consolidated Local Improvement District No. 1987-1
7 Bonds."

8 The Bonds shall be purchased at no less than par. Each bid
9 submitted shall provide for payment of accrued interest to date
10 of delivery and shall specify the rate or rates of interest at
11 which the bidder will purchase said Bonds. No bid will be
12 accepted for the purchase of less than all of the Bonds.

13 The rate or rates of interest fixed for the Bonds must be in
14 multiples of 1/8 or 1/20 of 1%. No more than one rate of inter-
15 est may be fixed for any one estimated maturity.

16 To enable the county to comply with the requirements of the
17 Internal Revenue Code of 1986 with respect to the determination
18 of yield on the Bonds, the winning bidder shall provide the re-
19 offering price for a substantial portion of all maturities at or
20 prior to closing on the Bonds.

21 DEPOSIT. Each bid shall be sealed and shall be accompanied
22 by a good faith deposit of \$100,000 in cash or by a certified or
23 bank cashier's check made payable to the order of the King County
24 Office of Finance, which deposit shall be security for the
25 performance of such bid and shall be held for liquidated damages
26 in case the successful bidder fails to take up and pay for the
27 Bonds within forty (40) days, if tendered for delivery, after the
28 acceptance thereof. Interest will not be allowed to the pur-
29 chaser on such good faith deposit. The good faith checks of all
30 bidders except that of the successful bidder will be returned as
31 soon as possible after the bids have been opened and evaluated.

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1 AWARD. The Bonds will be awarded to the bidder offering to
2 purchase all of the same at the lowest true interest cost to the
3 county. The true interest cost is defined as the annual rate
4 which, when compounded semiannually, will discount the debt
5 service payments from the payment date to the date of the Bonds
6 and to the price bid, without regard to interest accrued to the
7 date of delivery. The county may reject any or all bids sub-
8 mitted and may waive any irregularities in any bid.

9 DELIVERY. The Bonds will be delivered to the purchaser in
10 the City of Seattle, Washington, at the expense of the county, or
11 elsewhere as may be mutually agreed upon, at the option and
12 expense of the purchaser. Settlement in full shall be made at
13 the time of delivery and shall be in federal funds available upon
14 the date and at the place of delivery.

15 The county will pay the cost of printing the Bonds and will
16 furnish without cost to the purchaser thereof the unqualified
17 approving opinion of Preston, Thorgrimson, Ellis & Holman approv-
18 ing the legality of the issuance of the same. The opinion will
19 be reproduced on each Bond.

20 FURTHER INFORMATION. Further information regarding these
21 Bonds may be obtained upon request made to Seattle-Northwest
22 Securities Corporation, Seafirst Fifth Avenue Plaza, Suite 3400,
23 Seattle, Washington 98104, (206) 628-2882, finance advisors to
24 the county.

25 DATED at Seattle, Washington, this _____ day of _____,
26 1987.

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Acting Director of King County
29 Office of Finance

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