

July 20, 1988

INTRODUCED BY Bill Reams

PROPOSED NO. 88-578

ORDINANCE NO. **8618**

1 AN ORDINANCE approving the issuance of an industrial  
2 development bond by the King County Economic Enterprise  
3 Corporation for \$2,500,000, and approving Resolutions  
4 No. 88-1 and No. 88-3 of the King County Economic Enter-  
5 prise Corporation authorizing the sale of bonds to  
6 provide funds to finance certain industrial development  
7 facilities for Acro Tech, Inc., in the City of Kirkland,  
8 King County, Washington, and related matters; and approving  
9 execution and delivery by the King County Economic  
10 Enterprise Corporation of a Bond Purchase Contract.

11 PREAMBLE:

12 King County Economic Enterprise Corporation (the "Issuer") is authorized  
13 and empowered by the provisions of Chapter 300, Laws of 1981 of the  
14 State of Washington (Chapter 39.84 RCW) (the "Act"), to issue nonrecourse  
15 revenue bonds for the purpose of facilitating economic development  
16 and employment opportunities and financing all or part of the cost  
17 of acquiring, expanding and equipping industrial development facilities  
18 in the City of Kirkland, King County, Washington.

19 In order to facilitate economic development and employment opportunities  
20 in King County, Acro Tech, Inc., a Washington corporation (the "Company"),  
21 intends to acquire, expand and equip certain industrial development  
22 facilities (the "Project") in King County.

23 Upon the request of the Company and after due consideration of the  
24 acquisition, expansion, equipping and financing of the Project as  
25 promoting the purposes of the Act and the public purposes of the Issuer,  
26 the Issuer by Resolution No. 88-1 and No. 88-3 proposes to issue and  
27 sell its revenue bonds in the principal amount of \$2,500,000 pursuant  
28 to the provisions of the Act for the purpose of assisting in financing  
29 the costs of the Project.

30 The City of Kirkland, which exercises planning jurisdiction over the  
31 area in which the Project is located, by its Resolution No. 3466,  
32 has approved the financing of the Project by the Issuer.

King County is the municipality under whose auspices the Issuer was  
created pursuant to the provisions of the Act.

Section 39.84.060 of the Act requires the Issuer to obtain the approval  
of King County prior to issuing its bonds, and Section 39.84.100(6)  
of the Act requires King County to approve by ordinance any agreement  
by the Issuer to issue bonds and further requires that King County  
specifically approve the resolutions of the Issuer providing for the  
issuance of the bonds no more than sixty days before the date of the  
sale of the bonds.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. APPROVAL OF BONDS. The county approves the issuance and  
sale by the Issuer of its nonrecourse industrial development revenue bonds  
or other obligations (the "Bonds") pursuant to the provisions of the Act  
and further specifically approves the form of Resolution No. 88-1 and No.  
88-3 of the Issuer providing for the issuance of its Bonds in the principal

1 amount of \$2,500,000 to assist in financing the cost of the Project, together  
2 with the costs incident to the authorization, sale, issuance and delivery  
3 of the Bonds.

4 SECTION 2. APPROVAL OF BOND PURCHASE CONTRACT. The county approves  
5 the execution and delivery by the Issuer of the Bond Purchase Contract  
6 by and among the Issuer, the Company, as the user of the Project, and Puget  
7 Sound National Bank, as the purchaser of the Bonds. The Issuer may make  
8 or approve such additions, modifications and deletions in such Bond Purchase  
9 Contract and the Exhibits thereto, and such other certificates and documents  
10 required thereby as are deemed by the Issuer not to be inconsistent with  
11 the purpose of this ordinance and in substantial conformity with the documents  
12 hereby approved and as may be reasonable and necessary to facilitate the  
13 issuance and sale of the Bonds and the loan of the proceeds thereof to  
14 the Company and the accomplishment of any matters related thereto.

15 INTRODUCED AND READ for the first time this 1st day of  
16 of August, 1988.

17 PASSED this 15th day of August, 1988.

19 KING COUNTY COUNCIL  
20 KING COUNTY, WASHINGTON

21 Gary Grant  
22 Chairman

23 ATTEST:

24 Dorothy M. Owens  
25 Clerk of the Council

26  
27 APPROVED this 15th day of August, 1988.

28 Jim Hill  
29 King County Executive

8618

RESOLUTION NO. 88-1

A RESOLUTION of the King County Economic Enterprise Corporation declaring its intention to sell bonds to provide funds to finance an industrial development facility for Acro Tech, Inc., within King County, Washington, and determining related matters.

WHEREAS, the King County Economic Enterprise Corporation (the "Issuer") is authorized and empowered by the provisions of Chapter 300, Laws of 1981 of the State of Washington (Chapter 39.84 RCW) (the "Act"), to issue nonrecourse revenue bonds for the purposes of facilitating economic development and employment opportunities and financing all or part of the cost of acquiring and constructing industrial development facilities within King County, Washington; and

WHEREAS, in order to facilitate economic development and employment opportunities within King County (the "County"), Acro Tech, Inc. (the "Company"), intends to acquire, expand and equip an industrial development facility (the "Project") in the City of Kirkland, King County, Washington, a description and estimated cost of which are contained in Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Company has requested the Issuer to issue and sell its revenue bonds pursuant to the provisions of the Act for the purpose of assisting in financing the costs of the Project; and

8618

Project being financed with the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of that regulation; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE KING COUNTY ECONOMIC ENTERPRISE CORPORATION as follows:

Section 1. The acquisition and expansion of the Project within the County and the State of Washington will result in significant benefits to the County and the State, will contribute to the alleviation of unemployment in the County and the State, will have a favorable impact upon the economy of the County and the State and will promote the welfare of the citizens of the County and the State.

Section 2. To assist in the acquisition, expansion and equipping of the Project, with the public benefits resulting therefrom, the Issuer, subject to the conditions stated in Section 5, will issue and sell its nonrecourse revenue bonds or other obligations (the "Bonds") pursuant to the provisions of the Act in a principal amount of not to exceed \$2,750,000 to assist in financing the cost of the Project described in Exhibit A together with the costs incident to the authorization, sale, issuance and delivery of the Bonds.

Section 3. The proceeds of the Bonds will be used to assist in financing the acquisition, expansion and equipping of the Project.

8618

financing of the Project and to pay such other reasonable expenses of the Issuer or the County in enabling this financing to be accomplished.

Section 6. The Company may commence acquisition of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein and only out of proceeds, if any, of the issue of Bonds herein authorized. However, the passage of this resolution does not constitute a guarantee by the Issuer that the Bonds will be issued or that the Project will be financed as described herein.

Section 7. It is intended that this resolution shall constitute "some other similar official action" toward the issuance of the Bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended.

Section 8. This Resolution shall take effect immediately upon its passage. However, this Resolution shall cease to be effective 12 months after the date of its adoption unless, prior thereto, the Issuer adopts a further resolution extending the effective date of this Resolution, which Issuer will do only after receiving a request for such action from the Company, accompanied by an explanation of the reason why the Project has not proceeded prior to the date of that letter.

8618

I, Robert Lewandowski, Secretary of the King County Economic Enterprise Corporation, certify that the attached copy of Resolution No. 88-1 is a true and correct copy of the original resolution adopted at a regular open public meeting of the Board of the Corporation on the 11<sup>th</sup> <sup>th</sup> day of May, 1988, as that resolution appears on the Minute Book of the Corporation.

DATED this 11 day of May, 1988.

Robert Lewandowski

3641k

## EXHIBIT A

The acquisition and expansion of an approximately 70,000 SF aerospace and aircraft component manufacturing facility in Kirkland, King County, Washington; acquisition and installation of certain additional manufacturing equipment; and, subject to applicable limitations imposed by the Internal Revenue Code of 1986, as amended, financing costs of issuance of the Bonds. The estimated cost of the Project is \$2,750,000.

3641k/8

A-1

DISTRIBUTION LIST

## KING COUNTY ECONOMIC ENTERPRISE CORPORATION

Vinit Chitnis  
President  
Acro Tech  
1120 Kirkland Way  
Kirkland, WA 98033  
(206) 827-0100

George Morrison  
Revelle Riese & Hawkins  
1800 Skyline Tower  
10900 N.E. Fourth Street  
Bellevue, WA 98004  
(206) 454-2344

Roberta Lewandowski  
Chief Comprehensive Planning  
Section  
707 Smith Tower  
506 Second Avenue  
Seattle, WA 98104  
(206) 344-6901

Gary Lindberg  
Puget Sound National Bank  
1200 N.E. 8th St.  
Suite 200  
Bellevue, WA 98005  
(206) 447-2935

John Shaw  
Karr Tuttle Koch Campbell  
Mawer Morrow & Sax  
411 108th Avenue N.E.  
Suite 1600  
Bellevue, WA 98004

Lynn Loacker  
Foster Pepper & Shefelman  
Suite 3400  
1111 Third Avenue  
Seattle, WA 98101  
(206) 447-4400

William Tonkin  
M. Susan Fife  
Foster Pepper & Shefelman  
4100 Seafirst Fifth Avenue Plaza  
800 Fifth Avenue  
Seattle, WA 98104-3178  
(206) 622-1818

8618

KING COUNTY ECONOMIC ENTERPRISE CORPORATION

RESOLUTION NO. 88-3

A RESOLUTION of the King County Economic Enterprise Corporation approving the documents necessary for the issuance and sale by it of its \$2,500,000 Industrial Development Revenue Bonds, 1988 (Acro Tech, Inc., Project), and the loan of the proceeds thereof to Acro Tech, Inc., and authorizing the execution and delivery of those documents and bonds by the Chairman and Secretary of the King County Economic Enterprise Corporation.

WHEREAS, the King County Economic Enterprise Corporation (the "Issuer") was created under the auspices of King County (the "County") pursuant to and is authorized and empowered by the provisions of Chapter 300, Laws of 1981 of the State of Washington (Chapter 39.84 RCW) (the "Act"), to issue nonrecourse revenue bonds for the purposes of facilitating economic development and employment opportunities and financing all or part of the cost of acquiring, expanding and equipping industrial development facilities in Kirkland, Washington; and

WHEREAS, in order to facilitate economic development and employment opportunities in King County, Acro Tech, Inc., a Washington corporation (the "Company"), intends to acquire, expand and equip certain industrial development facilities in Kirkland, Washington (the "Project"), which are located in their entirety within the boundaries of the County, a description and estimated cost of which is contained in Exhibit A attached hereto and made a part hereof; and

8618

provisions of this Bond Resolution in the manner required by the Act; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE KING COUNTY ECONOMIC ENTERPRISE CORPORATION as follows:

Section 1. To accomplish the purposes of the Act and to finance a portion of the cost of the Project, the Issuer authorizes the issuance, sale and delivery of its Industrial Development Revenue Bonds, 1988 (Acro Tech, Inc., Project) (hereinbefore defined as the "Bonds"), in the principal amount of \$2,500,000 in accordance with the terms of financing documents substantially in the form of the Bond Purchase Contract (the "Contract") dated August \_\_, 1988; by and among the Issuer, the Company and Puget Sound National Bank, as the purchaser and registered owner of the Bonds (the "Bank"); the Loan Agreement dated as of August 1, 1988, by and between the Issuer and the Company; the Depository Agreement and Assignment dated as of August 1, 1988, by and between the Issuer and the Bank, as the depository of the sale proceeds of the Bonds; the Deed of Trust, Security Agreement, and Assignment of Leases and Rents dated as of August 1, 1988, by and among the Issuer, as the beneficiary, the Company, as the grantor, and First American Title Insurance Company, as the Deed of Trust trustee; the Guaranty dated as of August 1, 1988, given by Vinit Chitnis and Nicole Chitnis to the Bank; and the Exhibits thereto (collectively, the "Financing Documents"); copies of which Financing Documents have been

8618

In addition, receipt of interest on the Bonds may have other tax consequences for certain taxpayers. For example, interest expense incurred by a financial institution which is allocable to the Bonds will not be deductible for federal income tax purposes; interest on the Bonds received by property and casualty insurance companies will reduce tax deductions for losses otherwise available to such companies by an amount equal to 15% of tax-exempt interest on the Bonds received or accrued during the taxable year; and receipt of interest on the Bonds by owners who are also recipients of certain Social Security or Railroad Retirement benefits will require such owners to take receipts or accruals of that interest into account in determining gross income.

Section 3. The terms of the Financing Documents specifying, among other things, the terms and conditions of the issuance of the Bonds by the Issuer; the purchase of the Bonds by the Bank; the loan of the proceeds of the Bonds to the Company to finance a portion of the cost of acquiring, expanding and equipping the Project; the repayment of the loan by the Company; and the assignment of the Company's obligations under the Financing Documents to the Bank as security for payment of the Bonds are hereby approved and adopted by this reference with such additions, deletions and modifications, if any, as are deemed by the President or Secretary of the Issuer to be not inconsistent with the purposes of this Resolution and in

8618

book which shows the name and address of the registered owner of the Bonds, and all communications to be made to the owner of the Bonds shall be in writing and shall be addressed to the registered owner as reflected in the book of the Bank as Depository.

Section 7. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 15th day of July, 1988.

AYES:	<u>3</u>
NOES:	<u>0</u>
ABSENT:	<u>0</u>
ABSTAINING:	<u>0</u>

Milton D. Dreyfus  
President

ATTEST:

By Robert J. Lewandowski  
Secretary

2299a

8618

EXHIBIT A

Project Description

Acquisition and expansion of an approximately 70,000 square foot aerospace and aircraft component manufacturing facility located at 11200 Kirkland Way, Kirkland, King County, Washington, and acquisition and installation of certain additional manufacturing equipment. Estimated cost of the Project is \$2,500,000.

3653K