

1  
2 June 22, 1989

3 INTRODUCED BY: Grant, Sims

4 PROPOSED NO. 89-477

5 ORDINANCE NO. **9022**

6  
7 AN ORDINANCE providing for the sale and  
8 issuance of unlimited tax general  
9 obligation bonds in an amount not to  
10 exceed the principal amount of  
11 \$14,238,000, as authorized by Ordinance  
12 No. 8634 and as approved by the  
13 qualified electors of King county at a  
14 special election held therein on  
15 November 8, 1988, for the purpose of  
16 providing the funds for the acquisition,  
17 construction, improvement, and equipping  
18 of youth detention and treatment  
19 facilities, and for other capital  
20 purposes; providing for the date, form,  
21 terms, maturities and covenants of the  
22 bonds; providing for the disposition of  
23 the proceeds of the sale of the bonds;  
24 providing for the public sale of the  
25 bonds; and providing for the annual levy  
26 of taxes to pay the principal thereof  
27 and the interest thereon; and making an  
28 appropriation.

29 PREAMBLE:

30 Pursuant to Ordinance No. 8634, King County  
31 authorized the issuance of an amount not to exceed  
32 \$14,238,000 in aggregate principal amount of  
33 unlimited tax general obligation bonds for the  
purpose of providing funds for the acquisition,  
construction, improvement, and equipping of youth  
detention and treatment facilities and for other  
capital purposes.

At a special election held in conjunction with the  
general election on November 8, 1988, the number  
and proportion of the qualified electors of King  
County required by law for the adoption thereof  
voted in favor of the issuance of the bonds as  
authorized by Ordinance No. 8634.

It now appears necessary and advisable that such  
bonds be sold and issued to provide funds to  
acquire, construct, improve and equip youth  
detention and treatment facilities and for other  
capital purposes described in Ordinance No. 8634  
and approved by the qualified electors of King  
County on November 8, 1988.

1 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

2 SECTION 1. Definitions. Unless the context otherwise  
3 requires, the terms defined in this section, for all  
4 purposes of this ordinance and of any ordinance supplemental  
5 hereto, shall have the meanings herein specified; words  
6 importing the singular number include the plural number and  
7 vice versa:

8 A. "Bonds" means the \$14,238,000 principal amount  
9 King County, Washington, Unlimited Tax General Obligation  
10 Youth Facilities Bonds, the sale and issuance of which are  
11 authorized by this ordinance.

12 B. "Bond Redemption Fund" means the King County  
13 Unlimited Tax General Obligation Bond Redemption Fund.

14 C. "Bond Proceeds" means the principal proceeds  
15 received from the sale of the Bonds and any interest thereon  
16 earned by the county on such funds thereafter, but shall not  
17 mean accrued interest on the Bonds paid by the original  
18 purchaser of the Bonds.

19 D. "Bond Register" means the registration books on  
20 which are maintained the names and addresses of the Owners  
21 of the Bonds.

22 E. "Chief Financial Officer" means the person serving  
23 as the chief financial officer of the Office of Financial  
24 Management of King County or the county officer who succeeds  
25 to the duties now delegated to that office.

26 F. "County Finance Manager" means the manager of the  
27 finance division of the King County Office of Financial  
28 Management or any other county officer who succeeds to the  
29 duties now delegated for that office.

30 G. "Internal Revenue Code" means the Internal Revenue  
31 Code of 1986, as heretofore or hereafter amended, together  
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1 with all applicable rulings and regulations heretofore or  
2 hereafter promulgated thereunder.

3 H. "Project" means the acquisition, construction,  
4 improvement and equipping of the King County youth detention  
5 and treatment facilities and related capital projects.

6 I. "Owner" means the person named as the registered  
7 owner of a Bond as shown on the Bond Register.

8 J. "RCW" means the Revised Code of Washington, as  
9 amended.

10 K. "Registrar" means either or both of the Fiscal  
11 Agencies of the State in Seattle, Washington, and New York,  
12 New York, which Fiscal Agencies are appointed from time to  
13 time by the State Finance Committee pursuant to Chapter  
14 43.80 RCW.

15 L. "Youth Services Construction Fund" means the Youth  
16 Services Detention Facility Construction Fund, into which  
17 the principal proceeds of the sale of the Bonds shall be  
18 deposited.

19 M. "Youth Services Department" means the King County  
20 Department of Youth Services.

21 SECTION 2. Purpose, Authorization and Description of  
22 Bonds.

23 A. Purpose and Authorization. The Bonds shall be  
24 issued for capital purposes only, other than the replacement  
25 of equipment, namely for the purpose of providing funds to  
26 carry out the Project and for other capital purposes  
27 consistent with Ordinance No. 8634 and this ordinance,  
28 paying interest on any interim financing of the Project  
29 pending the receipt of the Bond Proceeds and paying certain  
30 costs and expenses incurred in issuing the Bonds.

31 B. Description. The Bonds shall be designated  
32 "Unlimited Tax General Obligation Bonds, 1989 (Youth  
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1 Facilities Project)," shall be in the aggregate principal  
 2 amount of \$14,238,000; shall be dated July 15, 1989; shall  
 3 be issued in fully registered form as to both principal and  
 4 interest; shall be in the denomination of \$5,000 each or any  
 5 integral multiple thereof within a single maturity, except  
 6 that one Bond maturing in 1990 shall be in the denomination  
 7 of \$3,000 or \$5,000 or any integral multiple thereof plus  
 8 \$3,000; shall be numbered separately in such manner and with  
 9 any additional designation as the Registrar deems necessary  
 10 for purposes of identification; and shall mature on December  
 11 1 in each of the years, in the principal amounts, as follows:

Maturity Years	Principal Amounts
1990	\$ 363,000
1991	385,000
1992	410,000
1993	435,000
1994	465,000
1995	495,000
1996	525,000
1997	560,000
1998	600,000
1999	640,000
2000	680,000
2001	730,000
2002	775,000
2003	830,000
2004	890,000
2005	950,000
2006	1,015,000
2007	1,085,000
2008	1,160,000
2009	1,245,000

25 The Bonds shall bear interest (computed on the basis of  
 26 a 360-day year of twelve 30-day months) from their date or  
 27 from the most recent interest payment date to which interest  
 28 has been paid or duly provided for, whichever is later,  
 29 payable on June 1, 1990 and semiannually on each December 1  
 30 and June 1 thereafter to the maturity or earlier redemption  
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2 thereof, at the rate or rates bid by the successful bidder  
3 at public sale and accepted by motion of the King County  
4 council.

5 If any Bond shall have been duly presented for payment  
6 and not paid on such applicable date, then interest shall  
7 continue to accrue thereafter at the rate stated on such  
8 Bond until it is paid.

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

11 SECTION 3. Place, Manner and Medium of Payment. Both  
12 principal of and interest on the Bonds shall be payable in  
13 lawful money of the United States of America. Interest on  
14 the Bonds shall be paid by check or draft mailed, or by wire  
15 transfer (if agreed to by the county), on the interest  
16 payment date, to the persons who are the Owners of the Bonds  
17 at the addresses for such Owners appearing on the Bond  
18 Register on the 15th day of the month preceding the interest  
19 payment date. Principal of the Bonds shall be payable upon  
20 presentation and surrender of the Bonds by the Owners at  
21 either of the principal offices of the Registrar.

22 SECTION 4. Redemption; Notice; Open Market Purchase;  
23 Cancellation.

24 A. Optional Redemption. Bonds maturing in the years  
25 1990 to 1999, inclusive, shall not be subject to redemption  
26 prior to their maturity dates. The county reserves the  
27 right to redeem the Bonds maturing on or after December 1,  
28 2000, beginning on December 1, 1999, as a whole at any time,  
29 or in part on any interest payment date, with the maturities  
30 to be redeemed to be selected by the county (and by lot  
31 within a maturity in such manner as the Registrar shall  
32 determine), at par plus accrued interest to the date fixed  
33 for redemption.

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B. Partial Redemption. Any Bond in the principal amount of greater than \$5,000 may be partially redeemed in any integral multiple of \$5,000. In such event, upon surrender of such Bond at either of the principal offices of the Registrar, a new Bond or Bonds (at the option of the Owner) of the same date, maturity and interest rate and in the aggregate principal amount remaining unredeemed, in any denomination authorized by this ordinance, shall be authenticated and delivered to the Owner, without charge to the Owner therefor.

C. Notice and Effect of Redemption. Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior to the date fixed for redemption by certified or registered mail, postage prepaid, to the Owner of each Bond to be redeemed at the address appearing on the Bond Register on the day notice is mailed. The requirements of this section shall be deemed to be complied with when notice is mailed as herein provided, whether or not it is actually received by the Owner. 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, and to such other persons and with such additional information as the County Finance Manager shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

If such notice shall have been given and the county shall have set aside, on the date fixed for redemption, sufficient money for the payment of all Bonds called for redemption, the Bonds so called shall cease to accrue interest after such redemption date, and all such Bonds shall be deemed not to be outstanding hereunder for any

1 purposes, except that the Owners thereof shall be entitled  
2 to receive payment of the redemption price and accrued  
3 interest to the redemption date from the money set aside for  
4 such purpose.

5 D. Open Market Purchase. The county reserves the  
6 right to purchase any or all of the Bonds on the open market  
7 at any time and at any price.

8 E. Cancellation of Bonds. All Bonds purchased or  
9 redeemed under this section shall be canceled.

10 SECTION 5. Debt Limit Not Exceeded. The county finds  
11 and covenants that the Bonds are issued within all statutory  
12 and constitutional debt limitations applicable to the county.

13 SECTION 6. Pledge of Full Faith, Credit and  
14 Resources. The Bonds are general obligations of the  
15 county. Unless the principal of and interest on the Bonds  
16 are paid from other sources, so long as the Bonds are  
17 outstanding, the county irrevocably covenants to include in  
18 its budgets and to make annual levies of taxes without  
19 limitation as to rate or amount upon all property in the  
20 county subject to taxation in amounts which, together with  
21 any other money legally available therefor, shall be  
22 sufficient to pay such principal and interest as the same  
23 shall become due. The county irrevocably pledges its full  
24 faith, credit and resources to the annual levy and  
25 collection of such taxes and for the prompt payment of such  
26 principal and interest. All of such taxes shall be paid  
27 into the Bond Redemption Fund.

28 SECTION 7. Form of Bonds. The Bonds shall be  
29 substantially in the form of Exhibit A attached hereto and  
30 incorporated herein by this reference.  
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1            SECTION 8. Execution of Bonds. The Bonds shall be  
2 signed on behalf of the county with the facsimile or manual  
3 signature of the county executive, shall be attested by the  
4 facsimile or manual signature of the clerk of the county  
5 council and shall have the corporate seal of the county  
6 impressed or a facsimile thereof imprinted thereon.  
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8            In case either of the officers who shall have executed  
9 any of the Bonds shall cease to be such officer or officers  
10 of the county before the Bond so signed shall have been  
11 authenticated or delivered by the Registrar, or issued by  
12 the county, such Bond may nevertheless be authenticated,  
13 delivered and issued and upon such authentication, delivery  
14 and issuance, shall be as binding on the county as though  
15 that person who signed the same had continued to be that  
16 officer of the county. The Bonds or any substitute Bond may  
17 also be signed and attested on behalf of the county by such  
18 persons as at the actual date of execution of such Bond  
19 shall be the proper officers of the county although at the  
20 original date of such Bond any such person shall not have  
21 been such officer of the county.

22            SECTION 9. Authentication and Delivery of Bonds. The  
23 Registrar is authorized and directed, on behalf of the  
24 county, to authenticate and deliver Bonds initially issued  
25 or transferred or exchanged in accordance with the  
26 provisions of such Bonds and this ordinance.

27            Only such Bonds as shall bear thereon a "Certificate of  
28 Authentication" manually executed by an authorized  
29 representative of the Registrar shall be valid or obligatory  
30 for any purpose or entitled to the benefits of this  
31 ordinance. Such Certificate of Authentication shall be  
32 conclusive evidence that the Bonds so authenticated have  
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1 been duly executed, authenticated and delivered hereunder  
2 and are entitled to the benefits of this ordinance.

3 The Registrar shall be responsible for its  
4 representations contained in the Certificate of  
5 Authentication on the Bonds.

6 SECTION 10. Registration.

7 A. Bond Register. The Registrar shall keep, or cause  
8 to be kept, the Bond Register at its principal corporate  
9 trust offices.

10 B. Registered Ownership. The county and the  
11 Registrar shall treat the Owner of each Bond as the absolute  
12 owner thereof for all purposes, and neither the county nor  
13 the Registrar shall be affected by any notice to the  
14 contrary. Payment of any such Bond shall be made only as  
15 described in Section 3 hereof, but such registration may be  
16 transferred as herein provided. All such payments made as  
17 provided in Section 3 hereof shall be valid and shall  
18 satisfy and discharge the liability of the county on such  
19 Bond to the extent of the amount or amounts so paid.

20 C. Transfer or Exchange of Registered Ownership. The  
21 registered ownership of any Bond may be transferred or  
22 exchanged, but no transfer of any Bond shall be valid unless  
23 it is surrendered to the Registrar, with the assignment form  
24 appearing on such Bond duly executed by the Owner or such  
25 Owner's duly authorized agent, in a manner satisfactory to  
26 the Registrar. Upon such surrender, the Registrar shall  
27 cancel the surrendered Bond and shall authenticate and  
28 deliver, without charge to the Owner or transferee therefor  
29 (other than taxes, if any, payable on account of such  
30 transfer), a new Bond or Bonds (at the option of the new  
31 Owner), of the same date, maturity and interest rate and for  
32 the same aggregate principal amount, in any authorized  
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1 denomination, naming as Owner the person or persons listed  
2 as the assignee on the assignment form appearing on the  
3 surrendered Bond, in exchange for such surrendered and  
4 canceled Bond. Any Bond may be surrendered to the Registrar  
5 and exchanged, without charge, for an equal aggregate  
6 principal amount of Bonds of the same date, maturity and  
7 interest rate, in any authorized denomination. The  
8 Registrar shall not be obligated to transfer or exchange any  
9 Bond during the 15 days preceding any interest payment,  
10 principal payment or redemption date.

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

18 E. Registration Covenant. The county covenants that,  
19 until all Bonds shall have been surrendered and canceled, it  
20 will maintain a system of recording the ownership of each  
21 Bond that complies with the applicable provisions of the  
22 Internal Revenue Code.

23 SECTION 11. Mutilated, Lost, Stolen or Destroyed  
24 Bonds. If any Bond becomes mutilated, lost, stolen or  
25 destroyed, the Registrar may authenticate and deliver a new  
26 Bond of the same date, maturity and interest rate and of  
27 like tenor and effect in substitution therefor, all in  
28 accordance with law. If such mutilated, lost, stolen or  
29 destroyed Bond has matured, the county at its option, may  
30 pay the same without the surrender thereof. However, no  
31 such substitution or payment shall be made unless and until  
32 the applicant shall furnish evidence satisfactory to the  
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1 Registrar of the destruction or loss of the original Bond  
2 and of the ownership thereof, and such additional security,  
3 indemnity or evidence as may be required by or on behalf of  
4 the county. No substitute Bond shall be furnished unless  
5 the applicant shall reimburse the county and the Bond  
6 Registrar for their respective expenses in the furnishing  
7 thereof. Any such substitute Bond so furnished shall be  
8 equally and proportionately entitled to the security of this  
9 ordinance with all other Bonds issued hereunder.

10 SECTION 12. Advance Refunding or Defeasance of the  
11 Bonds. The county may issue advance refunding bonds  
12 pursuant to the laws of the State of Washington or use money  
13 available from any other lawful source to pay when due the  
14 principal of and interest on the Bonds, or any portion  
15 thereof included in a refunding or defeasance plan, and to  
16 redeem and retire, refund or defease all such  
17 then-outstanding Bonds (hereinafter collectively called the  
18 "defeased Bonds") and to pay the costs of the refunding or  
19 defeasance. If money and/or "government obligations" (as  
20 defined in Chapter 39.53 RCW, as now or hereafter amended)  
21 maturing at a time or times and bearing interest in amounts  
22 (together with money, if necessary) sufficient to redeem and  
23 retire, refund or defease the defeased Bonds in accordance  
24 with their terms are set aside in a special trust fund  
25 irrevocably pledged to that redemption and retirement of  
26 defeased Bonds (hereinafter called the "trust account"),  
27 then all right and interest of the owners of the defeased  
28 Bonds in the covenants of this ordinance and in the funds  
29 and accounts obligated to the payment of the defeased Bonds  
30 shall cease and become void. The owners of defeased Bonds  
31 shall have the right to receive payment of the principal of  
32 and interest on the defeased Bonds from the trust account.

1 The defeased Bonds shall be deemed no longer outstanding,  
2 and the county may apply any money in any other fund or  
3 account established for the payment or redemption of the  
4 defeased Bonds to any lawful purposes as it shall determine.

5 SECTION 13. Sale of Bonds. The Bonds shall be sold at  
6 public sale substantially in accordance with the terms and  
7 conditions of the Notice of Bond Sale attached hereto as  
8 Exhibit B. Bids must be on an all or none basis. The clerk  
9 of the county council is hereby directed to cause the Notice  
10 of Bond Sale in substantially the form attached hereto as  
11 Exhibit B to be published at least once in a financial  
12 newspaper or journal of general circulation throughout the  
13 United States and to provide such other notice as the clerk  
14 of the county council may deem advisable.

15 SECTION 14. Approval of Official Statement. The  
16 county executive or the Chief Financial Officer is  
17 authorized and directed to review and approve on behalf of  
18 the county an official statement with respect to the Bonds  
19 to be prepared prior to such sale.

20 SECTION 15. Delivery of Bonds; Temporary Bonds. The  
21 proper county officials are authorized and directed to do  
22 everything necessary for the prompt delivery of the Bonds to  
23 the Purchaser and for the proper application and use of the  
24 proceeds of the sale thereof.

25 If definitive Bonds are not ready for delivery by the  
26 date established for closing, then the County Finance  
27 Manager, upon the approval of the purchasers, may cause to  
28 be issued and delivered to the purchasers one or more  
29 temporary Bonds with appropriate omissions, changes and  
30 additions. Any temporary Bond or Bonds shall be entitled  
31 and subject to the same benefits and provisions of this  
32 resolution with respect to the payment, security and  
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1 obligation thereof as definitive Bonds authorized thereby.  
2 Such temporary Bond or Bonds shall be exchangeable without  
3 cost to the Owners thereof for definitive Bonds when the  
4 latter are ready for delivery.

5 SECTION 16. Application of Bond Proceeds.

6 A. Deposit and Application of Principal Proceeds.

7 The principal proceeds received upon the sale of the Bonds  
8 shall be applied as follows:

9 1. Principal proceeds from the sale of the Bonds shall  
10 be deposited into the Youth Services Construction Fund and  
11 shall be used to pay the costs of carrying out the Project,  
12 repaying interim financing for the Project and paying the  
13 cost and expense of issuing the Bonds.

14 2. The county has also created a special fund known as  
15 the Bond Redemption Fund which shall be drawn upon for the  
16 purpose of paying the principal of and interest on the Bonds  
17 and other unlimited tax general obligation bonds of the  
18 county. The interest and premium, if any, received from the  
19 sale of the Bonds shall be deposited into that fund. Money  
20 in the Youth Services Construction Fund may be temporarily  
21 advanced to the Bond Redemption Fund to pay interest on the  
22 Bonds pending receipt of taxes levied therefor.

23 B. Deposit and Application of the Investment  
24 Proceeds. Except as provided by the Internal Revenue Code  
25 and Section 17 of this ordinance, the earnings derived from  
26 the investment of Bond proceeds in the Youth Services  
27 Construction Fund shall be deposited into the Youth Services  
28 Construction Fund and applied to the payment of the costs of  
29 the Project.

30 C. Unanticipated Bond Proceeds. In the event of  
31 unanticipated Bond Proceeds including, but not limited to,  
32 excess interest earnings, Project completion at less than  
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1 estimated cost or abandonment of a part of the Project, the  
2 King County council may reallocate funds within the existing  
3 Project or for additional Youth Services Department capital  
4 purposes consistent with Ordinance No. 8634 or deposit any  
5 such funds into the Bond Redemption Fund.

6 D. Application of Money upon Project Completion.

7 Except as provided by the Internal Revenue Code and Section  
8 17 of this ordinance, if any money remains in the Youth  
9 Services Construction Fund after payment of Project costs or  
10 after termination of the Project by the county, such money  
11 shall be applied as provided in subsection (C) of this  
12 section.

13 E. Investment of Moneys in Construction Fund.

14 Pending application as described in this Section 16 and  
15 subject to the requirements of the Internal Revenue Code and  
16 Section 17 of this ordinance, money in the Youth Services  
17 Construction Fund may be temporarily deposited in such  
18 institutions or invested in such investments as may be  
19 lawful for the investment of county funds.

20 SECTION 17. Tax Exemption Covenants.

21 A. The county covenants that it will not take or  
22 permit to be taken on its behalf any action that would  
23 adversely affect the exclusion of the interest on the Bonds  
24 from the gross income of the recipients thereof for purposes  
25 of federal income taxation, and will take or require to be  
26 taken such acts as may be permitted by Washington law and as  
27 may from time to time be required under applicable law to  
28 continue the exclusion of the interest on the Bonds from the  
29 gross income of the recipients thereof for purposes of  
30 federal income taxation. Without limiting the generality of  
31 the foregoing, the county will not invest or make or permit  
32 any use of the proceeds of the Bonds or of its other money  
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1 at any time during the term of the Bonds which will cause  
2 such Bonds to be "arbitrage bonds" within the meaning of  
3 Section 148 of the Internal Revenue Code.

4 B. The county further covenants that, if all the  
5 proceeds of the Bonds have not been spent within six months  
6 from the date of issuance of the Bonds, the county shall  
7 calculate or cause to be calculated and shall rebate to the  
8 United States, all earnings from the investment of Bond  
9 proceeds that are in excess of the amount that would have  
10 been earned had the yield on such investments been equal to  
11 the yield on the Bonds, plus income derived from such excess  
12 earnings, to the extent required and in the manner permitted  
13 by Section 148 of the Internal Revenue Code.

14 C. The county has not been notified of any listing or  
15 proposed listing by the Internal Revenue Service to the  
16 effect that the county is a bond issuer the arbitrage  
17 certifications of which may not be relied upon.

18 SECTION 18. Contract; Severability. The covenants  
19 contained in this ordinance shall constitute a contract  
20 between the county and the Owners of each and every Bond.  
21 If any one or more of the provisions of this ordinance shall  
22 be declared unconstitutional or invalid for any reason, such  
23 decision shall not affect the validity of the remaining  
24 provisions of this ordinance or the Bonds, and this  
25 ordinance and the Bonds shall be construed and enforced as  
26 if such unconstitutional or invalid provision had not been  
27 contained herein.

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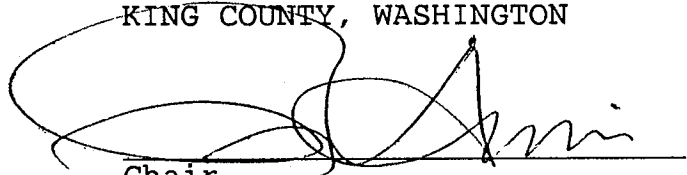
SECTION 19. Appropriation. There is hereby appropriated \$95,000.00 to CIP Project No. 666050 in the Youth Services Detention Facility Construction Fund for bond issuance costs.

Fund  
319 Youth Services Detention Facility  
Construction Fund . . . . . \$95,000.00

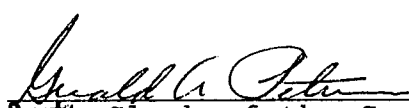
INTRODUCED AND READ for the first time this 19<sup>th</sup> day of June, 1989.

PASSED this 26<sup>th</sup> day of June, 1989.

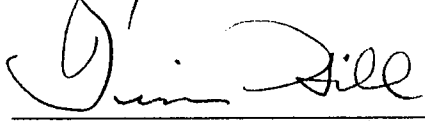
KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Chair

ATTEST:

  
Deputy Clerk of the Council

APPROVED this 6<sup>th</sup> day of July, 1989.

  
King County Executive

4311k





1 The County irrevocably covenants that it will  
2 levy taxes annually, without limitation as to rate or  
3 amount, on all of the taxable property within the  
4 County, in an amount sufficient, together with other  
5 money legally available therefor, to pay the principal  
6 of and interest on the bonds of this issue as the same  
shall become due, and the full faith, credit and  
resources of the County are pledged irrevocably for  
the annual levy and collection of such taxes and for  
the prompt payment of principal of and interest on the  
bonds.

7 This bond shall not be valid or become obligatory  
8 for any purpose until the Certificate of Authentica-  
9 tion hereon shall have been signed by the Bond  
Registrar.

10 The principal of and interest on this bond shall  
11 be paid only to the owner hereof registered as such on  
12 the books of the Bond Registrar as of the record date  
set forth above and to no other person, and this bond  
may not be assigned except on the books of the Bond  
Registrar.

13 It is certified and declared that all acts,  
14 conditions and things required to be done precedent to  
15 and in the issuance of this bond have been done, have  
16 happened and have been performed as required by law,  
and that the total indebtedness of the County, includ-  
ing this bond issue, does not exceed any constitu-  
tional or statutory limitations.

17 IN WITNESS WHEREOF, the County has caused this  
18 bond to be signed in the corporate name of the County  
19 by the facsimile signature of its County Executive and  
20 attested by the facsimile signature of the Clerk of  
the County Council, and a facsimile reproduction of  
the seal of the County Council to be imprinted hereon,  
this 15th day of July, 1989.

21 KING COUNTY, WASHINGTON

22 By (facsimile signature)  
23 County Executive

24 ATTEST:

25 (facsimile signature)  
26 Clerk of the Council  
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33

Office of Finance Issue No. \_\_\_\_\_

Date of Authentication:

## CERTIFICATE OF AUTHENTICATION

This bond is one of the fully registered King County, Washington, Unlimited Tax General Obligation Bonds, 1989 (Youth Facilities Project), described in the Bond Ordinance.

WASHINGTON STATE FISCAL AGENCY  
Bond Registrar

By  
Authorized Officer

## ADDITIONAL BOND PROVISIONS

This bond is one of a total issue of \$14,238,000 par value of bonds, all of like date, tenor and effect, except as to number, denomination, maturities and interest rates, and issued by the County for County capital purposes other than the replacement of equipment, namely, for the acquisition, construction, improvement and equipping of youth detention and treatment facilities, pursuant to an election authorizing such bonds, 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 Ordinance No. 8634, the Bond Ordinance and all other duly adopted 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 of this bond. Upon such transfer, a new bond (or bonds at the option of the new Registered Owner) of the same maturity and for the same aggregate principal amount will be issued to the new Registered Owner, without charge, in exchange therefor. This bond and other bonds may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of bonds of the same maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the fifteen days preceding any principal payment or redemption date.

Bonds maturing in the years 1990 to 1999, inclusive, shall not be subject to redemption prior to their maturity dates. The County reserves the right to redeem any or all of the bonds maturing on or after December 1, 2000, as a whole at any time, or in part or any interest payment date, with the maturities to be redeemed to be selected by the County (and by lot

1 within a maturity in such manner as the Bond Registrar  
2 shall determine), at par plus accrued interest to the  
date fixed for redemption.

3 Portions of the principal amount of any bond, in  
4 installments of \$5,000 or any integral multiple of  
5 \$5,000, may be redeemed. If less than all of the  
6 principal amount of any bond is redeemed, upon sur-  
7 render of such bond at the principal office of the  
8 Bond Registrar, there shall be issued to the Regis-  
9 tered Owner, without charge therefor, a new bond or  
10 bonds, at the option of the Registered Owner, of like  
11 maturity and interest rate in any of the denominations  
12 authorized by the Bond ordinance.

13 Notice of any such intended redemption shall be  
14 given not less than 30 nor more than 60 days prior to  
15 the date fixed for redemption by first class mail,  
16 postage prepaid, to the Registered Owner of any bond  
17 to be redeemed at the address appearing on the Bond  
18 Register. The requirements of the Bond Ordinance  
19 shall be deemed to be complied with when notice is  
20 mailed as herein provided, whether or not it is  
21 actually received by the owner of any bond. The  
22 interest on the bonds so called for redemption shall  
23 cease on the date fixed for redemption unless such  
24 bonds so called are not redeemed upon presentation  
25 made pursuant to such call. In addition, such redemp-  
26 tion notice shall be mailed within the same period,  
27 postage prepaid, to Moody's Investor's Service, Inc.,  
28 and Standard & Poor's Corporation at their offices in  
29 New York, New York, or their successors, and to such  
30 other persons and with such additional information as  
31 the County Finance Manager shall deem appropriate, but  
32 such mailings shall not be a condition precedent to  
33 the redemption of such bonds.

19 The County also reserves the right and option to  
20 purchase any of the bonds on the open market at any  
21 time and any price.

22 Reference is made to the Bond Ordinance for other  
23 covenants and declarations of the County and other  
24 terms and conditions upon which this bond has been  
25 issued, which terms and conditions, including, but not  
26 limited to, terms pertaining to defeasance, are made a  
27 part hereof by this reference. The County irrevocably  
28 and unconditionally covenants that it will keep and  
29 perform all the covenants of this bond and of the Bond  
30 Ordinance.

31 The County and the Bond Registrar may deem and  
32 treat the Registered Owner hereof as the absolute  
33 owner hereof for the purpose of receiving payment of  
or on account of the principal hereof and interest due  
hereon and for all other purposes, and neither the  
County nor the Bond Registrar shall be affected by any  
notice to the contrary. "Registered Owner," as used  
herein, means the person named as the Registered Owner  
of the bond on the front hereof and on the registra-  
tion books of the Bond Registrar.

9022

[Legal Opinion]

ASSIGNMENT

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

\_\_\_\_\_

\_\_\_\_\_

(name, address and social security or other identifying number of assignee)

the within mentioned bond and irrevocably constitutes and appoints \_\_\_\_\_ to transfer the same on the registration books of the Bond Registrar with full power of substitution in the 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.)

4316k

EXHIBIT B

## NOTICE OF BOND SALE

KING COUNTY, WASHINGTON

\$14,238,000 UNLIMITED TAX GENERAL OBLIGATION BONDS, 1989

(Youth Facilities Project)

SEALED PROPOSALS will be received by the Clerk of the Council of King County, Washington (the "County"), at her office in Room 403, King County Courthouse, Seattle, Washington, until 10:00 a.m., Pacific Daylight Time, on

July 24, 1989,

at which time and place all bids received will be publicly opened and read for the purchase of \$14,238,000 par value of Unlimited Tax General Obligation Bonds, 1989 (Youth Facilities Project), of the County (the "Bonds"). The bids will be considered by the County Council and an award made at a meeting in the Council Chambers in the King County Courthouse commencing at 9:30 a.m., Pacific Daylight Time, on the same date.

BOND DESCRIPTION

The Bonds will be dated July 15, 1989; will be in the denomination of \$5,000 or any integral multiple thereof within a single maturity, except that one Bond maturing in 1990 will be in the denomination of \$3,000 or \$5,000 or any integral multiple thereof plus \$3,000; will be numbered separately and in the manner and with any additional designation as the Bond Registrar (collectively the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York) deems necessary for purposes of identification; and will bear interest payable on June 1, 1990, and semiannually thereafter on each succeeding December 1 and June 1. Interest on the Bonds will be payable by check or draft mailed, or by wire transfer (if agreed to by the County) to the registered owners of the Bonds, and principal will be payable at either of the principal offices of the Bond

1 Registrar. The Bonds will mature on December 1 in years and  
 2 amounts as follows:

<u>Maturity Years</u>	<u>Principal Amounts</u>
1990	\$ 363,000
1991	385,000
1992	410,000
1993	435,000
1994	465,000
1995	495,000
1996	525,000
1997	560,000
1998	600,000
1999	640,000
2000	680,000
2001	730,000
2002	775,000
2003	830,000
2004	890,000
2005	950,000
2006	1,015,000
2007	1,085,000
2008	1,160,000
2009	1,245,000

15 The County has not reserved the right or option to redeem  
 16 Bonds maturing in the years 1990 through 1999, inclusive, prior  
 17 to their stated maturity dates. The County has reserved the  
 18 right and option to redeem Bonds maturing on or after  
 19 December 1, 2000, prior to their stated maturity dates as a  
 20 whole at any time, or in part on any interest payment date, with  
 21 the maturities to be redeemed to be selected by the County (and  
 22 by lot within a maturity in such manner as the Bond Registrar  
 23 shall determine) at par plus accrued interest to date fixed for  
 24 redemption.

25 Any Bond in the principal amount of greater than \$5,000 may  
 26 be redeemed partially in any integral multiple of \$5,000. If  
 27 less than all of the principal amount of any Bond is redeemed,  
 28 upon surrender of that Bond at either of the principal offices  
 29 of the Bond Registrar, there shall be issued to the registered  
 30 owner, without charge therefor, a new Bond or Bonds, at the  
 31 option of the registered owner, of the same interest rate and  
 32 maturity in the aggregate principal amount remaining unredeemed.





1 interest cost will be determined by doubling the semiannual  
2 interest rate (compounded semiannually) necessary to discount  
3 the debt service payments from the payment dates to the date of  
4 the Bonds and to the price bid, without regard to interest  
5 accrued to the date of delivery of the Bonds.

#### 6 BID DEPOSIT

7 All bids shall be sealed and shall be accompanied by a good  
8 faith deposit of \$500,000 either in cash or by certified or  
9 cashier's check made payable to the King County Finance Manager,  
10 which shall be returned promptly if the bid is not accepted.  
11 The good faith deposit of the successful bidder shall be  
12 retained by the County, shall be applied to the purchase price  
13 of the Bonds on the delivery of the Bonds to the successful  
14 bidder and, pending delivery of the Bonds, may be invested for  
15 the sole benefit of the County. If the Bonds are ready for  
16 delivery and the successful bidder fails to complete the  
17 purchase of the Bonds within 40 days following the acceptance of  
18 its bid, the good faith deposit shall be forfeited to the  
19 County, and, in that event, the County Council may accept the  
20 next best bid.

#### 21 AWARD

22 The Bonds will be sold to the bidder making a bid  
23 conforming to the terms of the offering and which, on the basis  
24 of the lowest true interest cost, is the best bid. If there are  
25 two or more equal bids and those bids are the best bids  
26 received, the County Council shall determine by lot which bid  
27 will be accepted. The County reserves the right to reject any  
28 or all bids submitted and to waive any formality in the bidding  
29 or bidding process, and, if all bids are rejected, the Bonds may  
30 be readvertised for sale in the manner provided by law. Any bid  
31 presented after the time specified for the receipt of bids will  
32 not be received, and any bid not accompanied by the required  
33

1 good faith deposit at the time of opening that bid will not be  
2 read or considered.

3 DELIVERY

4 The Bonds will be delivered to the successful bidder within  
5 forty days after the sale date in Seattle, Washington, at the  
6 expense of the County or, at the purchaser's expense, at another  
7 place on which the County Finance Manager and the purchaser may  
8 agree. Settlement shall be made at the time of delivery of the  
9 Bonds in federal funds immediately available.

10 CUSIP numbers will be printed on the Bonds, if requested in  
11 the bid of the successful bidder, but neither failure to print  
12 CUSIP numbers on any Bond nor error with respect thereto shall  
13 constitute cause for a failure or refusal by the purchaser to  
14 accept delivery of and pay for the Bonds in accordance with its  
15 bid. All expenses in relation to the printing of CUSIP numbers  
16 on the Bonds shall be paid by the County, but the fee of the  
17 CUSIP Service Bureau for the assignment of those numbers shall  
18 be the responsibility of and shall be paid by the purchaser.

19 It is understood that if, prior to the delivery of the  
20 Bonds, the interest receivable by the owners of the Bonds  
21 becomes includable in gross income for federal income tax  
22 purposes, or becomes subject to federal income tax other than as  
23 described in the Official Statement, the successful bidder, at  
24 its option, may be relieved of its obligation to purchase the  
25 Bonds and in that case the good faith deposit accompanying its  
26 bid will be returned without interest.

27 The Bonds will be furnished by the County and will be sold  
28 with the approving legal opinion of Foster Pepper & Shefelman,  
29 bond counsel of Seattle, Washington, relative to the issuance of  
30 the Bonds printed on each Bond, all at the expense of the  
31 County. Bond counsel's opinion shall express no opinion  
32 concerning the completeness or accuracy of any official  
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statement, offering circular or any other sales material issued or used in connection with the Bonds. A no-litigation certificate will be included in the closing papers.

The official notice of sale and further information regarding the details of the Bonds may be received on request made to the County Finance Manager or to Shearson Lehman Hutton Inc., 999 Third Avenue, Suite 4000, Seattle, Washington, 98104 [telephone (206) 344-3588], or Public Financial Management, 345 California Street, Suite 2550, San Francisco, CA 94104 [telephone: (415) 982-5544], the County's financial advisors.

DATED at Seattle, Washington, this \_\_\_\_ of \_\_\_\_\_, 1989.

\_\_\_\_\_, Clerk of  
the King County Council

Date of Publication:  
4310k