

August 14, 1997
424N2
8/20/97 clerk

Introduced By: JANE HAGUE
GREG NICKELS
Proposed No.: 97-0521

MOTION NO. **10290**

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A MOTION approving the issuance of industrial revenue bonds by the King County Economic Enterprise Corporation for \$5,000,000, and approving Resolution 97-6 of the King County Economic Enterprise Corporation authorizing the sale of bonds to provide funds to finance certain industrial development facilities for Pacific Systems Properties, L.L.C. and Pacific Systems Corporation in the City of Kirkland, King County, Washington, and related matters; and approving execution and delivery by the King County Economic Enterprise Corporation of a Placement Agent Agreement.

WHEREAS, the King County Economic Enterprise Corporation ("the Issuer") is authorized and empowered by the provisions of chapter 30, Laws of 1981 of the State of Washington (chapter 39.84 RCW) (the "Act") to issue nonrecourse revenue bonds for the purpose of facilitating economic development and employment opportunities and financing all or part of the cost of acquiring, expanding and equipping industrial development facilities in King County, Washington; and

WHEREAS, in order to facilitate economic development and employment opportunities in King County, Pacific Systems Properties, L.L.C. and Pacific Systems Corporation (the "Companies"), intend to construct certain industrial development facilities (the "Project") in the city of Kirkland, King County; and

WHEREAS, upon the request of the Companies and after due consideration of the construction and financing of the Project as promoting the purposes of the Act and the public purposes of the Issuer, the Issuer by Resolution No. 97-6 proposes to issue and sell

1 its revenue bonds in the principal amount of \$5,000,000 pursuant to the provisions of the
2 Act for the purpose of assisting in financing the costs of the Project; and

3 WHEREAS, the city of Kirkland, which exercises planning jurisdiction over the area
4 in which the Project is located, by resolution, has approved the financing of the Project by
5 the Issuer; and

6 WHEREAS, King County is the municipality under whose auspices the Issuer was
7 created pursuant to the provisions of the Act; and

8 WHEREAS, RCW 39.84.060 requires the Issuer to obtain the approval of King County
9 prior to issuing its bonds, and RCW 39.84.100(6) requires King County to approve by
10 resolution any agreement by the Issuer to issue bonds and further requires that King County
11 specifically approve the resolutions of the Issuer providing for the issuance of the bonds no
12 more than sixty days before the date of the sale of the bonds;

13 NOW, THEREFORE, BE IT MOVED by the Council of King County:

14 A. Approvals of Bonds. The county approves the issuance and sale by the Issuer
15 of its nonrecourse industrial revenue bonds or other obligations (the "Bonds") pursuant to the
16 provisions of the Act contingent upon Pacific Systems Properties, L.L.C. and Pacific Systems
17 Corporation pursuing hiring of disadvantaged workers and coordinating with the Workforce
18 Brokerage to fill the new positions in the future indicated and further specifically approves
19 Resolution No. 97-6 of the Issuer providing for the issuance of its Bonds in the principal
20 amount of \$5,000,000 to assist in financing the cost of the Project, together with the costs
21 incident to the authorization, sale, issuance and delivery of the Bonds.

22 B. Approval of Placement Agent Agreement. The county approves the execution
23 and delivery by the Issuer of the Placement Agent Agreement by and among the Issuer, the

1 Companies, as the user of the Project and Seafirst Bank, as the placement agent for the Bonds.
 2 The Issuer may make or approve such additions, modification and deletions in such Placement
 3 Agent Agreement and the Exhibits thereto, and such other certificates and documents required
 4 thereby as are deemed by the Issuer not to be inconsistent with the purpose of this motion and
 5 in substantial conformity with the documents hereby approved and as may be reasonable and
 6 necessary to facilitate the issuance and placement of the Bonds and the loan of the proceeds
 7 thereof to the Companies and the accomplishments of any matters related thereto.

8 C. Motion to Constitute a Resolution. This motion shall constitute a resolution
 9 for purposes of chapter 39.84 RCW.

10 PASSED by a vote of 12 to 0 this 2nd day of September, 19 97

11 KING COUNTY COUNCIL
 12 KING COUNTY, WASHINGTON

13 Jane Hague
 14 Chair

15 ATTEST:

16 Jane Masno
 17 Clerk of the Council
 18

19 Attachments:

20 A. Resolution No. 97-6
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RESOLUTION NO. 97-06

A RESOLUTION of the Board of Directors of the King County Economic Enterprise Corporation authorizing the issuance and placement of its Variable Rate Demand Industrial Revenue Bonds, 1997 (Pacific Systems Project) in the principal amount of \$5,000,000; approving the documentation in connection with the issuance of said bonds; appointing a trustee; and providing for other matters relating thereto.

WHEREAS, on January 30, 1997, the Board of Directors (the "Board") of the King County Economic Enterprise Corporation (the "Enterprise Corporation") approved Resolution No. 97-1, taking official action toward issuance and sale of its nonrecourse revenue bonds in the principal amount of not to exceed \$5,000,000 for the purpose of financing certain industrial development facilities described therein (the "Project") by Pacific Systems Corporation and Pacific Systems Properties, L.L.C. (collectively the "Company"); and

WHEREAS, on August 13, 1997, the Board held an open public hearing on the issuance of said nonrecourse revenue bonds pursuant to notice published in the *Seattle Times*, Seattle, Washington on July 25, 1997; and

WHEREAS, forms for the following documents ("Loan Documents") relating to the proposed issue of bonds and the loan of bond proceeds have been prepared and submitted to this Board in substantially the form attached hereto and are hereby directed to be filed with the Secretary of the Enterprise Corporation:

(a) A Loan Agreement to be dated as of September 1, 1997, proposed to be made and entered into between the Enterprise Corporation and Pacific Systems Corporation (the "Corporation Loan Agreement");

(b) A Loan Agreement to be dated as of September 1, 1997, proposed to be made and entered into between the Enterprise Corporation and Pacific Systems Properties, L.L.C. (the "LLC Loan Agreement") (the Corporation Loan Agreement and the LLC Loan Agreement are hereinafter referred to collectively as the "Loan Agreements");

(c) An Indenture of Trust (the "Indenture") to be dated as of September 1, 1997, proposed to be made and entered into between the Enterprise Corporation and First Trust National Association, Seattle, Washington, as trustee (the "Trustee"), authorizing the issuance of and setting forth the terms and conditions of the said nonrecourse revenue bonds, assigning the Enterprise Corporation's interest in the Loan Agreements, and setting forth the proposed recitals, covenants and agreements of the parties with respect thereto;

(d) A Placement Agent Agreement (the "Placement Agent Agreement") proposed to be made and entered into between and among Bank of America National Trust and Savings Association, doing business as Seafirst Bank (the "Placement Agent"), the Company and the Enterprise Corporation;

(e) A Placement Memorandum to be circulated by the Placement Agent to prospective purchasers of the Bonds;

WHEREAS, pursuant to the foregoing Loan Documents, the Enterprise Corporation hereby determines that the issuance of its Variable Rate Demand Industrial Revenue Bonds, 1997 (Pacific Systems Project) in the aggregate principal amount of \$5,000,000, (the "Bonds"), is in the public interest and consistent with the Act; and

WHEREAS, the Board has been advised that the Bonds will be secured by an irrevocable direct pay Letter of Credit (the "Letter of Credit") to be issued by Bank of America National Trust and Savings Association, doing business as Seafirst Bank;

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

Section 1. Findings of the Enterprise Corporation. The Board hereby finds as follows:

(a) Financing the Project as described more fully in Resolution No. 97-1, the issuance and sale of the Bonds, the execution and delivery of the Loan Agreements, the Indenture, and the Placement Agent Agreement, and the performance of all covenants and agreements of the Enterprise Corporation contained in the Loan Agreements, the Indenture, and the Placement Agent Agreement and all other acts and things required under the Constitution and laws of the

State of Washington to make the Loan Agreements, the Indenture, the Placement Agent Agreement, and the Bonds valid and binding, limited obligations of the Enterprise Corporation enforceable against the Enterprise Corporation in accordance with their terms, respectively, are authorized by the Act;

(b) The issuance and sale of the Bonds and the loan of the Bond proceeds by the Enterprise Corporation to the Company to finance the Project are in conformity with and satisfy the guidelines of the Enterprise Corporation with respect to the issuance of nonrecourse revenue bonds under the Act;

(c) The Enterprise Corporation hereby elects to have the provisions of Section 144(a)(4)(A) of the Internal Revenue Code of 1986 apply with respect to the Bonds, in order that the Bonds be issued as a qualified exempt small issue in excess of \$1,000,000; and

(d) In reliance upon delivery of an approving legal opinion from Bond Counsel, Preston Gates & Ellis LLP, the Board hereby finds and determines that the interest on the Bonds will be exempt from income taxation by the federal government, subject to certain customary exceptions.

Section 2. Authorization and Approval. The Enterprise Corporation is hereby authorized to lend the proceeds of the Bonds to the Company to finance the Project and to pledge and assign the loan repayments and revenues therefrom and its interest in the Loan Agreements to the Trustee hereinafter appointed, all as provided in the Loan Agreements and the Indenture. The forms of the Loan Agreements, the Indenture, the Placement Agent Agreement, and the Bonds are approved subject to such modifications as are deemed appropriate and approved by the President of the Board and counsel for the Enterprise Corporation, which approval shall be conclusively evidenced by execution and delivery of the Loan Agreements, the Indenture, the Placement Agent Agreement, and the Bonds by the President or Vice President of the Board and the Secretary of the Enterprise Corporation as therein required. The Loan Agreements are hereby directed to be executed in the name and on behalf of the Enterprise Corporation by the President or Vice President of the Board, but only to be delivered upon execution thereof by the Company.

The Indenture is directed to be executed in the name and on behalf of the Enterprise Corporation by the President or Vice President of the Board, and delivered to the Trustee.

Section 3. Authorization of Bonds. To finance the Project, the Enterprise Corporation does hereby authorize the issuance, sale and delivery of the Bonds, in the aggregate principal amount of \$5,000,000, in the form set forth in the Indenture, pursuant to the terms set forth therein.

Section 4. Placement of Bonds. The proposal of the Placement Agent to place the Bonds pursuant to the Placement Agent Agreement at a price of \$5,000,000 plus accrued interest, if any, is hereby accepted. The Placement Agent Agreement shall be executed in the name and on behalf of the Enterprise Corporation by the President or Vice President of the Board, but shall be delivered only upon execution thereof by the Company and the Placement Agent.

Section 5. Execution and Delivery of Bonds. The President or Vice President of the Board and the Secretary of the Enterprise Corporation are authorized and directed to execute by facsimile or manual signatures for and on behalf of the Enterprise Corporation the Bonds as provided in the Indenture and to deliver such Bonds to the Trustee hereinafter named for authentication and thereafter to deliver the Bonds to the purchasers upon the simultaneous payment of the purchase price as specified in the Placement Agent Agreement.

Section 6. Appointment of Trustee. First Trust National Association, Seattle, Washington, is hereby designated as Trustee for the Bonds and further as the paying agent for the Bonds. The Enterprise Corporation does request and authorize the Trustee on behalf of the Enterprise Corporation to authenticate the Bonds, and the President or the Vice President of the Board is authorized to execute a formal request to authenticate for and on behalf of the Enterprise Corporation.

Section 7. Further Documents and Certificates. The President, Vice President, Secretary and such other officers of the Enterprise Corporation as may be appropriate, are authorized and directed to execute any and all documents and do any and all things determined necessary to effect the accomplishment of the issuance, placement and delivery of the Bonds and to deliver the

necessary documents to the proper parties as requested to carry out the intended purposes of this resolution.

Section 8. Limitations on Liability. Nothing contained in this resolution nor in the Bonds, the Loan Agreements, the Indenture, the Placement Agent Agreement, nor any other instrument, shall be construed with respect to the Enterprise Corporation or King County (the "County") as incurring a pecuniary liability or charge upon the general credit of the Enterprise Corporation or the County or against the taxing power of the County, nor shall the breach of any agreement contained in this resolution, the Bonds, the Loan Agreements, the Indenture, the Placement Agent Agreement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Enterprise Corporation.

ADOPTED by the Board of Directors of the King County Economic Enterprise Corporation this 14th day of August, 1997.

KING COUNTY ECONOMIC
ENTERPRISE CORPORATION

By: Linda M. Youngs
Linda Youngs, President,
Board of Directors

ATTEST:

Ray Moser
Ray Moser, Secretary

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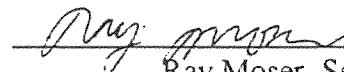
CERTIFICATE

I, Ray Moser, Secretary of the King County Economic Enterprise Corporation (the "Enterprise Corporation"), DO HEREBY CERTIFY:

1. That the attached Resolution No. 97-06 (the "Resolution") is a true and correct copy of a resolution of the Enterprise Corporation as adopted at a special meeting of its Board of Directors (the "Board") held on August 14, 1997.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the King County Economic Enterprise Corporation this 14th day of August, 1997.



Ray Moser, Secretary

[SEAL]