

KING COUNTY, WASHINGTON

ORDINANCE NO. 5683

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3
4 AN ORDINANCE providing for the issuance and sale
5 of sewer revenue bonds in the amount of \$600,000
6 to obtain the funds with which to pay the cost of
7 carrying out that part of the Sewerage General
8 Plan Duwamish County Sewer Service Area as adopted
9 by Ordinance No. 4435 applicable to Utility Local
10 Improvement District No. 2 heretofore created by
11 Ordinance 4478; fixing the date, form, interest
12 rate, denomination, maturities, terms and cove-
13 nants of the bonds; and providing for the sale and
14 delivery of the bonds.

PREAMBLE:

15 The County has heretofore issued, pursuant to Ordinance
16 No. 4065, its "Sewer Revenue Bonds, 1979," in the original amount
17 of \$350,000, and covenanted and agreed in Section 9 of that ordi-
18 nance that it would not create any special fund or funds for the
19 payment of the principal of and interest on any other sewer reve-
20 nue bonds which would rank on a parity with or have priority over
21 the payments to be made out of the "Gross Revenue of the County"
22 (as defined in that ordinance) into "Fund No. 890, Assessment and
23 Revenue Bond Fund" (the "Bond Fund") and would not issue and sell
24 any "Parity Bonds" (as defined in that ordinance), except that
25 the County reserved the right for the purpose of acquiring, con-
26 structing and installing additions and improvements to and exten-
27 sions and betterments of, acquiring necessary equipment for or
28 making necessary replacements of equipment or capital improve-
29 ments to the Sewer Utility of the County, or the purpose of ex-
30 changing or purchasing and retiring prior to or at their maturity
31 any outstanding sewer revenue bonds of the County, to issue addi-
32 tional and/or refunding sewer revenue bonds therefor (therein de-
33 fined as "Parity Bonds"), and to make payments into the Bond Fund
therefor if there is compliance with the following conditions:

"(a) All payments then required by this ordi-
nance and all payments then required by any ordi-
nance hereafter passed pertaining to any Parity

1 Bonds then outstanding shall have been made into
2 the Bond Fund.

3 "(b) The ordinance providing for the issuance
4 of such Parity Bonds shall provide that all ULID
5 Assessments shall be paid directly into the Bond
6 Fund.

7 "(c) The ordinance providing for the issuance
8 of such Parity Bonds shall provide for the payment
9 of the principal and interest thereon out of the
10 Bond Fund and shall further provide for the deposit
11 into the Reserve Account of the Reserve Requirement
12 for the Bonds, then outstanding Parity Bonds and
13 the Parity Bonds to be issued in the manner set
14 forth in Section 4 of this ordinance; except that
15 in the case of refunding bonds, if the ordinance
16 authorizing the issuance of such refunding bonds
17 provides that the money in the Reserve Account for
18 the bonds to be refunded shall be retained in the
19 Bond Fund as a reserve for the refunding bonds, or
20 the money in any other reserve account or fund for
21 the bonds being refunded shall be transferred to
22 the Reserve Account in the Bond Fund, then no
23 additional reserve money need be deposited into
24 the Reserve Account, unless the amount in the
25 Reserve Account for such refunding Parity Bonds
26 does not equal the Reserve Requirement for all
27 then outstanding bonds payable from the Bond Fund,
28 in which event such Reserve Requirement shall be
29 accumulated in the same manner and within the same
30 time as set forth herein.

31 "(d) There shall be on file with the County a
32 certificate of a professional engineer experienced
33 in municipal utilities and licensed to practice in

1 the State of Washington to the effect that the
2 Gross Sewer Revenue of the County and ULID Assess-
3 ments collected for any twelve consecutive calendar
4 months out of the immediately preceding 24 consecu-
5 tive calendar months, plus the additional revenue
6 anticipated to be received from the proposed
7 improvement in connection with which such Parity
8 Bonds are to be issued, together with the addi-
9 tional ULID Assessments anticipated to be collected
10 in any ULIDs created to pay, in whole or in part,
11 such Parity Bonds so proposed to be issued,
12 together with adjustments to include a full year's
13 revenue for customers connected to or paying
14 charges to the Sewer Utility for less than one
15 year, together with the increase in revenues
16 reasonably anticipated to result from any change
17 in the schedule of sewer service rates to be put
18 into effect prior to the issuance of such Parity
19 Bonds, and after giving effect to any probable
20 future increase or decrease in Operation and
21 Maintenance Expenses of the Sewer Utility and to
22 any probable future increase or decrease in Gross
23 Sewer Revenue of the County resulting from growth
24 or shrinkage in the number of users of sanitary
25 sewage disposal service, are deemed sufficient,
26 after the payment of Operation and Maintenance
27 Expenses of the Sewer Utility, equal to at least
28 1.25 times the Average Annual Debt Service on all
29 bonds payable out of the Bond Fund at any time
30 outstanding, including the Parity Bonds proposed
31 to be issued; except that if Parity Bonds proposed
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1 to be so issued are for the sole purpose of refund-
2 ing outstanding sewer revenue bonds, such certifi-
3 cation of coverage shall not be required if the
4 amount required for the payment of the principal
5 and interest in each year for the refunding bonds
6 is not increased over the amount required for the
7 bonds to be refunded thereby and the maturities of
8 those refunding bonds are not extended beyond the
9 maturities of the bonds to be refunded thereby."

10 By Ordinance No. 4435, passed August 6, 1979, the County
11 Council, pursuant to Chapter 36.94 RCW, adopted its Sewerage
12 General Plan Duwamish County Sewer Service Area.

13 The County Council by Ordinance No. 4478, passed October
14 10, 1979, duly created Utility Local Improvement District No. 2
15 of the County and ordered the acquisition and construction of that
16 part of the Sewerage General Plan Duwamish County Sewer Service
17 Area applicable to that utility local improvement district.

18 The County Council by Ordinance No. 5425, passed April
19 27, 1981, duly approved and confirmed the assessment roll in
20 Utility Local Improvement District No. 2 which roll is in the
21 amount of \$478,718.

22 The County Council deems it necessary to issue and sell
23 at this time sewer revenue bonds provided for by this ordinance
24 in the amount of \$600,000 to pay the cost of the improvements
25 ordered to be carried out by Ordinance No. 4478.

26 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY, WASHINGTON:

27 SECTION 1. As used in this ordinance, the following
28 words shall have the meanings hereinafter set forth:

29 (a) "Annual Debt Service" for any year shall mean all
30 the principal and interest due upon any issue or issues of bonds
31 in such year, except the principal of such bonds due in any Term
32 Bond Maturity Year of such bonds having Term Bonds, and plus all
33 mandatory redemption and sinking fund requirements for Term Bonds

1 which requirements will mature or become due in such year, less
2 all capitalized interest payable from the proceeds of such bonds.

3 (b) "Average Annual Debt Service" shall mean the total
4 Annual Debt Service due on any issue or issues of bonds for the
5 remaining years of such bonds until they are fully matured
6 divided by the number of such years.

7 (c) "Bond Fund" shall mean "Fund No. 890, Assessment and
8 Revenue Bond Fund" created by Ordinance No. 4065 for the purpose
9 of paying the principal of and interest on the 1979 Bonds, the
10 Bonds and Future Parity Bonds.

11 (d) "Bonds" shall mean the \$600,000 par value of "Sewer
12 Revenue Bonds, 1981," of the County issued pursuant to and for
13 the purposes provided in this ordinance.

14 (e) "1979 Bonds" shall mean the \$350,000 par value of
15 "Sewer Revenue Bonds, 1979," of the County issued pursuant to and
16 for the purposes provided in Ordinance No. 4065.

17 (f) "Construction Fund" shall mean the "Duwamish Sewer
18 Utility Local Improvement District Construction Fund" created in
19 the office of the King County Comptroller by Ordinance No. 4542.

20 (g) "Council" shall mean the County Council of King
21 County, Washington.

22 (h) "County" shall mean King County, Washington, and the
23 corporate authorities thereof.

24 (i) "Future Parity Bonds" shall mean any and all sewer
25 revenue bonds of the County payable from the Bond Fund, the pay-
26 ment of which, both principal and interest, constitutes a lien
27 and charge upon the Gross Sewer Revenue of the County and ULID
28 Assessments equal in rank with the lien and charge upon such
29 revenue and assessments for the payments required to pay or
30 secure the payment of the 1979 Bonds and the Bonds.

31 (j) "Gross Sewer Revenue of the County" shall mean all
32 of the earnings and revenue received by the Sewer Utility from
33 any source whatsoever, including without limitation earnings in

1 the Bond Fund, but not ULID Assessments and other assessments and
2 installments thereof and interest and any penalties thereon
3 levied or collected in any ULID of the County, nor general taxes,
4 utility taxes, nor federal or state grants.

5 (k) "Maintenance Fund" shall mean "Fund No. 447, Waste
6 Water Sewer Operation and Maintenance Fund" in the office of the
7 King County Comptroller created as the Utility Local Improvement
8 Fund by Ordinance No. 1822.

9 (l) "Maximum Annual Debt Service" shall mean the maximum
10 amount of Annual Debt Service which will mature or become due in
11 any future year.

12 (m) "Net Sewer Revenue of the County" shall mean the
13 Gross Sewer Revenue of the County, less the Operation and Mainte-
14 nance Expenses.

15 (n) "Operation and Maintenance Expenses" shall mean all
16 reasonable expenses incurred by the Sewer Utility in causing that
17 utility to be administered, operated and maintained in good
18 repair, working order and condition, and shall include payments
19 made to any other municipal corporation or entity for sewage
20 treatment and disposal in lieu of or in addition to the operation
21 of the County's own sewage treatment and disposal facilities, but
22 shall not include depreciation, County-levied taxes for County
23 purposes, charges levied by the County in lieu of taxes, and pay-
24 ments attributable to the acquisition of capacity rights in
25 facilities of such municipal corporation or entity.

26 (o) "Principal and Interest Account" shall mean the
27 "Principal and Interest Account" created in the Bond Fund from
28 which money will first be used to pay the principal of and
29 interest on the 1979 Bonds, the Bonds and Future Parity Bonds.

30 (p) "Reserve Account" shall mean the account of that
31 name created in the Bond Fund to secure the payment of the prin-
32 cipal of and interest on the 1979 Bonds, the Bonds and Future
33 Parity Bonds.

1 (q) "Reserve Requirement" shall mean:

2 (1) For the 1979 Bonds, \$50,000 or the
3 Average Annual Debt Service on the 1979 Bonds,
4 whichever is greater; and

5 (2) For the Bonds, \$87,750 or the Average
6 Annual Debt Service on the Bonds, whichever is
7 greater; and

8 (3) After Future Parity Bonds are issued,
9 for the 1979 Bonds, the Bonds and Future Parity
10 Bonds, the Average Annual Debt Service on all
11 bonds payable from the Bond Fund.

12 (r) "Sewer Utility" shall mean the public sanitary
13 sewage collection and disposal system of the County now owned and
14 to be acquired, constructed and installed out of the proceeds of
15 the sale of the Bonds and as the same has been and shall be added
16 to, bettered, improved and extended, for as long as any of the
17 1979 Bonds, the Bonds and any Future Parity Bonds are outstanding,
18 and, in the event the County shall hereafter duly combine its
19 public sanitary sewage collection and disposal system and its
20 storm water or surface water drainage system or utility, then it
21 shall mean that combined utility.

22 (s) "Term Bond Maturity Year" of the Bonds or any issue
23 or series of Future Parity Bonds shall mean the year all of the
24 Bonds are scheduled to mature or any year in which the bonds of
25 such issue or series of Future Parity Bonds scheduled to mature
26 (regardless of any reservation of prior redemption rights) is
27 more than 1.25 times the average annual principal maturities of
28 the bonds of such issue or series of Future Parity Bonds (not
29 including other Term Bonds) for the three years immediately pre-
30 ceding such year.

31 (t) "Term Bonds" shall mean those numbered outstanding
32 Bonds or any single issue or series of Future Parity Bonds
33 scheduled to mature in a Term Bond Maturity Year.

1 (u) "ULID" shall mean utility local improvement district
2 of the County.

3 (v) "ULID Assessments" shall mean the special assess-
4 ments levied in ULIDs Nos. 1 and 2 of the County and in any ULID,
5 and installments, interest and penalties thereon, which are
6 pledged and/or required to be paid into the Bond Fund.

7 SECTION 2. The Council finds that all payments required
8 by Ordinance No. 4065 for the 1979 Bonds have been made into the
9 Bond Fund; that provision is hereinafter made for the payment of
10 all ULID Assessments directly into the Bond Fund, the payment of
11 the Bonds from the Bond Fund and the accumulation of the Reserve
12 Requirement in the Bond Fund for the Bonds; and that a profes-
13 sional engineer experienced in municipal utilities and licensed
14 to practice in the State of Washington will issue his certificate
15 prior to the delivery of the Bonds to the effect that the revenue
16 and coverage requirements specified in subsection 9(d) of Ordi-
17 nance No. 4065 have been met.

18 SECTION 3. For the purpose of providing the funds neces-
19 sary to pay the cost of carrying out that part of the Sewerage
20 General Plan Duwamish County Sewer Service Area applicable to
21 ULID No. 2 of the County and ordered to be carried out by Ordi-
22 nance No. 4478, and to fund the Reserve Requirement for the Bonds
23 in the Reserve Account, the County shall cause to be issued and
24 delivered to the purchaser thereof the Bonds in the amount of
25 \$600,000.

26 The Bonds shall be dated October 1, 1981; shall be in
27 denominations of \$5,000 each; shall be numbered from 1 to 120,
28 inclusive; and shall bear interest at the rate or rates to be
29 determined at public sale of the Bonds, payable semiannually on
30 April 1 and October 1 of each year, as evidenced by coupons to
31 be attached thereto representing interest to maturity. If any
32 Bond is not redeemed when duly presented at its maturity or call
33 date thereof, the County shall be obligated to pay interest at

1 the coupon rate for each such Bond from and after the maturity or
 2 call date until such Bond, both principal and interest, shall
 3 have been paid in full or until sufficient money for such payment
 4 in full is on deposit in the Bond Fund and such Bond has been
 5 duly called for payment. Both principal of and interest on the
 6 Bonds shall be paid in lawful money of the United States of
 7 America, which at the time of payment shall be legal tender for
 8 the payment of public and private debts, at the office of the
 9 Comptroller of King County, in Seattle, Washington, or, at the
 10 option of the holder, at either fiscal agency of the State of
 11 Washington in Seattle, Washington, or New York, New York. The
 12 Bonds shall mature in order of their numbers in the following
 13 amounts on October 1 of each of the following years:

Bond Numbers (Inclusive)	Amounts	Maturity Years
1 to 13	\$ 65,000	1982
14 to 18	25,000	1983
19 to 23	25,000	1984
24 to 28	25,000	1985
29 to 33	25,000	1986
34 to 38	25,000	1987
39 to 43	25,000	1988
44 to 48	25,000	1989
49 to 53	25,000	1990
54 to 58	25,000	1991
**	**	**
59 to 104	230,000	2001
**	**	**
105 to 120	80,000	2011

23 The Bonds shall be payable from the Gross Sewer Revenue
 24 of the County and also from the receipt of payments of ULID
 25 Assessments. The Bonds shall be payable solely out of the Bond
 26 Fund and shall not be a general obligation of the County.

27 SECTION 4. Bonds numbered 1 to 58, inclusive, shall be
 28 issued without the right or option of the County to redeem the
 29 same prior to their respective maturity dates.

30 The County reserves the right to redeem any or all of the
 31 Bonds numbered 59 to 120, inclusive, in numerical order prior to
 32 their stated maturity dates on any semiannual interest payment
 33 date at par plus accrued interest to date of redemption in accord-
 ance with the following schedule:

Bond Numbers
(Inclusive)Redemption Dates

59 to 68	On October 1, 1982, or thereafter
69 to 76	On October 1, 1983, or thereafter
77 to 84	On October 1, 1985, or thereafter
85 to 92	On October 1, 1987, or thereafter
93 to 104	On October 1, 1989, or thereafter
105 to 120	On October 1, 1996, or thereafter

Notice of any call for the redemption of any of the Bonds numbered 59 to 120, inclusive, prior to their respective maturity dates shall be published once in the official newspaper of King County, Washington, not less than 30 nor more than 45 days prior to the date on which such Bonds would be redeemed. Notice of such call for redemption shall also be mailed to the original purchaser, or manager of the account of such purchaser, or its successor, at its principal place of business, not less than 30 nor more than 45 days prior to the date upon which such Bonds would be redeemed. In addition, such redemption notice shall be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation, at their offices in New York, New York, but the mailing of such notices to such New York firms shall not be a condition precedent to the call of the Bonds. Interest on any Bonds so called for redemption shall cease on such redemption date upon payment of the redemption price into the Bond Fund.

The County further reserves the right to purchase any or all of the Bonds in the open market at any time at a price not in excess of par.

SECTION 5. There has heretofore been created in the office of the King County Comptroller "Fund No. 890, Assessment and Revenue Bond Fund" (herein referred to as the "Bond Fund"). The Bond Fund is divided into two accounts, the Principal and Interest Account and the Reserve Account. In addition to the requirements for the 1979 Bonds in Ordinance No. 4065, so long as any Bonds are outstanding and payable from the Bond Fund, the County covenants to set aside and pay into the Bond Fund all

1 money heretofore received as ULIDs Nos. 1 and 2 assessment pay-
2 ments, all ULID Assessments hereafter received, and out of the
3 Net Sewer Revenue of the County a fixed amount without regard to
4 any fixed proportion into the accounts therein and to use such
5 money as follows:

6 (a) Principal and Interest Account. There
7 shall be paid into the Principal and Interest
8 Account the accrued interest, if any, received
9 when the Bonds are delivered to the purchaser
10 thereof and on or before the 5th business day
11 immediately preceding each interest payment date
12 of the Bonds and Future Parity Bonds then outstand-
13 ing, sufficient money together with money then
14 deposited in that account for that purpose, to pay
15 the interest to become due and payable on the Bonds
16 and Future Parity Bonds then outstanding on that
17 semiannual interest payment date, and beginning
18 with March, 1982, for the Bonds and the seventh
19 month prior to the first maturity date of any
20 Future Parity Bonds and continuing semiannually
21 thereafter, one-half of the principal payments next
22 due on the Bonds and Future Parity Bonds then
23 outstanding. The Net Sewer Revenue of the County
24 shall be paid into such account from the Mainte-
25 nance Fund. The ULID Assessments shall be paid
26 directly into the Principal and Interest Account
27 after all required payments of such assessments
28 have been made into the Reserve Account. Subject
29 to the other requirements of the Bonds, Future
30 Parity Bonds and their respective ordinances,
31 additional money may be deposited in that account.
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1 Money in the Principal and Interest Account shall
2 be used first to pay the principal of and interest
3 on the 1979 Bonds, the Bonds and Future Parity
4 Bonds when due and then may be used to redeem or
5 purchase the 1979 Bonds, the Bonds and Future
6 Parity Bonds prior to their maturity dates.

7 (b) Reserve Account. At the time of the
8 delivery of the Bonds to the purchaser thereof,
9 there shall be deposited into the Reserve Account
10 from the principal proceeds of the Bonds \$87,750,
11 constituting the Reserve Requirement for the Bonds
12 and, for Future Parity Bonds, from all ULID
13 Assessments first collected and paid in any ULID
14 formed in connection with improvements to be paid
15 from those Future Parity Bonds during the period
16 permitted by law for the prepayment of assessments
17 without interest until the amount deposited
18 therein attributable to the 1979 Bonds, the Bonds
19 and such assessments is equal to the Reserve
20 Requirement for the 1979 Bonds, the Bonds and
21 Future Parity Bonds then outstanding. If at the
22 end of such period, the amount so deposited in the
23 Reserve Account is not equal to such Reserve
24 Requirement, there shall be deposited in the
25 Reserve Account in each succeeding calendar year
26 from ULID Assessment collections and Net Sewer
27 Revenue of the County an amount equal to one-fifth
28 of the Reserve Requirement of the 1979 Bonds, the
29 Bonds and Future Parity Bonds until that full
30 Reserve Requirement is deposited in the Reserve
31 Account.
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1 The County covenants and agrees that when the
2 amount in the Reserve Account is equal to the
3 Reserve Requirement for the 1979 Bonds, the Bonds
4 and Future Parity Bonds then outstanding, it will
5 at all times maintain the Reserve Requirement
6 therein until there is sufficient money in the
7 Principal and Interest Account and Reserve Account
8 to pay the principal of and interest on all out-
9 standing 1979 Bonds, the Bonds and Future Parity
10 Bonds, at which time the money in the Reserve
11 Account equal to the Reserve Requirement of the
12 Bonds may be used to pay the principal of and
13 interest on the 1979 Bonds, the Bonds and Future
14 Parity Bonds. If there are 1979 Bonds and Future
15 Parity Bonds outstanding at the time all of the
16 Bonds have been paid and there is money remaining
17 in the Reserve Account attributable to the Reserve
18 Requirement of the Bonds alone, such money may be
19 retained in the Reserve Account as a credit toward
20 the necessary Reserve Requirement of any such 1979
21 Bonds and Future Parity Bonds or may be deposited
22 in the Principal and Interest Account in the Bond
23 Fund. If no 1979 Bonds, Bonds or Future Parity
24 Bonds are then outstanding, money remaining in the
25 Reserve Account shall be transferred to another
26 sewer revenue bond fund of the County, or if there
27 be none, may be used for any Sewer Utility purpose
28 that the Council shall deem appropriate.

29 In the event there shall be a deficiency in
30 the Principal and Interest Account to meet matur-
31 ing installments of either interest on or principal
32 of and interest on the 1979 Bonds, the Bonds or
33

1 Future Parity Bonds then outstanding, such defi-
2 ciency shall be made up from the Reserve Account
3 by the withdrawal of cash therefrom. Any defi-
4 ciency in the Reserve Requirement in the Reserve
5 Account by reason of any such withdrawal shall
6 then be made up from the ULID Assessments and Net
7 Sewer Revenue of the County which shall be first
8 available after making necessary provisions for
9 the required payments into the Principal and
10 Interest Account. Any money in excess of the
11 Reserve Requirement for the then outstanding bonds
12 payable from the Bond Fund shall be transferred
13 to the Principal and Interest Account to meet the
14 first payment requirements from that account.

15 Until required by this ordinance to be used or trans-
16 ferred, all money deposited in the Principal and Interest Account
17 and the Reserve Account may be invested in any legal investment
18 permitted by law for the County. In no event shall any such money
19 in the Reserve Account be invested in obligations maturing later
20 than the last maturity of any outstanding bonds payable from the
21 Bond Fund, and in no event shall any money in the Principal and
22 Interest Account or any other money reasonably expected to be
23 used to pay principal and/or interest on the 1979 Bonds, the
24 Bonds or Future Parity Bonds be invested for a period of time
25 which would prevent the County from meeting its payment obliga-
26 tions from that account or be invested at a yield which would
27 cause the Bonds to be arbitrage bonds within the meaning of
28 Section 103(c) of the United States Internal Revenue Code of
29 1954, as amended, and applicable regulations thereunder. Income
30 from investments in the Principal and Interest Account shall be
31 deposited in that account. Income from investments in the
32 Reserve Account shall be deposited in that account until the
33 amount therein is equal to the Reserve Requirements of all bonds

1 then payable from the Bond Fund, and thereafter be deposited in
2 the Principal and Interest Account.

3 It is declared that in creating the Bond Fund and in
4 fixing the amounts to be paid into it, the Council has had due
5 regard for the Operation and Maintenance Expenses of the Sewer
6 Utility, and that the Council is not setting aside into the Bond
7 Fund a greater amount than in its judgment will be available over
8 and above such Operation and Maintenance Expenses.

9 If the County fails to set aside and pay into the Bond
10 Fund the amounts above set forth, the holder of any of the out-
11 standing 1979 Bonds, the Bonds or Future Parity Bonds may bring
12 action against the County to compel such setting aside and
13 payment.

14 SECTION 6. The Gross Sewer Revenue of the County and all
15 ULID Assessments are pledged for the payment of the Bonds. This
16 pledge shall constitute a lien or charge upon the Gross Sewer
17 Revenue of the County and such assessments prior and superior to
18 any other charges whatsoever, subject only to the Operation and
19 Maintenance Expenses of the Sewer Utility, except that the County
20 may issue Future Parity Bonds pursuant to Section 9 of this
21 ordinance.

22 SECTION 7. The Bonds shall be in substantially the
23 following form:

24 No. _____ \$5,000.00

25 UNITED STATES OF AMERICA

26 STATE OF WASHINGTON

27 KING COUNTY

28 SEWER REVENUE BOND, 1981

29 _____ 8

30 _____ 8

31 KING COUNTY, WASHINGTON (the "County"), a
32 municipal corporation of the State of Washington,

33

1 for value received hereby promises to pay to the
2 bearer the sum of

3 FIVE THOUSAND DOLLARS

4 on the FIRST DAY OF OCTOBER _____, together with
5 interest thereon from the date hereof until fully
6 paid at the rate of _____% per annum, payable
7 semiannually on April 1 and October 1 of each
8 year, interest to maturity being evidenced by and
9 payable upon the presentation and surrender of the
10 attached interest coupons as they severally become
11 due up to the bond maturity date, with full obliga-
12 tion on the part of the County to pay interest at
13 the same rate from and after the bond maturity date
14 until this bond, both principal and interest, is
15 paid in full. Both principal and interest are
16 payable in lawful money of the United States of
17 America at the office of the King County Comptrol-
18 ler in Seattle, Washington, or, at the option of
19 the holder, at either fiscal agency of the State
20 of Washington in Seattle, Washington, or New York,
21 New York, solely out of the special fund of the
22 County known as "Fund No. 890, Assessment and
23 Revenue Bond Fund" (hereinafter called the "Bond
24 Fund"), created by Ordinance No. 4065 of the
25 County.

26 This bond is one of an issue of \$600,000 par
27 value of bonds (the "Bonds"), consisting of 120
28 bonds of a par value of \$5,000 each, all of like
29 date, tenor and effect, except for maturities,
30 interest rates and options of redemption, and all
31 payable from the Bond Fund and issued by the County
32 under and pursuant to the provisions of the laws of
33 the State of Washington and the ordinances of the

1 County for the purpose of providing the funds with
2 which to pay the cost of carrying out that part of
3 the Sewerage General Plan Duwamish County Sewer
4 Service Area applicable to Utility Local Improve-
5 ment District No. 2 of the County and to fund a
6 reserve in the Bond Fund to secure the payment of
7 the Bonds.

8 The County irrevocably binds itself to pay
9 into the Bond Fund certain fixed amounts, without
10 regard to any fixed proportion, out of the Gross
11 Sewer Revenue of the County Sewer Utility (as those
12 terms are defined in Ordinance No. ____ (the "Bond
13 Ordinance"), namely, amounts sufficient to pay the
14 principal of and interest on the outstanding "Sewer
15 Revenue Bonds, 1979," of the County (the "1979
16 Bonds"), and the Bonds as they respectively become
17 due, all at the times and in the manner set forth
18 in Ordinance No. 4065 and in the Bond Ordinance,
19 upon which shall be credited in the manner set
20 forth in the Bond Ordinance any payments actually
21 received from the collection of assessments in
22 Utility Local Improvement Districts Nos. 1 and 2
23 heretofore created and any other utility local
24 improvement district the assessments in which are
25 pledged to be paid into the Bond Fund. The amounts
26 so pledged to be paid out of such Gross Sewer
27 Revenue and utility local improvement district
28 assessments are declared to be a lien and charge
29 upon such Gross Sewer Revenue and assessments prior
30 and superior to all charges of any kind or nature,
31 subject only to operation and maintenance expenses,
32 except that the County may issue additional bonds
33 which will have a lien or charge upon such Gross

1 Sewer Revenue and assessments on a parity with the
 2 1979 Bonds and the Bonds in accordance with the
 3 provisions of Section 9 of Ordinance No. 4065
 4 and Section 10 of the Bond Ordinance. The Bonds
 5 are not a general obligation of the County.

6 Bonds numbered 1 to 58, inclusive, have been
 7 issued without the right or option of the County
 8 to redeem the same prior to their respective
 9 maturity dates.

10 The County has reserved the right to redeem
 11 any or all of the Bonds numbered 59 to 120, inclu-
 12 sive, in numerical order prior to their stated
 13 maturity dates on any semiannual interest pay-
 14 ment date at par plus accrued interest to date
 15 of redemption in accordance with the following
 16 schedule:

<u>Bond Numbers (Inclusive)</u>	<u>Redemption Dates</u>
59 to 68	On October 1, 1982, or thereafter
69 to 76	On October 1, 1983, or thereafter
77 to 84	On October 1, 1985, or thereafter
85 to 92	On October 1, 1987, or thereafter
93 to 104	On October 1, 1989, or thereafter
105 to 120	On October 1, 1996, or thereafter

22 Notice of any call for the redemption of any
 23 of the Bonds numbered 59 to 120, inclusive, prior
 24 to their respective maturity date shall be pub-
 25 lished once in the official newspaper of King
 26 County, Washington, not less than 30 nor more than
 27 45 days prior to the date on which such Bonds
 28 would be redeemed. Notice of such call for redemp-
 29 tion shall also be mailed to the original purchaser,
 30 or manager of the account of such purchaser, or
 31 its successor, at its principal place of business,
 32 not less than 30 nor more than 45 days prior to
 33

1 the date upon which such Bonds would be redeemed.
2 In addition, such redemption notice shall be sent
3 to Moody's Investors Service, Inc., and Standard &
4 Poor's Corporation, at their offices in New York,
5 New York, but the mailing of such notices to such
6 New York firms shall not be a condition precedent
7 to the call of the Bonds. Interest on any Bonds
8 so called for redemption shall cease on such
9 redemption date upon payment of the redemption
10 price into the Bond Fund.

11 The County has further reserved the right to
12 purchase any or all of the Bonds in the open
13 market at any time in lieu of redemption at a
14 price not in excess of par.

15 Reference is made to the Bond Ordinance as
16 more fully describing the covenants with and
17 rights of holders of the Bonds.

18 It is certified that the Bonds are issued
19 pursuant to and in strict compliance with the
20 Constitution and laws of the State of Washington
21 and ordinances of the County Council of the
22 County, and that all acts, conditions and things
23 required to exist, happen and be performed prece-
24 dent to and in the issuance of the Bonds do exist,
25 have happened and have been performed as required
26 by law.

27 IN WITNESS WHEREOF, King County, Washington,
28 has caused this bond to be signed by the facsimile
29 signature of its County Executive and attested by
30 the Administrator-Clerk of its Council (or her
31 Deputy Clerk on her behalf), and a facsimile
32 reproduction of the seal of the County Council to
33 be printed hereon, and has caused the interest

coupons attached to be signed with the facsimile signatures of those officials this first day of October, 1981.

KING COUNTY, WASHINGTON

By (facsimile signature)
County Executive

ATTEST:

MARY M. JONES,
Administrator-Clerk of
the Council

By _____
Deputy Clerk

King County Comptroller's Reference No. _____

The interest coupons to be attached to the Bonds shall be in substantially the following form:

King County Comptroller's Reference No. _____

Coupon No. _____

\$ _____

(Unless the bond specified below has been previously redeemed) On the FIRST DAY OF (APRIL) (OCTOBER), _____, KING COUNTY, WASHINGTON, will pay to bearer at the office of the King County Comptroller in Seattle, Washington, or, at the option of the holder, at either fiscal agency of the State of Washington in Seattle, Washington, or New York, New York, the sum shown hereon in lawful money of the United States of America out of the special fund of the County known as "Fund No. 890, Assessment and Revenue Bond Fund," that sum being the semiannual interest due that date on its "Sewer Revenue Bond, 1981," dated October 1, 1981, and numbered _____.

By (facsimile signature)
County Executive

ATTEST:

MARY M. JONES,
Administrator-Clerk of
the Council

By _____
Deputy Clerk

1 SECTION 8. The Bonds shall be printed or lithographed on
2 good bond paper, shall be signed on behalf of the County by the
3 facsimile signature of the County Executive and attested by the
4 manual signature of the Administrator-Clerk of the County Council
5 (or her Deputy Clerk on her behalf), a facsimile reproduction of
6 the seal of the Council shall be printed thereon, and the interest
7 coupons attached thereto shall be signed with the facsimile
8 signatures of those officials.

9 SECTION 9. The County covenants and agrees with the
10 owner and holder of each of the Bonds as follows:

11 (a) All ULID Assessments shall be paid into
12 the applicable accounts in the Bond Fund respec-
13 tively and shall be used to build up the Reserve
14 Requirement in the Reserve Account and to pay the
15 principal of and interest on the 1979 Bonds, the
16 Bonds or Future Parity Bonds. Nothing in this
17 ordinance or this section shall be construed to
18 prohibit the County from issuing sewer revenue
19 bonds junior in lien to the Bonds and pledging as
20 security for their payment assessments levied in
21 any ULID which may have been specifically created
22 to pay part of the cost of improvements to the
23 Sewer Utility for which those junior lien bonds
24 were specifically issued.

25 (b) It will establish, maintain and collect
26 such rates and charges for sanitary sewage collec-
27 tion and disposal service, which, together with
28 the collection of ULID Assessments and with earn-
29 ings on investments of money in the Bond Fund,
30 will make available for the payment of the princi-
31 pal and interest as the same shall become due on
32 the 1979 Bonds, the Bonds and on any Future Parity
33 Bonds an amount which shall, after deducting

1 Operation and Maintenance Expenses, be equal to at
2 least 1.25 times the Average Annual Debt Service
3 of the then outstanding 1979 Bonds, Bonds and
4 Future Parity Bonds.

5 (c) It will at all times maintain the Sewer
6 Utility in good repair, working order and condition
7 and will at all times operate the utility and the
8 business in connection therewith in an efficient
9 manner and at a reasonable cost.

10 (d) It will use the Gross Sewer Revenue of
11 the County for the following purposes only and in
12 the following order of priority:

13 (1) To pay necessary Operation and
14 Maintenance Expenses;

15 (2) To make all payments, as required
16 to be made, into the Bond Fund for the
17 outstanding 1979 Bonds, the Bonds and any
18 Future Parity Bonds in amounts which, together
19 with the ULID Assessments, will be sufficient
20 to pay the principal of and interest on the
21 1979 Bonds, the Bonds and Future Parity Bonds
22 as the same shall become due;

23 (3) To make all payments required to be
24 made into the Reserve Account of the Bond
25 Fund;

26 (4) To make all required payments into
27 any other revenue bond redemption fund or
28 funds and the reserve account or accounts
29 therein which may be later created for the
30 purpose of paying and securing the payment of
31 the principal of and interest on any junior
32 lien sewer revenue bonds hereafter issued by
33 the County;

1 (5) To make necessary additions, better-
2 ments and improvements and repairs to or
3 extensions and replacements of the Sewer
4 Utility, or to expend such revenue for any
5 other proper purposes connected with the
6 operation of the Sewer Utility for which
7 such money may be lawfully used, including
8 the payment of debt service on, or otherwise
9 redeem, any general obligation bonds issued
10 by the County to pay the cost of any Sewer
11 Utility facilities and retire by redemption
12 or purchase outstanding sewer revenue bonds
13 of the County as authorized in the various
14 bond ordinances of the County.

15 (e) It will not sell or voluntarily dispose
16 of all of the properties of the Sewer Utility
17 unless provision is made for payment into the Bond
18 Fund of a sum sufficient to pay the principal of,
19 premium if any, and interest on all of the bonds
20 payable from the Bond Fund then outstanding in
21 accordance with the terms thereof, nor will it
22 sell or voluntarily dispose of any part or all of
23 the properties of the Sewer Utility (unless the
24 same are no longer used, useful or necessary in
25 the operation of that Utility) unless provision is
26 made for payment into the Bond Fund of an amount
27 which will be in at least the same proportion to
28 the amount of the bonds payable from the Bond Fund
29 then outstanding that the Sewer Utility sold or
30 disposed of which is available for debt service on
31 such bonds then outstanding for the twelve months'
32 preceding such sale or disposition bears to the
33 revenue available for such debt service from the

1 Sewer Utility for the same period. Any such money
2 so paid into the Bond Fund shall be used to redeem
3 and retire such outstanding bonds at the earliest
4 possible date.

5 (f) It will, while any bonds payable out of
6 the Bond Fund remain outstanding, keep proper and
7 separate accounts and records in which complete
8 and separate entries shall be made of all trans-
9 actions relating to its Sewer Utility, and it will
10 furnish a complete operating and income statement
11 of the Sewer Utility in reasonable detail to the
12 holder or holders of the Bonds at the written
13 request of such holder or holders thereof, and it
14 will grant any holder or holders of at least
15 twenty-five percent of the total outstanding 1979
16 Bonds, the Bonds and Future Parity Bonds the right
17 at all reasonable times to inspect the Sewer
18 Utility and all records, accounts and data of the
19 County relating thereto. In lieu of such operat-
20 ing and income statement, the County may furnish
21 copies of the audit made by the Auditor of the
22 State of Washington as required by law.

23 (g) It will at all times carry fire and
24 extended coverage and such other forms of insur-
25 ance on such of the buildings, equipment, facili-
26 ties and properties of the Sewer Utility as under
27 good practice are ordinarily carried on such
28 buildings, equipment, facilities and properties by
29 privately owned utilities engaged in the operation
30 of sewer systems to the full insurable value
31 thereof, and will also carry adequate public lia-
32 bility insurance at all times, and war risk insur-
33 ance on all of such properties if the same should

1 become available. The premiums on such insurance
2 policies are declared to be a normal cost of the
3 maintenance and operation of the Sewer Utility.

4 (h) It will not furnish sanitary sewage dis-
5 posal service to any customer whatsoever free of
6 charge, and, in accordance with the authority
7 given the County in RCW 36.94.140, it will charge
8 its regular scheduled rates for sewer service to
9 all properties having plumbing facilities and
10 which sewer service is available in accordance
11 with the ordinances of the County whether or not
12 such properties are connected to the sewer system
13 of the Sewer Utility. It shall, not later than 60
14 days after the end of each calendar year, take
15 such legal action as may be feasible to enforce
16 collection of all collectible delinquent accounts
17 and that it shall as soon as permitted by law pro-
18 ceed with the foreclosure of all delinquent assess-
19 ments or delinquent installments thereof.

20 (i) It will make no use of the proceeds of
21 the Bonds or other funds of the County at any time
22 during the term of the Bonds which, if such use
23 had been reasonably expected at the date that the
24 Bonds are issued, would have caused those Bonds to
25 be arbitrage bonds within the meaning of Section
26 103(c) of the United States Internal Revenue Code
27 of 1954, as amended, and applicable regulations
28 thereunder.

29 SECTION 10. The County covenants and agrees that for as
30 long as any of the 1979 Bonds and the Bonds are outstanding it
31 will not create any special fund or funds for the payment of the
32 principal of and interest on any other sewer revenue bonds which
33 would rank on a parity with or have priority over the payments to

1 be made out of the Gross Sewer Revenue of the County into the
2 Bond Fund and will not issue and sell any Future Parity Bonds,
3 except that the County reserves the right for the purpose of
4 acquiring, constructing and installing additions and improvements
5 to and extensions and betterments of, acquiring necessary equip-
6 ment for or making necessary replacements of equipment or capital
7 improvements to the Sewer Utility, or the purpose of exchanging
8 or purchasing and retiring prior to or at their maturity any
9 outstanding sewer bonds of the County, to issue additional and/or
10 refunding sewer revenue bonds therefor (herein defined as "Future
11 Parity Bonds"), and to make payments into the Bond Fund therefor
12 if there is compliance with the conditions set forth in Section 9
13 of Ordinance No. 4065, which section is incorporated by reference
14 into this ordinance.

15 SECTION 11. There has been created by Ordinance No. 1822
16 in the office of the County Comptroller the Maintenance Fund,
17 hereinbefore defined as "Fund No. 447, Waste Water Sewer Opera-
18 tion and Maintenance Fund," to be used solely for the purpose of
19 paying Operation and Maintenance Expenses and for the other pur-
20 poses specified in this section. All Gross Sewer Revenue of the
21 County (except earnings on investments in other funds), all con-
22 nection charges, permit fees and all other charges made by the
23 County relating to the use of or connection to any facilities of
24 the Sewer Utility shall be deposited into the Maintenance Fund.

25 Money in the Maintenance Fund after the payment of Opera-
26 tion and Maintenance Expenses shall be transferred when required
27 to the Bond Fund in the amounts provided in Sections 5 and
28 9(d)(2), and then may be used for the purposes set forth in Sec-
29 tion 9(d)(3), (4) and (5). Money deposited in the Maintenance
30 Fund not needed for immediate use may be invested in the same
31 investments permitted for money in the Bond Fund, but in no obli-
32 gation maturing later than one year after the making of such
33 investment or until such money shall be needed to carry out the

1 purposes of the Maintenance Fund, whichever is the sooner. Income
2 from such investments shall be deposited into the Maintenance Fund.

3 SECTION 12. There has been created by Ordinance No. 4542
4 in the office of the County Comptroller the Construction Fund,
5 hereinbefore defined as "Duwamish Sewer Utility Local Improvement
6 District Construction Fund." There shall be deposited into the
7 Construction Fund all of the principal proceeds of the Bonds.
8 Immediately thereafter \$87,750 shall be transferred from the Con-
9 struction Fund into the Reserve Account as funding of the Reserve
10 Requirement. The remaining money deposited into the Construction
11 Fund shall be used only to pay construction and other capital
12 costs related to ULID No. 2, to redeem interim interest-bearing
13 warrants issued for that purpose and to pay the costs of issuing
14 the Bonds. After payment of all such costs and warrants and
15 other claims against the Construction Fund, all money remaining
16 in the Construction Fund shall be transferred to the Principal
17 and Interest Account in the Bond Fund.

18 Accrued interest and any premium received upon the sale
19 and delivery of the Bonds shall be deposited in the Principal and
20 Interest Account.

21 SECTION 13. In the event the County shall issue advance
22 refunding bonds pursuant to the laws of the State of Washington,
23 or have money available from any other lawful source, to pay the
24 principal of and interest on the Bonds, or such portion thereof
25 included in a refunding plan, as the same become due and payable
26 and to refund all such then outstanding Bonds and to pay the
27 costs of refunding, and shall have irrevocably set aside for and
28 pledged to such payment and refunding, money and/or direct obli-
29 gations to the United States of America or other legal invest-
30 ments (and, if deemed appropriate, provide for the substitution
31 of other investments for such obligations and investments) suffi-
32 cient in amount, together with known earned income from the
33 investments thereof, to make such payments and to accomplish the

1 refunding as scheduled (hereinafter called the "trust account"),
2 and shall irrevocably make provision for redemption of such
3 Bonds, then in that case all right and interest of the owners or
4 holders of the Bonds to be so retired or refunded and the appur-
5 tenant coupons (hereinafter collectively called the "defeased
6 Bonds") in the covenants of this ordinance, in the Gross Sewer
7 Revenue of the County, any ULID Assessments and funds and accounts
8 obligated to the payment of such Bonds shall thereafter cease and
9 become void, except such owners and holders shall have the right
10 to receive payment of the principal of and interest on the
11 defeased Bonds from the trust account and, in the event the funds
12 in the trust account are not available for such payment, shall
13 have the residual right to receive payment of the principal of
14 and interest on the defeased Bonds from the Gross Sewer Revenue
15 of the County without any priority of lien or charge against that
16 revenue or covenants with respect thereto except to be paid there-
17 from. After the establishing and full funding of such trust
18 account, the County may then apply any money in any other fund or
19 account established for the payment or redemption of the defeased
20 Bonds to any lawful purposes as it shall determine, subject only
21 to the rights of the holders of any other bonds then outstanding.

22 In the event that the refunding plan provides that the
23 Bonds being refunded or the refunding bonds to be issued be
24 secured by cash and/or direct obligations of the United States
25 of America or other legal investments pending the prior redemp-
26 tion of those Bonds being refunded and if such refunding plan
27 also provides that certain cash and/or direct obligations of the
28 United States of America or other legal investments are irrevoc-
29 ably pledged for the prior redemption of those bonds included in
30 the refunding plan, then only the debt service on the Bonds which
31 are not defeased Bonds and the refunding bonds, the payment of
32 which is not so secured by the refunding plan, shall be included
33 in the computation of coverage for the issuance of Parity Bonds

1 and the annual computation of coverage for determining compliance
2 with the rate covenants.

3 SECTION 14. The covenants of the County contained in
4 this ordinance constitute a contract between the County and the
5 holders of the Bonds. In the event of default of any covenant by
6 the County, any such bondholder may enforce performance and
7 obtain other appropriate relief in the proper form as permitted
8 by law.

9 SECTION 15. The Bonds shall be sold for cash (represented
10 by federal funds) at public sale for not less than 97.5%
11 of par and accrued interest upon sealed bids to be received at
12 the office of the Clerk of the County Council, up to the date
13 and hour stated in the Notice of Sale hereinafter described
14 to be given.

15 The Clerk of the County Council is hereby authorized and
16 directed to advertise the Bonds for sale pursuant to law as
17 hereinafter directed.

18 Notice calling for bids for the purchase of the Bonds
19 shall be given by publication thereof once a week for two conse-
20 cutive weeks in the official newspaper of King County and a short
21 form of such notice shall also be published at least once not
22 less than ten days prior to the sale date in The Seattle Daily
23 Journal of Commerce and Northwest Construction Record.

24 Sealed bids for the purchase of the Bonds shall be
25 received in the office of the Clerk of the County Council in
26 room 402 of the King County Courthouse, Seattle, Washington, on
27 _____ up to 10:00 a.m. local time, and
28 immediately thereafter all bids received will be publicly
29 opened and considered at a meeting of the County Council then to
30 be held in Room 402 of the King County Courthouse, and the
31 notice shall specify such place and time of opening such bids.

32 Bids shall be invited for the purchase of all of the
33 Bonds with the fixed maturity according to this ordinance.

1 The notice shall specify the maximum effective rate of
2 interest the Bonds shall bear, namely, 15% per annum, and shall
3 require bidders to submit a bid specifying:

4 (a) The lowest rate of interest and premium,
5 if any, above par at which the bidder will purchase
6 the Bonds; or

7 (b) The lowest rate of interest at which the
8 bidder will purchase the Bonds at a price of no
9 less than 97.5% of par.

10 The coupon rate bid shall be in a multiple of 1/8th or
11 1/20th of 1%. No more than one rate of interest may be fixed for
12 the Bonds.

13 For the purpose of evaluating bids only, the coupon rate
14 bid being controlling, each bid shall state the total interest
15 cost over the life of the Bonds and the net effective interest
16 rate of such bid. Only one coupon will be attached to each Bond
17 for each installment of interest thereon, and bids providing for
18 additional or supplemental coupons will be rejected.

19 The Bonds shall be sold to the bidder making the best bid,
20 subject to the right of the Council to reject any and all bids and
21 to readvertise the Bonds for sale in the manner provided by this
22 ordinance, and no bid for less than the entire issue shall be
23 considered. The Council reserves the right to waive any irregu-
24 larities that may appear in any bid or in the bidding process.

25 All bids shall be sealed and shall be accompanied by a
26 deposit of \$30,000, in the form of a certified or cashier's check
27 payable to the Comptroller of King County, Washington, which
28 shall be returned promptly if the bid is not accepted. The
29 County may deposit the good faith deposit into the Construction
30 Fund and invest the same for its benefit pending the payment for
31 and delivery of the Bonds. The purchaser shall not be credited
32 for such interest earnings. The Bonds will be delivered to the
33

1 successful purchaser within forty days after the sale date, and
2 in the event the Bonds are not ready for delivery by such date,
3 the successful bidder shall have an option to cancel its obliga-
4 tion and to receive prompt refund of its good-faith deposit
5 check, or may agree to an extension of such delivery date. Not
6 less than seven days' advance notice of the time and date of
7 delivery will be given to the successful bidder. If the Bonds
8 are ready for delivery and the successful bidder shall fail and
9 neglect to complete the purchase of the Bonds within forty days
10 following the acceptance of its bid, the amount of its deposit
11 shall be forfeited to King County, and in that event, the Council
12 may accept the bid of the one making the next best bid. The Bonds
13 shall be delivered to the successful bidder at the office of the
14 Comptroller of King County at Seattle, Washington, at the County's
15 expense, or at such other place as the successful bidder and the
16 Comptroller may mutually agree upon at the expense of the suc-
17 cessful bidder.

18 Any bid not accompanied by the required bid deposit at,
19 or not received by, the time of opening will not be read or
20 considered.

21 CUSIP identification numbers may be printed upon the
22 Bonds, but neither the failure to print such number on any bond
23 nor any error with respect thereto shall constitute cause for a
24 failure or refusal by the purchaser thereof to accept delivery
25 of and pay for the Bonds in accordance with the terms of the
26 purchase contract. Expenses related to the printing of CUSIP
27 numbers on the Bonds shall be paid for by the issuer, except that
28 the CUSIP Service Bureau charge for the assignment of the numbers
29 shall be the responsibility of and shall be paid for by the
30 purchaser.

31 It is understood that if, prior to the delivery of the
32 Bonds, the income receivable by the holders thereof shall become
33 taxable, directly or indirectly, by the terms of any federal

1 income tax law, the successful bidder may at its option be
2 relieved of its obligation to purchase the Bonds, and in such
3 case the deposit accompanying its bid will be returned, without
4 interest.

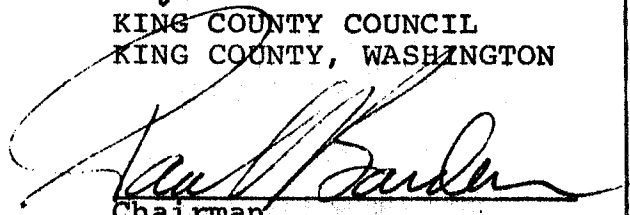
5 The notice to be published by the Clerk of the Council
6 shall provide that the County will cause the Bonds to be
7 printed or lithographed and signed without expense to the
8 successful bidder and that the Council will furnish the approv-
9 ing legal opinion of Roberts & Shefelman (Roberts, Shefelman,
10 Lawrence, Gay & Moch), municipal bond counsel, of Seattle, Wash-
11 ington, relative to the issuance of the Bonds, which legal
12 opinion will be printed on each bond. The notice shall state
13 that bond counsel shall not be required to review or express
14 an opinion concerning the completeness or accuracy of any
15 official statement, offering circular or other sales material
16 issued or used in connection with the Bonds, and the opinion
17 shall also so state. A no-litigation certificate in the usual
18 form will be included in the closing papers.

1 SECTION 16. Any act done pursuant to the authority and
2 prior to the effective date of this ordinance is hereby ratified
3 and confirmed.

4 INTRODUCED and read for the first time this 14th day
5 of September, 19 81.

6 PASSED this 21st day of September, 19 81.

7 KING COUNTY COUNCIL
8 KING COUNTY, WASHINGTON

9 
10 Chairman

11 ATTEST:

12
13 Dorothy M. Owens
14 DEPUTY Clerk of the Council

15 APPROVED this 23rd day of September, 19 81

16
17 
18 King County Executive

1 NOTICE OF BOND SALE
 2 KING COUNTY, WASHINGTON
 3 SEWER REVENUE BONDS, 1981
 4 \$600,000

5
 6 10:00 a.m.

7 NOTICE IS HEREBY GIVEN that sealed bids will be received
 8 by the County Council of King County, Washington, at the office
 9 of the Clerk of the County Council in Room 403 of the King
 10 County Courthouse, Seattle, Washington, up to 10:00 a.m., local
 11 time, on the October 19, 1981, for the purchase of
 12 all or none of \$600,000 Sewer Revenue Bonds, 1981, (the Bonds")
 13 of King County, and immediately thereafter all bids received will
 14 be publicly opened and considered at a meeting of the County
 15 Council then to be held in Room 402 of the King County Courthouse.

16 The Bonds will be dated October 1, 1981; will be in the
 17 denominations of \$5,000 each; will be numbered from 1 to 120,
 18 inclusive; will be payable both principal and interest in lawful
 19 money of the United States of America at the office of the Comp-
 20 troller of King County in Seattle, Washington, or, at the option
 21 of the holder, at either fiscal agency of the State of Washington
 22 in Seattle, Washington, or New York, New York; and will be in
 23 coupon form with interest payable semiannually on each April 1
 24 and October 1. The Bonds shall mature serially, annually, in
 25 order of their numbers in the following amounts on October 1 of
 26 each of the following years:

27	Bond Numbers (Inclusive)	Amounts	Maturity Years
28	1 to 13	\$ 65,000	1982
29	14 to 18	25,000	1983
30	19 to 23	25,000	1984
31	24 to 28	25,000	1985
32	29 to 33	25,000	1986
33	34 to 38	25,000	1987
	39 to 43	25,000	1988
	44 to 48	25,000	1989
	49 to 53	25,000	1990

<u>Bond Numbers (Inclusive)</u>	<u>Amounts</u>	<u>Maturity Years</u>
54 to 58 **	25,000 **	1991 **
59 to 104 **	230,000 **	2001 **
105 to 120	80,000	2011

Bonds numbered 1 to 58, inclusive, shall be issued without the right or option of the County to redeem the same prior to their respective maturity dates.

The County reserves the right to redeem any or all of the Bonds numbered 59 to 120, inclusive, in numerical order prior to their stated maturity dates on any semiannual interest payment date at par plus accrued interest to date of redemption in accordance with the following schedule:

<u>Bond Numbers (Inclusive)</u>	<u>Redemption Dates</u>
59 to 68	On October 1, 1982, or thereafter
69 to 76	On October 1, 1983, or thereafter
77 to 84	On October 1, 1985, or thereafter
85 to 92	On October 1, 1987, or thereafter
93 to 104	On October 1, 1989, or thereafter
105 to 120	On October 1, 1996, or thereafter

Notice of any call for the redemption of any of the Bonds numbered 59 to 120, inclusive, prior to their respective maturity dates shall be published once in the official newspaper of King County, Washington, not less than 30 nor more than 45 days prior to the date on which such Bonds would be redeemed. Notice of such call for redemption shall also be mailed to the original purchaser, or manager of the account of such purchaser, or its successor, at its principal place of business, not less than 30 nor more than 45 days prior to the date upon which such Bonds would be redeemed. In addition, such redemption notice shall be sent to Moody's Investors Service, Inc., and Standard & Poor's Corporation, at their offices in New York, New York, but the mailing of such notices to such New York firms shall not be a condition precedent to the call of the Bonds. Interest on any

1 Bonds so called for redemption shall cease on such redemption
2 date upon payment of the redemption price into the Bond Fund.

3 The County further reserves the right to purchase any or
4 all of the Bonds in the open market at any time in lieu of redemp-
5 tion at a price not in excess of par.

6 The County has irrevocably bound itself to pay into "Fund
7 No. 890, Assessment and Revenue Bond Fund" (hereinafter called
8 the "Bond Fund"), created by Ordinance No. 4065 of the County,
9 certain fixed amounts, without regard to any fixed proportion,
10 out of the Gross Sewer Revenue of the County Sewer Utility (as
11 those terms are defined in Ordinance No. _____ (the "Bond
12 Ordinance"), namely, amounts sufficient to pay the principal of
13 and interest on the County's "Sewer Revenue Bonds, 1979" and the
14 Bonds as they respectively become due, all at the times and in
15 the manner set forth in the Bond Ordinance, upon which shall be
16 credited in the manner set forth in the Bond Ordinance any pay-
17 ments actually received from the collection of assessments in
18 Utility Local Improvement Districts Nos. 1 and 2 heretofore cre-
19 ated and any other utility local improvement district the assess-
20 ments in which are pledged to be paid into the Bond Fund. The
21 amounts so pledged to be paid out of such Gross Sewer Revenue and
22 utility local improvement district assessments have been declared
23 to be a lien and charge upon such Gross Sewer Revenue and assess-
24 ments prior and superior to all other charges of any kind or
25 nature, subject only to operation and maintenance expenses,
26 except that the County may issue additional bonds which will have
27 a lien or charge upon such gross revenue and assessments on a
28 parity with the 1979 bonds and the bonds of this issue in accord-
29 ance with the provisions of Section 10 of the Bond Ordinance.
30 The Bonds are not a general obligation of the County.

31 Bidders shall submit bids on blank forms furnished by the
32 County, and each bid shall conform to the following requirements:
33

1) No coupon interest rate may exceed 15% and each installment of interest shall be evidenced by a single coupon.

2) The coupon rate bid shall be in a multiple of 1/8th or 1/20th of 1% and no more than one rate of interest may be fixed for the Bonds.

3) Each bid shall provide for payment of accrued interest to date of delivery and shall specify either (a) the lowest rate of interest and premium, if any, above par at which the bidder will purchase the Bonds, or (b) the lowest rate of interest at which the bidder will purchase the Bonds at a price of no less than 97.5% of par.

4) Each bid shall state the total interest cost over the life of the Bonds and the net effective interest rate of such bid.

5) Each bid shall be sealed and, except the bid of the State of Washington, if one is received, shall be accompanied by a deposit of \$30,000, in the form of a certified or cashier's check payable to the Comptroller of King County, Washington, which shall be security for the performance of such bid and shall be held for liquidated damages in case the successful bidder fails to take up and pay for the bonds within forty days, if tendered for delivery, after the acceptance thereof. Interest will not be allowed on such good faith deposit. The good faith deposits of all bidders except that of the successful bidder will be returned as soon as possible after the bids have been opened and evaluated. The award of such bonds, if any, will be made not later than 12:00 noon (local time) on the date when bids are opened.

The Bonds shall be sold to the bidder making the best bid, subject to the right of the County Council to reject any and all bids and to readvertise the Bonds for sale in the manner provided by law, and no bid for less than the entire issue shall be considered. The County Council reserves the right to waive any irregularities that may appear in any bid or in the bidding process.

The Bonds shall be delivered to the purchaser at the office of the Comptroller of King County at Seattle, Washington, at the County's expense, or at such other place as the purchaser and the Comptroller may mutually agree upon at the expense of the purchaser. Settlement in full shall be made at the time of delivery and shall be in Federal Funds available upon the date and at

1 the place of delivery, except that the good faith deposit of the
2 purchaser shall be applied to the purchase price of the Bonds.

3 If, prior to the delivery of the Bonds, the interest
4 income receivable by the holders thereof shall become taxable,
5 directly or indirectly, by the terms of any federal income tax
6 law, the successful bidder may at its option be relieved of its
7 obligation to purchase the Bonds, and in such case the deposit
8 accompanying its bid will be returned, without interest.

9 CUSIP identification numbers may be printed upon the
10 Bonds, but neither the failure to print such number on any bond
11 nor any error with respect thereto shall constitute cause for a
12 failure or refusal by the purchaser thereof to accept delivery of
13 and pay for the Bonds in accordance with the terms of the pur-
14 chase contract. Expenses related to the printing of CUSIP num-
15 bers on the Bonds shall be paid for by the issuer, except that
16 the CUSIP Service Bureau charge for the assignment of the numbers
17 shall be the responsibility of and shall be paid for by the
18 purchaser.

19 The County will pay the cost of printing the Bonds, and
20 will furnish without cost to the purchaser thereof the unquali-
21 fied approving legal opinion of Roberts & Shefelman (Roberts,
22 Shefelman, Lawrence, Gay & Moch), bond counsel of Seattle,
23 Washington, approving the legality of the issuance of the Bonds,
24 which legal opinion shall state that bond counsel has not reviewed
25 and expresses no opinion concerning the completeness or accuracy
26 of any official statement, offering circular or other sales
27 material issued or used in connection with the Bonds. A no-
28 litigation certificate in the usual form will be included in the
29 closing papers.

30 Further information regarding the details of such Bonds
31 and the ordinance fixing their purposes, covenants and terms,
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1 together with financial data with reference to the County, will
2 be found in an official statement which may be obtained upon
3 request made to the undersigned Deputy Clerk of the County Coun-
4 cil, King County Courthouse, Seattle, Washington 98104, or made
5 to Wm. P. Harper & Son & Company, Governments and Special Serv-
6 ices, 1504 Third Avenue, Seattle, Washington 98101, financial
7 consultants.

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10 Deputy Clerk of the County Council
11 King County, Washington
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