

1 NEW SECTION. SECTION 2. Authorization of Note. For the
2 purpose of providing interim financing for the improvements in
3 RID 95 and in anticipation of the issuance of the bonds, the
4 county shall issue its Bond Anticipation Note (hereinafter
5 referred to as the "Note") in the principal amount of \$390,000.
6 The proceeds of the Note shall be deposited in the Construction
7 Fund and shall be used to pay for the costs of the improvements
8 ordered by Ordinance No. 7081.

9 NEW SECTION. SECTION 3. Terms of Note. The Note shall be
10 dated as of the date of delivery thereof, shall mature three
11 years from the date thereof, shall be in fully registered form,
12 shall be numbered N-1, and shall bear interest from the date
13 thereof at a variable rate equal to 63.5% of the publicly
14 announced Prime Rate of Seattle-First National Bank, Seattle,
15 Washington, payable commencing on the date three months from the
16 date of the Note, and quarterly thereafter on the same day of
17 each third month. The interest rate shall be adjusted quarterly
18 in advance on each interest payment date. Interest shall be
19 calculated on the basis of a 365-day year (or 366, as the case
20 may be) and the actual number of days elapsed.

21 Both principal of and interest on the Note shall be payable
22 in lawful money of the United States of America. Interest on the
23 Note shall be paid by check or draft mailed to the registered
24 owner of the Note at the address appearing on the Bond Register
25 (as hereinafter defined) as of the 15th day of the month preced-
26 ing the interest payment date. Principal of the Note shall be
27 payable upon presentation and surrender of the Note by the
28 registered owner at the office of the director of finance of the
29 county in Seattle, Washington.

30 Both the principal of and interest on the Note are payable
31 solely from the proceeds of the RID 95 Bonds to be issued by the
32 county, from the assessments and interest thereon to be levied in

1 RID 95 and paid into the RID 95 Construction Fund, and from the
2 King County Road Improvement Guaranty Fund heretofore created by
3 Resolution No. 13558 of the county. The county hereby covenants
4 with the owner of the Note that it will issue RID 95 Bonds in an
5 amount sufficient, with any prepayments of assessments, to pay
6 the principal of and interest on the Note. The Note shall not
7 constitute a general obligation of the county and shall not be
8 payable otherwise than as provided herein.

9 NEW SECTION. SECTION 4. Registration. The director of the
10 office of finance of the county shall serve as registrar of the
11 Note (hereinafter referred to as the "Registrar"). The Note
12 shall be registered as to both principal and interest on records
13 maintained by the Registrar (the "Bond Register").

14 The Note may be transferred only on the Bond Register upon
15 the surrender thereof to the Registrar by the registered owner or
16 his duly authorized agent and only if endorsed in the manner
17 provided thereon. The name of the new registered owner shall be
18 endorsed by the Registrar in the registration blank on the Note.
19 Such transfer shall be without cost to the owner or transferee.
20 The county may deem the person in whose name the Note is
21 registered to be the absolute owner thereof for the purpose of
22 receiving payment of the principal of and interest on such Note
23 and for any and all other purposes whatsoever.

24 NEW SECTION. SECTION 5. Redemption of Note. The county
25 hereby reserves the right to redeem the Note in advance of
26 maturity at par plus accrued interest on any interest payment
27 date. Notice of any such intended redemption shall be given not
28 less than thirty (30) nor more than sixty (60) days prior to the
29 date fixed for redemption by first class mail, postage prepaid,
30 to the registered owner of the Note. The requirements of this
31 section shall be deemed to be complied with when notice is mailed
32 as herein provided, regardless of whether or not it is actually

1 received. Interest on the Note shall cease to accrue on the date
 2 fixed for redemption unless the Note is not paid upon presen-
 3 tation made pursuant to such call. In addition, such notice
 4 shall be mailed to Seattle-First National Bank, Investment
 5 Banking Department, P. O. Box 3586, Seattle, WA 98124, Attn:
 6 Randy Vanek, but such mailing shall not be a condition precedent
 7 to the redemption of the Note.

8 NEW SECTION. SECTION 6. Form of Note. The Note shall be
 9 in substantially the following form:

10 UNITED STATES OF AMERICA

11 NO. N-1

\$390,000

12 STATE OF WASHINGTON

13 KING COUNTY

14 ROAD IMPROVEMENT DISTRICT NO. 95 NOTE

15 King County, Washington, a political subdivision of the
 16 State of Washington (the "County") acknowledges itself to
 17 owe and for value received promises to pay to the Registered
 18 Owner hereof, or registered assigns, the principal amount of
 19 \$390,000, on _____, 1988, unless redeemed prior
 20 thereto as provided herein, together with interest hereon
 21 from the date hereof, or the most recent date to which
 22 interest has been paid or duly provided for, payable
 23 December __, 1985, and quarterly thereafter on each March
 24 __, June __, September __, and December __ until this Note
 25 has been paid or its payment duly provided for. This Note
 26 bears interest at a variable rate equal to sixty-three and
 27 one-half percent (63.5%) of the publicly announced prime
 28 rate of Seattle-First National Bank. The interest rate
 29 shall be adjusted quarterly in advance on each interest
 30 payment date in accordance with changes in such prime rate.
 31 Interest will be calculated on the basis of a 365-day year
 32 (or 366, as the case may be) and the actual number of days
 elapsed.

25 This Note is subject to redemption prior to maturity on
 26 any interest payment date at par plus accrued interest to
 27 the date of redemption upon not less than thirty (30) days'
 28 nor more than sixty (60) days' prior written notice to the
 29 registered owner hereof.

28 Both principal of and interest on this Note are payable
 29 in lawful money of the United States of America solely out
 30 of the Road Improvement District No. 95 Construction Fund
 31 and the King County Road Improvement Guaranty Fund.
 32 Interest on this Note is payable by check or draft mailed to
 the registered owner hereof at the address appearing on the
 records maintained by the Director of the Office of Finance
 of the County as of the 15th day of the month preceding the
 interest payment date. Principal shall be paid to the

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registered owner hereof upon presentation and surrender of this Note at the Office of Finance of King County in Seattle, Washington. Reference is made to Ordinance No. _____ of the County for the terms and conditions upon which this Note is issued.

It is hereby certified and declared that this Note is issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and ordinances of the County and that all acts, conditions and things required to have happened, been done and performed precedent to and in the issuance hereof have happened, been done and performed.

IN WITNESS WHEREOF King County, Washington, has caused this Bond Anticipation Note to be executed in its name by the County Executive and attested by the signature of the Clerk of the Council this _____ day of September, 1985.

KING COUNTY, WASHINGTON

By [manual signature]
County Executive

(SEAL)

ATTEST:

 [manual signature]
Clerk of the Council

The following form of assignment shall be typed or printed on the Note:

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR
TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE
/ _____ /

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

the within note and does hereby irrevocably constitute and appoint the Director of the Office of Finance of King County, Washington, as Registrar to transfer said note on the books kept for registration thereof with full power of substitution in the premises.

DATED: _____.

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

SIGNATURE GUARANTEED:

The following form of registration certificate shall be typed or printed on the Note:

REGISTRATION CERTIFICATE

This Note is registered in the name of the owner at the Office of Finance of King County in Seattle, Washington, as to principal and interest, such registration being noted hereon by the Registrar in the registration blank below. No transfer shall be valid unless made by the registered holder or his duly authorized agent, and similarly noted in the registration blank below.

Date of Registration	In Whose Name Registered	Signature of Registrar
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

NEW SECTION. SECTION 7. Execution of Note. The Note shall be signed on behalf of the county with the manual signature of the county executive and attested by the manual signature of the clerk of the county council. The seal of the county shall be impressed on the face of the Note.

NEW SECTION. SECTION 8. Sale of Note. The Note shall be sold to Seattle-First National Bank for a price of \$385,000 in accordance with the terms and conditions of this ordinance and said Bank's offer dated August 6, 1985, a copy of which is

1 attached hereto and incorporated herein by this reference as
2 Appendix A.

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

9 NEW SECTION. SECTION 10. Tax-Exempt Covenant. The county
10 covenants and agrees throughout the term of the Note that no part
11 of the proceeds thereof or any other moneys or obligations held
12 in the RID 95 Construction Fund shall at any time be used for any
13 purpose, nor shall the county take any other action, which would
14 cause the Note to be an "arbitrage bond" under Section 103(c) of
15 the Internal Revenue Code of 1954, as amended, and the applicable
16 regulations thereunder.

17 SECTION 11. Amendment. Section 7 of Ordinance No. 7081 is
18 hereby amended to read as follows:

19 The office of finance, accounting section, is hereby
20 authorized ((and directed)) to issue interest-bearing warrants
21 against the King County Road Improvement District No. 95
22 Construction Fund to pay costs and expenses of accomplishing the
23 project pending the redemption of said warrants with bonds issued
24 for such purpose, as specified in RCW 36.88.330. Said warrants
25 shall bear interest at a rate not exceeding the maximum allowable
26 rate as shall be determined by said office of finance.

27 Following confirmation of the assessment roll by the council
28 and expiration of the thirty-day period for payment of assess-
29 ments without penalty or interest, the council will authorize the
30 issuance of bonds sufficient in amount to redeem all the then
31 outstanding warrants drawn against the RID 95 Construction Fund
32

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17362

1 and to pay all other unpaid costs and expenses of accomplishing
2 the project.

3 NEW SECTION. SECTION 12. Severability. If any one or more
4 of the covenants of agreements provided in this ordinance to be
5 performed on the part of the county shall be declared by any court
6 of competent jurisdiction to be contrary to law, then such
7 covenant or covenants, agreement or agreements, shall be null and
8 void and shall be deemed separable from the remaining covenants
9 and agreements of this ordinance and shall in no way affect the
10 validity of the other provisions of this ordinance or of the Note.

11 NEW SECTION. SECTION 13. Ratification. Any act taken
12 pursuant to the authority of this ordinance but prior to its
13 effective date is hereby ratified and confirmed.

14 SECTION 14. The county council finds as a fact and declares
15 that an emergency exists and that this ordinance is necessary for
16 the immediate preservation of public peace, health or safety or
17 for the support of county government and its existing public
18 instructions.

19 INTRODUCED AND READ for the first time this 23rd day
20 of September, 1985.

21 PASSED this 23rd day of September, 1985.

22 KING COUNTY COUNCIL
23 KING COUNTY, WASHINGTON

24
25 Gary Grant
26 Chairman

27
28 ATTEST:

29
30 Deborah M. Owens
Clerk of the Council

31 APPROVED this _____ day of _____, 1985.

32
33 _____
King County Executive

APPENDIX "A"

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Randall Vanek
Vice President
Public Finance Department
Capital Markets Division

August 6, 1985

RECEIVED
AUG 06
EQUIS/INVESTMENTS DEPT.

Robert V. Cowan, Jr.
Director of Office of Finance
King County
King County Administration Bldg.
516 Third Ave.
Seattle, WA 98104

Attention: Robert V. Cowan, Jr., Director of Office of Finance

Dear Mr. Cowan:

We are pleased to make you the following offer to purchase \$390,000 Road Improvement District No. 95 Bond Anticipation Notes which will be dated September 2, 1985 (the "Notes"), to be issued by King County (the "Issuer"). Principal shall mature on September 2, 1988 and outstanding principal shall bear interest at the rate of 63.5% of Seafirst's prime lending rate adjusted quarterly in advance on payment date.

We will pay you \$385,000 plus accrued interest from the date of the Notes to the date of delivery of the Notes.

This bid is subject to the following conditions:

- 1) The unqualified approving opinion of Preston, Thorgrimson, Ellis and Holman will be delivered with the Notes.
- 2) The Notes will be delivered to Seafirst Bank in Seattle, Washington, on September 2, 1985, or on another date agreed to by Seafirst Bank.
- 3) The County shall be responsible for all of its own expenses, including, but not limited to, bond counsel fees, Note printing and Note delivery.
- 4) The Notes shall be callable on any interest payment date provided thirty days notice of such call has been mailed to Seafirst Bank, Investment Banking Dept., P.O. Box 3586, Seattle, Washington 98124, Attn: Randy Vanek.
- 5) The County shall cooperate with Seafirst Bank in the preparation of a private placement memo for the Notes.

RECORDED
1985 SEP 19 AM 9:55
KING COUNTY COURSE

17362

- 6) Interest on outstanding principal on the Notes will be payable quarterly, beginning December 2, 1985, and on March 2, June 2, September 2, and December 2 thereafter.
- 7) If, prior to purchase of the Notes by Seafirst Bank, the interest receivable on the Notes becomes taxable, directly or indirectly, by the terms of any federal income tax law, Seafirst Bank may at its option be relieved of the obligation to purchase the Notes.
- 8) This bid is submitted for acceptance on or before noon, Monday, August 12, 1985. Acceptance after that time is subject to confirmation or adjustment of this bid by Seafirst Bank to reflect changing market conditions.
- 9) Acceptance may be made by calling the undersigned at 583-7778 or Jerry Heck, Manager of Municipal Trading, at 583-3535 followed by countersigning this offer and delivering it to the undersigned immediately thereafter.
- 10) Details of this bid may be altered by mutual consent of Seafirst Bank and the County to accommodate the needs of the County.

Respectfully submitted,



Randall Vanek
Vice President

RV:bz:0195p

For your information only:

Assuming no change in Seafirst's prime rate for the period the Note is outstanding.

Gross interest cost	\$70,580.25
Plus discount	5,000.00
Net interest cost	<u>\$75,580.25</u>
Net effective rate	6.459850427%

Accepted By: _____

Date: _____

Time: _____