

ORDINANCE NO. **7464**

1 AN ORDINANCE authorizing the issuance of a  
2 refunding bond anticipation warrant in the  
3 principal amount of \$2,700,000 for Road  
4 Improvement District No. 91 of the county; and  
5 providing for the sale thereof to Rainier  
6 National Bank; and declaring an emergency.

7 PREAMBLE:

8 By Ordinance No. 6503, King County (the "county")  
9 established Road Improvement District No. 91 ("RID 91") and  
10 created the RID 91 Construction Fund. Section 7 of the  
11 ordinance directs the office of finance to issue  
12 interest-bearing warrants pursuant to RCW 36.88.330 to pay  
13 costs and expenses of accomplishing the project.

14 Pursuant to RCW 39.50 the county is authorized, among other  
15 things, to borrow money in anticipation of the sale of  
16 bonds for road improvement districts, and RCW 39.50.030  
17 requires approval of such borrowing by ordinance.

18 Pursuant to Ordinance No. 6748, the county authorized the  
19 issuance of a warrant in the principal amount of \$2,700,000  
20 to Rainier National Bank to provide interim financing for  
21 the costs of the improvements in RID 91, which warrant  
22 matures on December 31, 1985.

23 The King County Council (the "council") has determined that  
24 it is in the best interests of the county that a refunding  
25 bond anticipation warrant in the principal amount of  
26 \$2,700,000 (the "Warrant") be issued to refund the maturing  
27 warrant, and that such Warrant be sold to Rainier National  
28 Bank pursuant to its offer dated November 21, 1985.

29 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

30 SECTION 1. Authorization of Bonds. For the purpose of  
31 paying the cost and expense of the improvements ordered by  
32 Ordinance No. 6503 of the county to be constructed in RID 91,  
33 the county shall issue and sell bonds of RID 91 in such  
principal amount and with such date, interest rates,  
maturities, provisions for redemption, and other terms and  
conditions as shall hereafter be determined by the county  
council after completion of the improvements and confirmation  
of the assessment roll in the manner provided by law. The  
proceeds of such bonds shall be paid into the King County Road  
Improvement District No. 91 Construction Fund (the  
"Construction Fund") and shall be applied, together with other  
available moneys therein, to pay the principal of and interest  
on the Warrant.

1            SECTION 2. Authorization of Warrant. For the purpose of  
2 refunding the outstanding RID 91 warrant held by Rainier National  
3 Bank and in anticipation of the issuance of the bonds, the county  
4 shall issue its Refunding Bond Anticipation Warrant (hereinafter  
5 referred to as the "Warrant") in the principal amount of  
6 \$2,700,000. The proceeds of the Warrant shall be deposited in  
7 the Construction Fund and shall be applied to refund the out-  
8 standing RID 91 bond anticipation warrant.

9            SECTION 3. Terms of Warrant. The Warrant shall be dated as  
10 of December 31, 1985, shall mature June 30, 1987, shall be in  
11 fully registered form, shall be numbered W-1, and shall bear  
12 interest from the date thereof at a variable rate equal to 64% of  
13 the publicly announced Prime Rate of Rainier National Bank,  
14 Seattle, Washington, as such rate shall change from time to time,  
15 through August 31, 1986. From September 1, 1986, through  
16 maturity the Warrant shall bear interest at a variable rate equal  
17 to 67% of such Prime Rate. The interest rate on such Note shall  
18 be adjusted as of the effective date of each change in the Prime  
19 Rate. Interest shall be payable commencing on the date three  
20 months from the date of the Warrant, and quarterly thereafter in  
21 arrears on the same day of each third month. Interest shall be  
22 calculated on the basis of a 365-day year (or 366, as the case  
23 may be) and the actual number of days elapsed.

24            In the event of any decrease in the highest marginal tax  
25 rate payable by corporations under the Internal Revenue code of  
26 1954, as amended (the "Maximum Corporate Tax Rate"), the interest  
27 rate payable on the Warrant shall increase by one percent (1%) of  
28 the Prime Rate for every one percent (1%) decrease in the Maximum  
29 Corporate Tax Rate, effective as of the effective date of such  
30 decrease.

31            Both principal of and interest on the Warrant shall be  
32 payable in lawful money of the United States of America.

1 Interest on the Warrant shall be paid by check or draft mailed to  
2 the registered owner of the Warrant at the address appearing on  
3 the Bond Register (as hereinafter defined) as of the 15th day of  
4 the month preceding the interest payment date. Principal of the  
5 Warrant shall be payable upon presentation and surrender of the  
6 Warrant by the registered owner at the office of the director of  
7 finance of the county in Seattle, Washington.

8 Both the principal of and interest on the Warrant are  
9 payable solely from the proceeds of the RID 91 Bonds or refunding  
10 warrants to be issued by the county, from the assessments and  
11 interest thereon to be levied in RID 91 and paid into the RID 91  
12 Construction Fund, and from the moneys in or to be paid into the  
13 King County Road Improvement Guaranty Fund heretofore created by  
14 Resolution No. 13558 of the county. The county hereby covenants  
15 with the owner of the Warrant that it will issue RID 91 Bonds or  
16 refunding warrants in an amount sufficient, with any prepayments  
17 of assessments, to pay the principal of and interest on the  
18 Warrant, provided, that such Bonds shall not be issued in excess  
19 of the total amount of final assessments levied in RID 91. The  
20 Warrant shall not constitute a general obligation of the county  
21 and shall not be payable otherwise than as provided herein.

22 SECTION 4. Registration. The director of the office of  
23 finance of the county shall serve as registrar of the Warrant  
24 (hereinafter referred to as the "Registrar"). The Warrant shall  
25 be registered as to both principal and interest on records  
26 maintained by the Registrar (the "Bond Register").

27 The Warrant may be transferred only on the Bond Register  
28 upon the surrender thereof to the Registrar by the registered  
29 owner or his duly authorized agent in writing and only if  
30 endorsed in the manner provided thereon. The name of the new  
31 registered owner shall be endorsed by the Registrar in the  
32 registration blank on the Warrant. Such transfer shall be

1 without cost to the owner or transferee. The county may deem the  
 2 person in whose name the Warrant is registered to be the absolute  
 3 owner thereof for the purpose of receiving payment of the  
 4 principal of and interest on such Warrant and for any and all  
 5 other purposes whatsoever.

6 SECTION 5. Redemption of Warrant. The county hereby  
 7 reserves the right to redeem the Warrant in advance of maturity  
 8 at any time at par plus accrued interest to the date of  
 9 redemption. Notice of any such intended redemption shall be  
 10 given not less than thirty (30) nor more than sixty (60) days  
 11 prior to the date fixed for redemption by first class mail,  
 12 postage prepaid, to the registered owner of the Warrant. The  
 13 requirements of this section shall be deemed to be complied with  
 14 when notice is mailed as herein provided, regardless of whether  
 15 or not it is actually received. Interest on the Warrant shall  
 16 cease to accrue on the date fixed for redemption unless the  
 17 Warrant is not paid upon presentation made pursuant to such call.  
 18 In addition, such notice shall be mailed to Rainier National  
 19 Bank, P. O. Box 3966, Seattle, WA 98124, Attn: Public Finance,  
 20 but such mailing shall not be a condition precedent to the  
 21 redemption of the Warrant.

22 SECTION 6. Form of Warrant. The Warrant shall be in  
 23 substantially the following form:

24 UNITED STATES OF AMERICA

25 NO. W-1

\$2,700,000

26 STATE OF WASHINGTON

27 KING COUNTY

28 ROAD IMPROVEMENT DISTRICT NO. 91

29 REFUNDING BOND ANTICIPATION WARRANT

30  
 31 King County, Washington, a political subdivision of the  
 32 State of Washington (the "County") acknowledges itself to  
 owe and for value received promises to pay to the Registered  
 Owner hereof, or registered assigns, the principal amount of  
 \$2,700,000, on June 30, 1987, unless redeemed prior thereto

1 as provided herein, together with interest hereon from the  
 2 date hereof, or the most recent date to which interest has  
 3 been paid or duly provided for, payable March \_\_, 1986, and  
 4 quarterly thereafter on each June \_\_, September \_\_, December  
 5 \_\_ and March \_\_ until this Warrant has been paid or its  
 6 payment duly provided for. This Warrant bears interest at a  
 7 variable rate equal to sixty-four percent (64%) of the  
 8 publicly announced prime rate of Rainier National Bank, as  
 9 such rate shall change from time to time, through August 31,  
 10 1986, and thereafter at a variable rate equal to 67% of such  
 11 Prime Rate. The interest rate hereon shall be adjusted as  
 12 of the effective date of each such change in the Prime Rate.  
 13 Interest will be calculated on the basis of a 365-day year  
 14 (or 366, as the case may be) and the actual number of days  
 15 elapsed.

16 In the event of any decrease in the highest marginal  
 17 tax rate payable by corporations under the Internal Revenue  
 18 Code of 1954, as amended (the "Maximum Corporate Tax Rate"),  
 19 the interest rate payable hereon shall increase by one  
 20 percent (1%) of the Prime Rate for every one percent (1%)  
 21 decrease in the Maximum Corporate Tax Rate, effective as of  
 22 the effective date of such decrease.

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

28 Both principal of and interest on this Warrant are  
 29 payable in lawful money of the United States of America  
 30 solely out of the Road Improvement District No. 91  
 31 Construction Fund and the King County Road Improvement  
 32 Guaranty Fund. Interest on this Warrant 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 registered owner hereof upon  
 presentation and surrender of this Warrant 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 Warrant is issued.

It is hereby certified and declared that this Warrant  
 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 Warrant to be executed in its name by  
 the County Executive and attested by the signature of the  
 Clerk of the Council this \_\_\_\_\_ day of December, 1985.

KING COUNTY, WASHINGTON

By           [manual signature]            
 County Executive

1 (SEAL)

2 ATTEST:

3  
4 [manual signature]  
5 Clerk of the Council

6 The following form of assignment shall be typed or printed  
7 on the Warrant:

8 ASSIGNMENT

9 FOR VALUE RECEIVED, the undersigned hereby sells,  
10 assigns and transfers unto \_\_\_\_\_

11 PLEASE INSERT SOCIAL SECURITY OR  
12 TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE  
13 / \_\_\_\_\_ /

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

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

21 DATED: \_\_\_\_\_.

22 NOTE: The signature on this Assign-  
23 ment must correspond with the name  
24 of the registered owner as it  
25 appears upon the face of the within  
26 warrant in every particular,  
27 without alteration or enlargement  
28 or any change whatever.

29 SIGNATURE GUARANTEED:

30 \_\_\_\_\_  
31 The following form of registration certificate shall be  
32 typed or printed on the Warrant:

REGISTRATION CERTIFICATE

This Warrant 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 in writing, and similarly noted in the registration blank below.

| Date of Registration | In Whose Name Registered | Signature of Registrar |
|----------------------|--------------------------|------------------------|
| :                    | :                        | :                      |
| :                    | :                        | :                      |
| :                    | :                        | :                      |
| :                    | :                        | :                      |
| :                    | :                        | :                      |
| :                    | :                        | :                      |
| :                    | :                        | :                      |
| :                    | :                        | :                      |

SECTION 7. Execution of Warrant. The Warrant 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 Warrant.

SECTION 8. Sale of Warrant. The Warrant shall be sold to Rainier National Bank for a price of \$2,700,000 in accordance with the terms and conditions of this ordinance and said Bank's offer dated November 21, 1985, a copy of which is attached hereto and incorporated herein by this reference as Appendix A.

SECTION 9. Authorization to Officials and Agents. The appropriate county officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Warrant, and for the proper use and application of the proceeds of the sale thereof.

SECTION 10. Tax-Exempt Covenant. The county covenants and agrees throughout the term of the Warrant that no part of the proceeds thereof or any other moneys or obligations held in the RID 91 Construction Fund shall at any time be used for any purpose, nor shall the county take any other action, which would cause the Warrant to be an "arbitrage bond" under Section 103(c)

1 of the Internal Revenue Code of 1954, as amended, and the  
2 applicable regulations thereunder.

3 SECTION 11. Severability. If any one or more of the  
4 covenants or agreements provided in this ordinance to be  
5 performed on the part of the county shall be declared by any  
6 court of competent jurisdiction to be contrary to law, then  
7 such covenant or covenants, agreement or agreements, shall be  
8 null and void and shall be deemed separable from the remaining  
9 covenants and agreements of this ordinance and shall in no way  
10 affect the validity of the other provisions of this ordinance  
11 or of the Warrant.

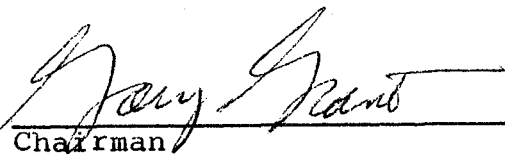
12 SECTION 12. Ratification. Any act taken pursuant to the  
13 authority of this ordinance but prior to its effective date is  
14 hereby ratified, approved and confirmed.

15 SECTION 13. The county council finds as a fact and  
16 declares that an emergency exists and that this ordinance is  
17 necessary for the immediate preservation of public peace,  
18 health or safety or for the support of county government and  
19 its existing public institutions.

20 INTRODUCED AND READ for the first time this 30th day  
21 of December, 1985.

22 PASSED this 30<sup>th</sup> day of December, 1985.

23  
24 KING COUNTY COUNCIL  
25 KING COUNTY, WASHINGTON

26   
27 Chairman

28 ATTEST:

29  
30   
31 Clerk of the Council

32 APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 1985.

33 \_\_\_\_\_  
King County Executive