

ORDINANCE NO. **10184**

AN ORDINANCE approving the issuance of an industrial development bond by the King County Economic Enterprise Corporation for \$1,500,000, and approving Resolutions No. 91-1 and No. 91-2 of the King County Economic Enterprise Corporation authorizing the sale of bonds to provide funds to finance certain industrial development facilities for Orion Industries, in the City of Federal Way, King County, Washington, and related matters; and approving execution and delivery by the King County Economic Enterprise Corporation of a Bond Purchase Contract.

PREAMBLE:

King County Economic Enterprise Corporation (the "Issuer") is authorized and empowered by the provisions of Chapter 300, Laws of 1981 of the State of Washington (Chapter 39.84 RCW) (the "Act"), to issue nonrecourse revenue bonds for the purpose of facilitating economic development and employment opportunities and financing all or part of the cost of acquiring, expanding and equipping industrial development facilities in the City of Federal Way, King County, Washington.

In order to facilitate economic development and employment opportunities in King County, Orion Industries, a Washington corporation (the "Company"), intends to construct certain industrial development facilities (the "Project") in King County.

Upon the request of the Company and after due consideration of the construction and financing of the Project as promoting the purposes of the Act and the public purposes of the Issuer, the Issuer by Resolution No. 91-1 and No. 91-2 proposes to issue and sell its revenue bonds in the principal amount of \$1,500,000 pursuant to the provisions of the Act for the purpose of assisting in financing the costs of the Project.

The City of Federal Way, which exercises planning jurisdiction over the area in which the Project is located, by resolution, has approved the financing of the Project by the Issuer.

King County is the municipality under whose auspices the Issuer was created pursuant to the provisions of the Act.

Section 39.84.060 of the Act requires the Issuer to obtain the approval of King County prior to issuing its bonds, and Section 39.84.100(6) of the Act requires King County to approve by ordinance any agreement by the Issuer to issue bonds and further requires that King County specifically approve the resolutions of the Issuer providing for the issuance of the bonds no more than sixty days before the date of the sale of the bonds.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Approval of Bonds. The county approves the issuance and sale by the Issuer of its nonrecourse industrial development revenue bonds or other obligations (the "Bonds") pursuant to the provisions of the Act and further specifically approves the form of Resolution No. 91-1 and No. 91-2 of the Issuer providing for the issuance of its Bonds

November 25, 1991

1 in the principal amount of \$1,500,000 to assist in financing the cost
2 of the Project, together with the costs incident to the authorization,
3 sale, issuance and delivery of the Bonds.

4 SECTION 2. Approval of Bond Purchase Contract. The county approves
5 the execution and delivery by the Issuer of the Bond Purchase Contract
6 by and among the Issuer, the Company, as the user of the Project, and
7 Merrill Lynch, as the purchaser of the Bonds. The Issuer may make or
8 approve such additions, modifications and deletions in such Bond Purchase
9 Contract and the exhibits thereto, and such other certificates and documents
10 required thereby as are deemed by the Issuer not to be inconsistent with
11 the purpose of this ordinance and in substantial conformity with the
12 documents hereby approved and as may be reasonable and necessary to facilitate
13 the issuance and sale of the Bonds and the loan of the proceeds thereof
14 to the Company and the accomplishment of any matters related thereto.

15 INTRODUCED AND READ for the first time this 12th day of
16 of November, 1991.

17 PASSED this 2nd day of December, 1991.

18
19 KING COUNTY COUNCIL
20 KING COUNTY, WASHINGTON

21 Lois North
22 Chair

23 ATTEST:

24 Gerald A. Peterson
25 Clerk of the Council

26 APPROVED this 3rd day of December, 1991.

27 Jim Hill
28 King County Executive
29
30
31
32

KING COUNTY ECONOMIC ENTERPRISE CORPORATION

RESOLUTION NO. 91-1

A RESOLUTION of the King County Economic Enterprise Corporation declaring an intention to issue bonds to provide funds to finance an industrial development facility for Orion Industries within King County, Washington, and determining related matters.

WHEREAS, the King County Economic Enterprise Corporation (the "Issuer") is authorized and empowered by the provisions of Chapter 300, Laws of 1981 of the State of Washington (Chapter 39.84 RCW) (the "Act"), to issue nonrecourse revenue bonds for the purposes of facilitating economic development and employment opportunities and financing all or part of the cost of acquiring and constructing industrial development facilities within King County, Washington; and

WHEREAS, in order to facilitate economic development and employment opportunities, Orion Industries, a Washington nonprofit corporation (the "Company"), intends to acquire and construct an industrial development facility (the "Project") within King County, Washington, a description and estimated cost of which are contained in Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Company has requested the Issuer to issue and sell its revenue bonds pursuant to the provisions of the Act for the purpose of assisting in financing the costs of the Project; and

WHEREAS, the Issuer desires to assist the Company by issuing and selling revenue bonds and lending the bond proceeds to the Company to assist in paying a portion of the costs of the Project, thereby promoting economic development and employment opportunities within King County and the State of Washington; and

WHEREAS, it is considered essential that acquisition and construction of the Project be completed at the earliest practicable date, but the Company wishes to begin construction of the Project only after receiving satisfactory assurances from the Issuer, subject to the conditions stated herein, that the proceeds from the sale of revenue bonds of the Issuer in an amount necessary to pay the costs of the Project will be lent to the Company to assist in financing the Project; and

WHEREAS, the Issuer considers that the acquisition, expansion and equipping of the Project, and the financing of the same, will promote the purposes of the Act and the public purposes of the Issuer; and

WHEREAS, Treasury Regulations Section 1.103-8(a)(5) and Proposed Treasury Regulations Sections 1.103-17 and 1.103-18 under Section 103 of the Internal Revenue Code of 1986, as amended, require that, in order for interest on qualified small issue bonds to be exempt from federal income taxation, the issuer of those bonds must adopt a bond resolution with respect to those bonds or take some other similar official action toward the issuance of those bonds prior to the commencement of construction or the acquisition of the Project being financed with the proceeds of those bonds, and one of the purposes of this resolution is to satisfy the requirements of those regulations; NOW, THEREFORE,

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

Section 1. The acquisition, construction and equipping of the Company's manufacturing facilities within King County and the State of Washington will result in significant benefits to the County and the State, will contribute to the alleviation of unemployment in the County and the State, will have a favorable impact upon the economy of the County and the State and will promote the welfare of the citizens of the County and the State.

Section 2. To assist in the acquisition, construction and equipping of the Project, with the public benefits resulting therefrom, the Issuer, subject to the conditions stated in Section 5, intends to issue and sell its nonrecourse revenue bonds or other obligations (the "Bonds") pursuant to the provisions of the Act in a principal amount of not to exceed \$1,600,000 to assist in financing the cost of the Project described in Exhibit A together with the costs incident to the authorization, sale, issuance and delivery of the Bonds.

Section 3. The proceeds of the Bonds will be used to assist in financing the acquisition, and construction of the Project.

Section 4. The Bonds will be payable solely from both the revenues derived as a result of the Project funded by the Bonds, including, without limitation, amounts received under the terms of any financing document or by reason of any additional security furnished by the Company in connection with the financing of the Project, and, if necessary, from money and other property received from other private sources. The Bonds

shall bear such rate or rates of interest, payable at such times, shall mature at such time or times, in such amount or amounts, shall have such security, and shall contain such other terms, conditions and covenants as shall later be provided by the Board of Directors of the Issuer.

Section 5. The Bonds shall be issued subject to the conditions that (a) the Issuer, the Company, the purchaser of the Bonds and other financing participants shall have first agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions of the loan or other agreement for the Project, (b) all governmental approvals and certifications and findings required by the Act and other laws applicable to the Bonds first shall have been obtained, and (c) the Company shall have agreed pursuant to the Issuer's form of Indemnification and Compensation Agreement to reimburse the Issuer for all fees and costs incurred by the Issuer in connection with or by reason of the financing of the Project and to pay such other reasonable expenses of the Issuer and King County in enabling this financing to be accomplished.

Section 6. The Company is authorized to commence construction of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein and by applicable law and only out of proceeds, if any, of the issue of Bonds herein authorized. However, the passage of this resolution does not constitute a guarantee by the Issuer that the Bonds will be issued or that the Project will be financed as described herein.

Section 7. It is intended that this resolution shall constitute "some other similar official action" toward the issuance of the Bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations adopted under Section 103 of the Internal Revenue Code of 1986, as amended, and Proposed Treasury Regulations Sections 1.103-17 and 1.103-18.

Section 8. This Resolution shall take effect immediately upon its passage.

10184

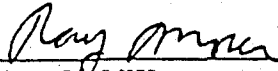
ADOPTED by the Board of Directors of the King County Economic Enterprise Corporation at a special open public meeting this 5th day of June, 1991.

KING COUNTY ECONOMIC ENTERPRISE CORPORATION



President

ATTEST:



Secretary

WGT-343*

I, Ray Moser, Secretary of the King County Economic Enterprise Corporation, certify that the attached copy of Resolution No. 91-1 is a true and correct copy of the original resolution adopted on the 5th day of June, 1991, as that resolution appears on the Minute Book of the Corporation, and that such resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

DATED this 5th day of June, 1991.

Ray Moser

EXHIBIT A

The acquisition, construction and equipping of an approximately 34,480 square foot, tilt-up concrete facility for the manufacturing of sheet metal products for the aerospace industry, including directly related and ancillary assembly, storage and office space and other facilities subordinate and integral to such manufacturing activities and financing costs of issuance of the bonds, all subject to applicable limitations of the Internal Revenue Code of 1986, as amended. The estimated cost of the Project is \$1,600,000.

KING COUNTY ECONOMIC ENTERPRISE CORPORATION

RESOLUTION NO. 91-2

A RESOLUTION of the King County Economic Enterprise Corporation approving the documents necessary for the issuance and sale by it of its not to exceed \$1,500,000 Industrial Revenue Bonds, 1991 (Orion Industries Project), and the loan of the proceeds thereof to Orion Industries, and authorizing the execution and delivery of those documents and bonds by the President and Secretary of the King County Economic Enterprise Corporation.

WHEREAS, the King County Economic Enterprise Corporation (the "Issuer") was created under the auspices of King County (the "County") pursuant to and is authorized and empowered by the provisions of Chapter 300, Laws of 1981 of the State of Washington (Chapter 39.84 RCW, as amended) (the "Act"), to issue nonrecourse revenue bonds for the purposes of facilitating economic development and employment opportunities and financing all or part of the cost of acquiring, expanding and equipping industrial development facilities in the County; and

WHEREAS, in order to facilitate economic development and employment opportunities in the County, Orion Industries, a Washington nonprofit corporation (the "Company"), intends to acquire, construct, install and equip certain industrial development facilities consisting of an approximately 34,480 SF sheet-metal product manufacturing facility, including directly related and ancillary assembly, storage and office space (the "Project"), construction of which is substantially complete, and is located in the City of Federal Way, Washington (the "City"), within the boundaries of the County; and

WHEREAS, upon the request of the Company and after due consideration and finding that the Project promotes the purposes of the Act and the public purposes of the Issuer, the Issuer on June 5, 1991, adopted Resolution No. 91-1 taking official action evidencing an intention to issue and sell its revenue bonds (the "Bonds") pursuant to the provisions of the Act for the purpose of assisting in financing the costs of the Project, which Resolution No. 91-1 was intended to constitute "some other similar official action" toward the issuance of the Bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, at the meeting of the City Council of the City held on November 19, 1991, the City, which exercises planning jurisdiction over the area in which the Project is located, approved the financing of the Project by the Issuer; and

WHEREAS, the Issuer on behalf of the elected officials of the County, the municipality under whose auspices the Issuer was created, has held in the manner required by Section 147(f) of the Code a public hearing on the proposed financing of the Project by the Issuer; and

WHEREAS, prior to the issuance, sale and delivery of the Bonds, the County, by its ordinance will approve all of the provisions of this Bond Resolution in the manner required by the Act; NOW, THEREFORE,

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

Section 1. Authorization of Bonds. To accomplish the purposes of the Act and to finance a portion of the cost of the Project, the Issuer authorizes the issuance, sale and delivery of its Industrial Revenue Bonds, 1991 (Orion Industries Project) (hereinbefore defined as the "Bonds"), in the principal amount of not to exceed \$1,500,000 in accordance with the terms of the following financing documents:

(a) Trust Indenture dated as of December 1, 1991, by and between the Issuer and Seattle-First National Bank, as trustee (the "Trustee"), providing for the issuance and terms of the Bonds;

(b) Loan Agreement dated as of December 1, 1991, by and between the Issuer and the Company providing for the loan of the Bond proceeds to the Company to finance the Project;

(c) Reimbursement Agreement dated as of December 1, 1991, by and between the Company and U.S. Bank of Washington, National Association (the "Bank"), providing for the issuance by the Bank to the Trustee for the account of the Company of a direct-pay letter of credit to secure payment of the Bonds;

(d) Deed of Trust, Assignment of Rents and Leases and Security Agreement dated as of December 1, 1991, granted by the Company for the benefit of the Bank to secure the Company's obligations under the Reimbursement Agreement; and

(e) Placement Agent Agreement to be dated the date of closing, by and among the Issuer, the Company and the Bank in its capacity as placement agent, providing for the private placement of the Bonds;

(collectively, the "Financing Documents"), copies of which have been presented to and are on file with the Board of Directors of the Issuer.

Section 2. Determination of Tax Exemption for Bonds. Based upon the form of legal opinion prepared by Foster Pepper & Shefelman, bond counsel, and included among the Financing Documents as Exhibit B to the Placement Agent Agreement, to be dated, signed and issued substantially in the form of such Exhibit B simultaneously with the issuance of the Bonds, which opinion states in part that, assuming compliance by the Issuer and the Company subsequent to the issuance of the Bonds with applicable requirements of the Code, including arbitrage and arbitrage rebate requirements, interest on the Bonds will be excluded from gross income for federal income tax purposes under existing law, the Issuer finds that the interest on the Bonds will be excluded from gross income for federal income tax purposes; however, such exclusion is not available with respect to interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code, and interest on the Bonds received by individuals and corporations will constitute an item of tax preference under the Code and may be subject to an alternative minimum tax, interest on the Bonds received by certain corporations may be subject to an environmental tax, interest on the Bonds received by certain S corporations may be subject to tax, and interest on the Bonds received by foreign corporations with United States branches may be subject to a foreign branch profits tax.

Section 3. Approval of Financing Documents. The terms of the Financing Documents are hereby approved and adopted by this reference with such additions, deletions and modifications, if any, as are deemed by the President or Secretary of the Issuer to be not inconsistent with the purposes of this Resolution and in substantial conformity with the documents hereby approved and adopted.

Section 4. Authorization to Execute Financing Documents. The President and Secretary of the Issuer are hereby authorized and directed to execute, for and on behalf of the Issuer, and deliver to the parties entitled to executed copies of the same, any and all of the Financing Documents to which the Issuer is a party or for which its approval is required, with such additions, deletions and modifications, if any, as are deemed by the President or the Secretary to be in the best interest of the Issuer, and consistent with the purposes and substantive terms of the financing.

Section 5. Authorization of Other Actions. The President and Secretary of the Issuer are also authorized and directed to take such additional actions and to execute and deliver executed copies, for and on behalf of the Issuer, of all other certificates, documents and papers which, in the judgment of the President or the Secretary, are necessary to the sale, execution, issuance and delivery of the Bonds, including, without limitation, the execution

and delivery of any documents required to obtain the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds, any necessary Uniform Commercial Code financing statements and any certificates required by the Financing Documents.

Section 6. Appointment of Bond Registrar. The Trustee is appointed Registrar of the bonds to fulfill the duties of the Registrar as set forth in the Issuer's Resolution No. 88-2.

Section 7. Effective Date. This Resolution shall take effect immediately upon its passage.

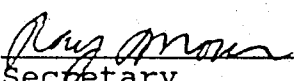
PASSED AND ADOPTED this 19th day of November, 1991.

AYES: 3
NOES: 0
ABSENT: _____
ABSTAINING: _____



President

ATTEST:

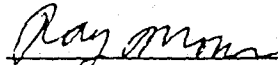
By 

Secretary

10184

I, RAY MOSER, Secretary of the King County Economic Enterprise Corporation, certify that the attached copy of Resolution No. 91-2 is a true and correct copy of the original resolution adopted at a regular open meeting of the Board of the Corporation on the 19th day of November, 1991, as that resolution appears on the Minute Book of the Corporation.

DATED this 19th day of November, 1991.



RAY MOSER
Secretary of King County
Economic Enterprise Corporation