

RESOLUTION NO. 790

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, APPROVING THE ISSUANCE OF NOT TO EXCEED \$3,300,000 OF INDUSTRIAL DEVELOPMENT BONDS BY THE CITY OF REDMOND PUBLIC CORPORATION AND APPROVING RESOLUTION NO. 89-2 OF THE REDMOND PUBLIC CORPORATION AUTHORIZING THE SALE OF THOSE BONDS TO PROVIDE FUNDS TO REFUND BONDS PREVIOUSLY ISSUED BY THE CORPORATION TO FINANCE CERTAIN INDUSTRIAL DEVELOPMENT FACILITIES FOR WEST WILLOWS ASSOCIATES, ROSEMAR ASSOCIATES, HINDS PARTNERSHIP AND TRINITY PARTNERSHIP IN THE CITY OF REDMOND, WASHINGTON, AND APPROVING EXECUTION AND DELIVERY BY THE REDMOND PUBLIC CORPORATION OF A PLACEMENT AGENT AGREEMENT DATED FEBRUARY \_\_, 1989.

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WHEREAS, Redmond Public 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 or refinancing all or part of the cost of acquiring and constructing industrial development facilities in the City of Redmond, Washington (the "City"); and

WHEREAS, the Issuer previously issued bonds in order to facilitate economic development and employment opportunities and to finance the cost of acquiring and constructing certain industrial development facilities in the City (collectively, the "Projects") for West Willows Associates, Rosemar Associates, Hinds Partnership and Trinity Partnership (collectively, the "Partnerships"); and

WHEREAS, after due consideration of the refinancing as promoting the purposes of the Act and the public purposes of the Issuer, the Issuer by Resolution No. 89-2 proposes to issue and sell its revenue bonds in the principal amount of not to exceed \$3,300,000 pursuant to the provisions of the Act for the purpose of assisting in refinancing the costs of the Projects; and

WHEREAS, the Act requires that such a proposal to issue nonrecourse industrial development revenue bonds be approved by the City inasmuch as the City exercises planning jurisdiction over the area in which the Projects are located; and

WHEREAS, the City Council of the City finds that all City planning requirements for the Projects have been or reasonably may be expected to be satisfied and that the refinancing of the Projects should be approved under Section 39.84.060 of the Act; and

WHEREAS, Section 39.84.060 of the Act requires the Issuer to obtain the approval of the City prior to issuing its bonds, and Section 39.84.100(6) of the Act requires the City to approve by resolution any agreement by the Issuer to issue bonds and further requires that the City specifically approve the resolution of the Issuer providing for the issuance of the bonds no more than sixty days before the date of the sale of the bonds; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The establishment and expansion of the Partnerships' businesses in the City and the State of Washington have resulted in significant benefits to the City and the State, have contributed to the alleviation of unemployment in the City and the State, have had a favorable impact upon the economy of the City and the State and have promoted the welfare of the citizens of the City and the State.


Section 2. The City approves the issuance and sale by the Issuer of its nonrecourse industrial development revenue bonds (the "Bonds") pursuant to the provisions of the Act and further specifically approves the form of Resolution No. 89-2 of the Issuer (the "Bond Resolution"), a copy of which is attached as Exhibit A, providing for the issuance of its Bonds in the

principal amount of not to exceed \$3,300,000 to assist in refinancing the cost of the Projects, together with the costs incident to the authorization, sale, issuance and delivery of the Bonds.


Section 3. The City approves the form of the Financing Documents as defined in and attached to the Bond Resolution and execution and delivery by the Issuer of the Financing Documents to which it is a party, including the Placement Agent Agreement dated February \_\_, 1989, by and among the Issuer, the Partnerships and Security Pacific Merchant Bank and Security Pacific National Bank, Washington, N.A., as placement agent for the Bonds. The Issuer may make or approve such additions, modifications and deletions in such Financing Documents and the Exhibits thereto and certificates and other documents required thereby as are deemed by the Issuer not to be inconsistent with the purpose of this Resolution and the Bond Resolution and in substantial conformity with the documents hereby approved and as may be reasonable and necessary to facilitate the issuance and sale of the Bonds and the loan of the proceeds thereof to the Partnerships and the accomplishment of any matters related thereto.

RESOLVED this 21st day of February, 1989.

CITY OF REDMOND

  
MAYOR Pro Tempore

ATTEST/AUTHENTICATED:

  
CITY CLERK

FILED WITH THE CITY CLERK: 2-16-89  
PASSED BY THE CITY COUNCIL: 2-21-89  
RESOLUTION NO. 790

2416r

REDMOND PUBLIC CORPORATION

RESOLUTION NO. 89-2

A RESOLUTION of Redmond Public Corporation approving the documents necessary for the issuance and sale by it of its not to exceed \$3,300,000 Variable Rate Demand Industrial Revenue Bonds (Composite Refunding Issue 1989), Series II, Lots 2-5, and the loan of the proceeds thereof to West Willows Associates, Rosemar Associates, Hinds Partnership and Trinity Partnership, and authorizing the execution and delivery of those documents and bonds by the Chairman and Secretary of Redmond Public Corporation.

WHEREAS, Redmond Public Corporation (the "Issuer") was created under the auspices of the City of Redmond, Washington (the "City"), 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 or refinancing all or part of the cost of acquiring, constructing and equipping industrial development facilities in the City; and

WHEREAS, West Willows Associates, Rosemar Associates, Hinds Partnership and Trinity Partnership, general partnerships doing business in the State of Washington (collectively, the "Partnerships"), previously acquired, constructed and equipped certain industrial development facilities located in their entirety within the boundaries of the City (collectively, the "Projects") with loans from the Issuer of the proceeds of the

Issuer's \$725,000 Industrial Development Revenue Bond (West Willows Associates Project), \$900,000 Industrial Development Revenue Bond (Rosemar Associates Project), Series 1985, \$950,000 Industrial Development Revenue Bond (Hinds Partnership Project), Series 1985, and \$880,000 Industrial Development Revenue Bond (Trinity Partnership Project), respectively (collectively, the "Prior Bonds"); and

WHEREAS, the Partnerships have requested that the Issuer issue refunding bonds, the proceeds of which will be lent to the Partnerships, respectively, to provide part of the funds required to refinance the Projects and pay the entire outstanding principal amount of the Prior Bonds plus interest thereon accrued to the date of such payment; and

WHEREAS, the City, which exercises planning jurisdiction over the area in which the Projects are located, is expected to approve the refinancing of the Projects by the Issuer; and

WHEREAS, the City is expected to approve by resolution all of the provisions of this Bond Resolution and the Issuer's agreement to issue the Bonds (as hereinafter defined) in the manner required by the Act; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE REDMOND PUBLIC CORPORATION as follows:

Section 1. To accomplish the purposes of the Act and to provide a portion of the funds required to refinance the cost of the Projects, the Issuer authorizes the issuance, sale and delivery of its Variable Rate Demand Industrial Revenue Bonds

(Composite Refunding Issue 1989), Series II, Lots 2-5 (the "Bonds"), in the principal amount of not to exceed \$3,300,000 in accordance with the terms of financing documents substantially in the form of:

(a) Trust Indenture, dated as of February 1, 1989, by and between the Issuer and State Street Bank and Trust Company of California, N.A., as Trustee and Tender Agent (the "Trustee");

(b) Loan Agreements dated as of February 1, 1989, by and between the Issuer and the individual Partnerships;

(c) Placement Agent Agreement dated February \_\_, 1989, by and among the Issuer, the Partnerships and Security Pacific Merchant Bank and Security Pacific National Bank, Washington, N.A., as placement agent for the Bonds (collectively, the "Placement Agent");

(d) Remarketing Agreement dated as of February 1, 1989, by and among the Issuer, the Partnerships and Security Pacific Merchant Bank, as remarketing agent (the "Remarketing Agent"), and Security Pacific Securities, Inc., as successor remarketing agent;

(e) Letter of Credit to be dated the date of issuance of the Bonds issued by The Bank of California, N.A. (the "Bank"), and confirmed by The Mitsubishi Bank, Limited, for the account of the Partnerships and for the benefit of the Trustee;

(f) Agency Agreement dated as of February 1, 1989, by and among the Issuer, the Trustee, the Remarketing Agent, the Bank and the Partnerships;

(g) Reimbursement Agreement dated as of February 1, 1989, by and between the Partnerships and the Bank; and

(h) Composite Placement Memorandum for the Bonds dated February \_\_, 1989;

together with the respective Exhibits thereto and other documents required thereby (collectively, the "Financing

Documents"), copies of which Financing Documents have been presented to and reviewed by the Board of Directors of the Issuer and are attached hereto as Exhibit A.

Section 2. Based upon the form of legal opinion prepared by Foster Pepper & Shefelman, bond counsel, and to be included among the Financing Documents as Appendix A to the Composite Placement Memorandum, to be dated, signed and issued substantially in such form simultaneously with the issuance of the Bonds, which opinion states in part that interest on the Bonds, assuming compliance by the Issuer and the Partnerships subsequent to the issuance of the Bonds with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), including arbitrage and arbitrage rebate requirements, 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 Projects or a "related person" within the meaning of Section 147(a) of the Code and in certain other circumstances described in bond counsel's opinion, 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. The terms of the Financing Documents specifying, among other things, the terms and conditions of the issuance of the Bonds by the Issuer; the placement of the Bonds by the Placement Agent as part of a composite issue of bonds; the loan of the proceeds thereof to the Partnerships to pay a portion of the cost of refinancing the Projects and refunding the Prior Bonds; and the assignment of the Issuer's rights under the Financing Documents (including the right to receive Loan Repayments from the Partnerships) to the Trustee as security for payment of the Bonds, are approved and adopted by this reference with such additions, deletions and modifications, if any, as are deemed by the Chairman or the 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. The Chairman 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 documents described in this Resolution 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 Chairman 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. The Chairman and Secretary of the Issuer also are 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 other papers which, in the judgment of the Chairman 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 and preserve the exclusion from gross income for federal income tax purpose of the interest payable on the Bonds, any necessary Uniform Commercial Code financing statements and any certificates required by the Financing Documents.

Section 6. The Trustee and the Tender Agent under the Indenture are appointed co-registrars for the Bonds to fulfill the duties of the Registrar as set forth in the Issuer's Resolution No. 89-1. The Registrar shall maintain a ledger which shows the names and addresses of the registered owners of the Bonds, and all communications to be made to the owners of

the Bonds shall be in writing and shall be addressed to the registered owners as reflected in the ledger of the Registrar.

ADOPTED by the Board of Directors of the Redmond Public Corporation, at a regular meeting this \_\_\_\_\_ day of February, 1989.

REDMOND PUBLIC CORPORATION

By \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

2418r

I, \_\_\_\_\_, Secretary of the Board of Directors of the Redmond Public Corporation, certify that the attached copy of Resolution No. 89-2 is a true and correct copy of the original resolution passed on the \_\_\_\_\_ day of February, 1989 as that resolution appears on the Minute Book of the Redmond Public Corporation.

DATED this \_\_\_\_\_ day of February, 1989.

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Secretary

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