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Nonrecourse Revenue Bonds  
Pacific Circuits, Inc.

**RESOLUTION NO. 842**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, APPROVING THE ACTION OF THE STATE OF WASHINGTON COMMUNITY ECONOMIC REVITALIZATION BOARD AND THE ISSUANCE OF NON-RECURSE REVENUE BONDS TO FINANCE AN INDUSTRIAL DEVELOPMENT FACILITY FOR PACIFIC CIRCUITS, INC. AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO.

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WHEREAS, on May 17, 1990, the Community Economic Revitalization Board ("CERB") had presented to it Resolution No. U-90-003 (the "Resolution"), a copy of which is attached hereto as Exhibit A, relating to the issuance of non-recourse revenue bonds wherein the proceeds of which would be loaned to the Company for the construction of improvements and acquisition of a manufacturing facility (the "Project"), all as authorized by the Local Economic Development Act of 1981, RCW Title 39, Chapter 84, as amended (the "Act"); and

WHEREAS, on May 17, 1990, CERB unanimously approved the Resolution; and

WHEREAS, the Act provides that no public corporation may issue revenue bonds except upon the approval of the county, city or town within whose planning jurisdiction the proposed industrial development facility lies; and

WHEREAS, CERB will exercise the powers of a public corporation pursuant to RCW 39.84.200; and

WHEREAS, the Project lies within the boundaries of the City of Redmond, Washington, NOW, THEREFORE,

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

Section 1. The Redmond City Council (the "Council"), pursuant to Chapter 300, Laws of Washington, 1981 (Regular Session), RCW Chapter 39.84, as the agency having planning jurisdiction over the area where the facility lies, does hereby approve the issuance of non-recourse revenue bonds (the "Bonds") by the Community Economic Revitalization Board, for the purposes provided in the Act.

Section 2. The Bonds shall be issued in the aggregate principal sum of not to exceed \$2,900,000 pursuant to a Resolution of CERB. The proceeds of the Bonds are to be lent to Pacific Circuits, Inc. pursuant to a loan agreement or other appropriate financing agreement, and used for the purpose of paying the cost of the acquisition, construction and installation of manufacturing facilities, including necessary appurtenances, located within the boundaries of the City of Redmond and to pay certain costs of issuance of the Bonds.

Section 3. The Bonds shall not constitute an obligation of the City of Redmond, and no tax funds or revenues of the City of Redmond, shall be used to pay the principal of or the interest on the bonds. Neither the faith and credit nor any taxing power of the State of Washington or of the City of Redmond, shall be pledged to pay the principal of or interest on the Bonds.

Section 4. The City of Redmond hereby approves the issuance of the Bonds by CERB for the purpose of financing the

Project as described herein, a qualified project under the Act within the planning boundaries of the City of Redmond.

Section 5. This Resolution is intended to constitute approval by the entity having planning jurisdiction over the territory where the proposed facility lies.

Section 6. Upon passage and approval of this Resolution, it shall take effect immediately.

RESOLVED this 28th day of June, 1990.

APPROVED:

  
MAYOR, DOREEN MARCHIONE

ATTEST/AUTHENTICATED:

  
CITY CLERK, DORIS A SCHAIBLE

FILED WITH THE CITY CLERK: June 12, 1990  
PASSED BY THE CITY COUNCIL: June 28, 1990  
RESOLUTION NO. 842

RESOLUTION NO. U-90-003

A RESOLUTION OF THE COMMUNITY ECONOMIC REVITALIZATION BOARD TAKING OFFICIAL ACTION TO THE ISSUANCE OF INDUSTRIAL DEVELOPMENT NONRECOURSE REVENUE BONDS IN ONE OR MORE SERIES IN A MAXIMUM AMOUNT NOT TO EXCEED \$2,900,000 AND AUTHORIZING THE EXECUTION OF AN INDEMNIFICATION AND COMPENSATION AGREEMENT BY AND BETWEEN THE COMMUNITY ECONOMIC REVITALIZATION BOARD AND Pacific Circuits, Inc. (the "Company").

WHEREAS, the Community Economic Revitalization Board (the "Issuer") is a duly organized and existing instrumentality of the State of Washington authorized and empowered by the provisions of RCW Chapter 39.84 and RCW Chapter 43.160 (collectively, the "Act") to issue nonrecourse revenue bonds for the purpose of carrying into effect the construction of improvements and the acquisition of personal properties suitable for use by any industry, and to loan its moneys when necessary or convenient to carry out its powers under the Act; and

WHEREAS, to induce the acquisition, construction, equipping, and improving of the manufacturing and processing facilities to be located in Redmond, Washington, as more fully described in Exhibit A attached hereto and incorporated herein (the "Site"), all of which is located within the territorial limits of the State of Washington, the Issuer proposes to issue nonrecourse revenue bonds (the "Bonds") in a maximum amount not to exceed two million and nine hundred thousand dollars (\$2,900,000) pursuant to the Act to carry into effect the acquisition, construction, equipping, and improving of real and personal property at the Site to be used in the manufacturing and processing facilities of the Company, as more fully described in Exhibit A hereto (the "Project"), to loan the proceeds of the Bonds to finance the acquisition, construction, improvement, equipping, and installation of the Project; and

WHEREAS, the loan of the proceeds of the sale of the industrial development bonds of the Issuer to the Company will permit the Company to acquire and install the Project and other related and subordinate facilities, thereby promoting the general health and welfare of the inhabitants within the territorial limits of the State of Washington, and the Company has requested satisfactory assurances from the Issuer that the proceeds of the sale of the industrial development bonds will remain available to finance the Project; and

WHEREAS, the Issuer deems it necessary and advisable that it take such action as may be required under the Act to authorize and issue one or more series of the Bonds to finance the cost of the Project in a maximum amount not to exceed two million and nine hundred thousand dollars (\$2,900,000); and

WHEREAS, a form of agreement designated as an "Indemnification and Compensation Agreement" has been prepared setting forth the respective agreements and undertaking of the Issuer and the Company with respect to the Bonds and the Project; and

WHEREAS, it is considered necessary and desirable for the best interest of the Issuer that the Indemnification and Compensation Agreement be executed for and on the behalf of the Issuer; and

WHEREAS, the Indemnification and Compensation Agreement requires the Company to pay all reasonable and necessary costs incurred by the Issuer in connection with the Bonds or in connection with the Project; and

WHEREAS, the Issuer finds that the Project constitutes the development and improvement of industrial development facilities under the Act; and

WHEREAS, it is intended that this resolution shall constitute "some other similar official action" for the issuance of said industrial development bonds within the meaning of Section 1.103-(8) (a) (5) of the Federal Income Tax Regulations.

NOW THEREFORE, be it resolved by the Community Economic Revitalization Board as follows:

Section 1. It is hereby determined that (a) the acquisition, construction and installation of the Project and its operation as an industrial development facility; (b) the issuance of the bonds of the Issuer in one or more series and in a maximum amount not to exceed \$2,900,000, to finance costs of the Project, such total costs to be financed by the Bonds presently estimated to be approximately \$2,900,000; and (c) the execution and delivery of such contracts and agreements with the Issuer as are necessary to provide for the payment by the Issuer of amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds, together with certain costs of the Issuer, will all be in furtherance of the Act.

Section 2. The Issuer presently intends to authorize the issuance and sale of the Bonds pursuant to the provisions of the Act when and if requested to do so by the Company and hereby expresses its approval of such issuance and sale. This resolution is not intended to legally bind the Issuer to authorize, issue, or sell the Bonds.

Section 3. The authorization, issuance and sale of the Bonds by the Issuer are subject to the following conditions:

(a) the Company shall have caused to be issued an irrevocable letter of credit (the "Master Letter of Credit") by The Industrial Bank of Japan, Limited (the "Master Letter of Credit Bank"), which shall be used to pay and secure the Bonds;

(b) the Company shall enter into such contracts and loan agreements with the Issuer as shall be necessary to secure payment of the principal of, premium, if any, and interest on the Bonds as when the same shall come due and payable, and shall cause a Participating Bank Letter of Credit to be issued in favor of the Master Letter of Credit Bank in an amount at least equal to the portion of the Master Letter of Credit securing the Bonds;

(c) on or before two (2) years from the date hereof (or such later date as shall be mutually satisfactory to the Issuer and the Company) the Issuer and the Company shall have agreed to mutually acceptable terms and conditions of the contracts and agreements referred to in paragraph (b) of this Section 3;

(d) the Issuer shall have received a preliminary opinion of bond counsel that, with certain customary exceptions, the Bonds may be issued as tax-exempt obligations pursuant to the provisions of the Internal Revenue Code of 1986;

(e) the Issuer shall have received an allocation of the State ceiling on private activity bonds imposed by Section 146 of the Internal Revenue Code of 1986 in an amount equal to the aggregate face amount of the Bonds, and shall have allocated such amount to the Bonds;

(f) the Issuer shall have received evidence that the county, city or town within whose planning jurisdiction the Project lies has approved the Project and the Bonds; and

(g) such other conditions as in the judgement of the Issuer and bond counsel are necessary to insure the validity of the Bonds and the tax-exempt status of the Bonds.

Section 4. The proper officials of the Issuer are hereby authorized to take such further action as is necessary to carry out the intent and purposes hereof and to issue the Bonds under the terms and conditions and for the purposes stated herein and in compliance with the applicable provisions of law.

Section 5. That in order to carry into effect the acquisition and installation of the Project within the territorial limits of the State of Washington, with the resulting public benefits that will flow therefrom, it is deemed necessary and advisable that the Indemnification and Compensation Agreement be approved and executed for and on behalf of the Issuer.

Section 6. That an Indemnification and Compensation Agreement by and between the Issuer and the Company be, and the same is hereby, approved and authorized and the Chairman of the Issuer is hereby authorized to execute the Indemnification and Compensation Agreement on behalf of the Issuer.

Section 7. Each Bond shall substantially state the following language on the face thereof:

THE OBLIGATIONS OF THE ISSUER HEREUNDER SHALL NOT BE DEEMED TO BE A DEBT, LIABILITY, OBLIGATION OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF WASHINGTON, OF ANY MUNICIPALITY, OR OF ANY MUNICIPAL CORPORATION, QUASI MUNICIPAL CORPORATION, SUBDIVISION, OR AGENCY OF THE STATE OF WASHINGTON, OR TO PLEDGE ANY OR ALL OF THE FAITH AND CREDIT OF ANY OF THESE ENTITIES. NEITHER THE STATE OF WASHINGTON, THE ISSUER, ANY MUNICIPALITY, OR ANY OTHER MUNICIPAL CORPORATION, QUASI MUNICIPAL CORPORATION, SUBDIVISION, OR AGENCY OF THE STATE OF WASHINGTON IS OBLIGATED TO PAY THE PRINCIPAL OR THE INTEREST THEREON. NO TAX FUNDS OR GOVERNMENTAL REVENUE MAY BE USED TO PAY THE PRINCIPAL OR INTEREST THEREON. NEITHER ANY OR ALL OF THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF WASHINGTON, THE ISSUER, IF ANY, OR ANY MUNICIPAL CORPORATION, QUASI MUNICIPAL CORPORATION, SUBDIVISION, OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS.

Section 8. This Resolution shall be effective after its adoption.

ADOPTED by the Community Economic Revitalization Board this 17th day of May, 1990.

COMMUNITY ECONOMIC REVITALIZATION BOARD

By:   
Chairman

**EXHIBIT A**

**DESCRIPTION OF PROJECT AND SITE**

Pacific Circuits will acquire land and construct a building consisting of a commercial office and warehouse space. The land and building will be exchanged pursuant to Section 1031 of the Internal Revenue Code of 1986 for the commercial building adjacent to Pacific Circuit's existing facility in the City of Redmond, Washington. The new facility will be completely devoted to the manufacture of double-sided and multilayer printed circuit boards for the computer and electronics industry.



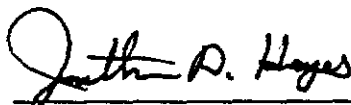
CERTIFICATE

I, the undersigned, Secretary of the Community Economic Revitalization Board (herein called the "Issuer"), DO HEREBY CERTIFY:

1. That the attached Resolution No. U-90-003 herein called the "Resolution") is a true and correct copy of a resolution of the Issuer as finally adopted at a regular meeting of the Board of Directors of the Issuer held on the 17th day of May, 1990, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and, to the extent required by law and the by-laws of the Issuer, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Community Economic Revitalization Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out, and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS THEREOF, I have hereunto set my hand and affixed the official seal of the Community Economic Revitalization Board this 17th day of May, 1990.

  
Secretary

[ ISSUER SEAL ]