



Legislation Text

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Clerk 07/29/2002

A MOTION of the county council approving the purchase contracts for the county's Sewer Revenue Bonds, Series 2002A, in the aggregate principal amount of \$100,000,000, and Sewer Revenue Refunding Bonds, Series 2002B, in the aggregate principal amount of \$346,130,000 and establishing certain terms of such bonds and a plan of refunding; all in accordance with Ordinance 14406.

WHEREAS, the county council by Ordinance 14406 passed on July 8, 2002 (the "Bond Ordinance"), authorized the issuance and sale of not to exceed \$550,000,000 principal amount of sewer revenue bonds of the county to refund certain outstanding sewer revenue bonds (the "Refunding Bonds") and not to exceed \$175,000,000 principal amount of sewer revenue bonds of the county to finance the construction of improvements to the county's sewer system (the "Project Bonds" and, together with the Refunding Bonds, the "Bonds"); and

WHEREAS, the Bond Ordinance provided that the Bonds be sold in one or more series as determined by the county's manager of finance and business operations (the "Finance Manager") in consultation with the county's financial advisor; and

WHEREAS, the Finance Manager has determined that a series of Refunding Bonds in the aggregate principal amount of \$346,130,000 and a series of Project Bonds in the aggregate principal amount of \$100,000,000 be sold by negotiated sale as provided herein; and

WHEREAS, pursuant to the Bond Ordinance, a preliminary official statement dated July 18, 2002, has

been prepared for the sale of such series of the Bonds, and the Finance Manager has negotiated the sale of the series of Project Bonds to Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc. and Siebert Brandford Shank & Co., LLC and the sale of the series of Refunding Bonds to Morgan Stanley & Co. Incorporated, UBS PaineWebber, Inc., Salomon Smith Barney Inc., Lehman Brothers Inc. and Siebert Brandford Shank & Co., LLC (together with the purchasers of the Project Bonds, the “Underwriters”); and

WHEREAS, it is in the best interest of the county that such series of the Bonds be sold to the Underwriters on the terms set forth in the attached bond purchase contracts, the Bond Ordinance, and this motion; and

WHEREAS, in accordance with the Bond Ordinance, the council wishes to authorize and approve the final plan of refunding certain outstanding sewer revenue bonds of the county from proceeds of the series of Refunding Bonds, as set forth herein.

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. Definitions. Except as expressly authorized herein, capitalized terms used in this motion have the meanings set forth in the Bond Ordinance.

B. Approval of Bond Purchase Contracts and Authorization of Bonds. The issuance of the series of Project Bonds, designated as the King County, Washington, Sewer Revenue Bonds, Series 2002A, in the aggregate principal amount of \$100,000,000 (the “Series A Bonds”) and the terms and conditions thereof as set forth in the Bond Purchase Contract attached hereto as Attachment A (the ” Series A Purchase Contract”) is hereby ratified and confirmed, and the Series A Purchase Contract is hereby approved. The Series A Bonds shall bear interest at the rates set forth in the Series A Purchase Contract and shall conform in all other respects to the terms and conditions specified in the Series A Purchase Contract and Bond Ordinance. The Series A Bonds shall be subject to optional and mandatory redemption as set forth in the Series A Purchase Contract.

The issuance of the series of Refunding Bonds, designated as the King County, Washington, Sewer Revenue Refunding Bonds, Series 2002B, in the aggregate principal amount of \$346,130,000 (the “Series B

Bonds”) and the terms and conditions thereof as set forth in the Bond Purchase Contract attached hereto as Attachment B (the ”Series B Purchase Contract”) is hereby ratified and confirmed, and the Series B Purchase Contract is hereby approved. The Series B Bonds shall bear interest at the rates set forth in the Series B Purchase Contract and shall conform in all other respects to the terms and conditions specified in the Series B Purchase Contract and Bond Ordinance. The Series B Bonds shall be subject to optional and mandatory redemption as set forth in the Series B Purchase Contract.

C. Refunding and Redemption of Refunded Bonds.

1. Plan of Refunding. In accordance with Section 24 of the Bond Ordinance, the Finance Manager has determined, in consultation with the county’s financial advisors, that proceeds of the Series B Bonds shall be used to refund the following sewer revenue bonds of the county pursuant to the plan of refunding set forth below and ratified and confirmed hereby:

Refunded Series X Bonds

<u>Maturity</u> <u>(January 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Call Date</u> <u>(at 102%)</u>
1/1/2003	\$2,500,000	4.800%	
1/1/2004	2,615,000	4.900%	1/1/2003
1/1/2005	955,000	5.000%	1/1/2003
1/1/2006	5,470,000	5.100%	1/1/2003
1/1/2007	8,465,000	5.200%	1/1/2003
1/1/2008	9,005,000	5.300%	1/1/2003
1/1/2009	9,605,000	5.375%	1/1/2003
1/1/2010	10,255,000	5.400%	1/1/2003
1/1/2011	10,960,000	5.400%	1/1/2003
1/1/2012	13,780,000	5.400%	1/1/2003
1/1/2013	9,820,000	5.400%	1/1/2003
1/1/2014	17,255,000	5.400%	1/1/2003
1/1/2015	5,080,000	5.400%	1/1/2003
1/1/2016	23,850,000	5.500%	1/1/2003

Refunded Series Y Bonds

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Call Date</u>
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<u>(January 1)Amount</u>	<u>Rate</u>	<u>(at 102%)</u>
1/1/2003	\$4,110,000	5.200%
1/1/2004	4,380,000	5.2501/1/2003
1/1/2005	4,690,000	5.4001/1/2003
1/1/2006	1,970,000	5.4001/1/2003
1/1/2007	2,070,000	5.5001/1/2003
1/1/2008	2,180,000	5.6001/1/2003
1/1/2009	2,305,000	5.6001/1/2003
1/1/2010	11,820,000	5.7001/1/2003
1/1/2011	12,385,000	5.7001/1/2003
1/1/2012	10,905,000	5.7001/1/2003
1/1/2013	16,245,000	5.7001/1/2003
1/1/2014	8,020,000	5.7001/1/2003
1/1/2015	21,560,000	5.7001/1/2003
1/1/2016	4,515,000	5.7001/1/2003

Refunded Series Z Bonds

<u>Maturity</u> <u>(January 1)Amount</u>	<u>Principal</u> <u>Rate</u>	<u>InterestCall Date</u> <u>(at 102%)</u>
1/1/2003	\$2,750,000	4.800%
1/1/2004	2,920,000	4.9001/1/2003
1/1/2005	3,975,000	5.0001/1/2003
1/1/2006	4,195,000	5.0001/1/2003
1/1/2007	8,710,000	5.1251/1/2003
1/1/2008	9,095,000	5.2501/1/2003
1/1/2009	9,510,000	5.3001/1/2003
1/1/2010	280,000	5.3001/1/2003
1/1/2011	275,000	5.3001/1/2003
1/1/2012	285,000	5.4001/1/2003
1/1/2013	270,000	5.4001/1/2003
1/1/2014	280,000	5.4001/1/2003
1/1/2015	300,000	5.4001/1/2003
1/1/2016	2,915,000	5.4501/1/2003
1/1/2017	3,095,000	5.4501/1/2003
1/1/2018	3,290,000	5.4501/1/2003
1/1/2019	3,490,000	5.4501/1/2003
1/1/2020	3,700,000	5.4501/1/2003
1/1/2021	3,935,000	5.4501/1/2003
1/1/2022	4,165,000	5.4501/1/2003
1/1/2033	56,285,000	5.5001/1/2003

The Refunded Series X Bonds, Refunded Series Y Bonds and Refunded Series Z Bonds shall be referred to collectively in this motion as the Refunded Bonds. As provided in Section 13 of the Bond Ordinance, the King County Series 2002B Sewer Revenue Refunding Bonds Account (the “Refunding Account”) shall be established and maintained with the Escrow Agent (as identified below). Proceeds of the Series B Bonds (exclusive of an amount to be deposited into the Reserve Account pursuant to Section E of this Motion, and accrued interest, if any, which shall be deposited into the Debt Service Account in the Bond Fund) shall be deposited in the Refunding Account and used, together with other funds of the county, if necessary, to purchase certain “Government Obligations” as such obligations are defined in Chapter 39.53 RCW as now or hereafter amended (which obligations so purchased, are herein called “Acquired Obligations”), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of:

- (a) the principal of and interest on the Refunded Bonds due and payable on January 1, 2003; and
- (b) the redemption price (102% of the principal amount) payable on January 1, 2003, of the callable portion of the Refunded Bonds.

Ay beginning cash balance and the Acquired Obligations shall be irrevocably deposited with the Escrow Agent in an amount sufficient to defease the Refunded Bonds in accordance with this Section C. Any amounts described above that are not provided for in full by such beginning cash balance and the purchase and deposit with the Escrow Agent of the Acquired Obligations described in this section shall be provided for by the irrevocable deposit of the necessary amount out of the proceeds of sale of the Series B Bonds or any other money of the county legally available therefor. The proceeds of the Series B Bonds remaining in the Refunding Account after acquisition of the Acquired Obligations and provision for the necessary beginning cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and the costs of issuing the Series B Bonds. The county may, from time to time, transfer, or cause to be transferred, from the

Refunding Account any money not thereafter required for the purposes set forth in subparagraphs (a) and (b) above, subject to verification in writing by an independent certified public accountant that such transfer will not result in inadequate funds being available to make the required payments therefrom. The county reserves the right to substitute other securities for the Acquired Obligations in the event it may do so pursuant to Section 148 of the Code and applicable regulations thereunder, upon compliance with the conditions set forth in the Escrow Agreement.

The selection of U.S. Bank, N.A., as Escrow Agent is hereby ratified and confirmed.

2. Redemption of Refunded Bonds. The county hereby irrevocably sets aside sufficient funds through the purchase of Acquired Obligations and an initial cash deposit to make the payments, as specified in subparagraphs (a) and (b) above.

The county hereby irrevocably defeases and calls for redemption on January 1, 2003, the Refunded Bonds in accordance with the provisions of the resolutions authorizing the redemption and retirement of the Refunded Bonds prior to their fixed maturities.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the final establishment of the Refunding Account and delivery of the Acquired Obligations and the requisite cash deposit, if any, to the Escrow Agent, except as provided herein relating to the substitution of securities. The Finance Manager is authorized and requested to provide whatever assistance is necessary to accomplish such defeasance.

The Escrow Agent is hereby authorized and directed to notify the fiscal agency of the State of Washington to give notice of the redemption of the Refunded Bonds in accordance with the applicable provisions of the resolutions authorizing their issuance. The Finance Manager is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of publication of such notice shall be an expense of the county.

The Escrow Agent is hereby authorized and directed to pay to the fiscal agency or agencies of the State

of Washington sums sufficient to make, when due, the payments specified in subparagraphs (a) and (b) above. All such sums shall be paid from the money and Acquired Obligations deposited with said Escrow Agent pursuant to this section, and the income therefrom and proceeds thereof. All such sums so paid shall be credited to the Refunding Account. All money and Acquired Obligations deposited with said Escrow Agent and any income therefrom shall be held, invested and applied in accordance with the provisions of the Bond Ordinance and with the laws of the State of Washington for the benefit of the county and the owners of the Refunded Bonds.

3. Findings of Saving and Defeasance. This council hereby finds and determines that the issuance and sale of the Series B Bonds at this time will effect a savings to the county and ratepayers of the System. In making such finding and determination, the council has given consideration to the interest on and the fixed maturities of the Series B Bonds and the Refunded Bonds, the costs of issuance of the Series B Bonds and the known earned income from the investment of the proceeds of sale of the Series B Bonds pending redemption and payment of the Refunded Bonds.

This council hereby further finds and determines that the Acquired Obligations to be deposited with the Escrow Agent and the income therefrom, together with any necessary beginning cash balance, are sufficient to defease and redeem the above-referenced Refunded Bonds and will discharge and satisfy the obligations of the county with respect to such Refunded Bonds under the resolutions authorizing their issuance and the pledges of the county therein. Immediately upon the delivery of such Acquired Obligations to the Escrow Agent and the deposit of any necessary beginning cash balance, such Refunded Bonds shall be deemed not to be outstanding under their respective authorizing resolutions and shall cease to be entitled to any lien, benefit or security under such resolutions except the right to receive payment from the Acquired Obligations and beginning cash balance so set aside and pledged.

D. Application of Series A Bond Proceeds. In accordance with Section 13.A of the Bond Ordinance, there is hereby established a special subaccount within the Construction Account to be designated as

the Series 2002A Construction Subaccount (the “2002A Construction Subaccount”). Proceeds of the Series A Bonds (exclusive of an amount to be deposited into the Reserve Account pursuant to Section E of this Motion, and accrued interest, if any, which shall be deposited into the Debt Service Account in the Bond Fund) shall be deposited in the 2002A Construction Subaccount and applied to pay costs of improvements to the System, in accordance with Section 13.A of the Bond Ordinance, and costs of issuance of the Series A Bonds.

E. Reserve Account. In accordance with Section 9.C of the Bond Ordinance, \$5,077,287.01 of the proceeds of the Series A Bonds and \$183,038.75 of the proceeds of the Series B Bonds shall be deposited in the Reserve Account to satisfy the reserve requirement with respect to the Bonds.

F. Undertaking to Provide Ongoing Disclosure.

1. Contract/Undertaking. In accordance with Section 27 of the Bond Ordinance, this Section F constitutes the county’s written undertaking for the benefit of the owners and Beneficial Owners of the Bonds as required by Section (b)(5) of the Rule.

2. Financial Statements/Operating Data. The county agrees to provide or cause to be provided to each NRMSIR and to the SID, if any, in each case as designated by the Commission in accordance with the Rule, the following annual financial information and operating data for the prior fiscal year (commencing in 2003 for the fiscal year ended December 31, 2002):

(a) Annual financial statements prepared in accordance with the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the official statement for the Bonds under the heading “Appendix C: Audited 2001 Financial Statements of the Water Quality Enterprise”;

(b) Amount of outstanding Parity Bonds; and

(c) Information regarding customers, revenues and expenses of the sewer system generally in the form set forth in the Official Statement for the Bonds in the table labeled “Summary of Historical Sewer System Customers, Revenues and Expenses.”

Items (b) and (c) shall be required only to the extent that such information is not included in the annual financial statements.

Such annual information and operating data described above shall be provided on or before seven months after the end of the county's fiscal year. The county's fiscal year currently ends on December 31. The county may adjust such fiscal year by providing written notice of the change of fiscal year to each then existing NRMSIR and the SID, if any. In lieu of providing such annual financial information and operating data, the county may cross-reference to other documents provided to the NRMSIR, the SID or to the Commission and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

If not provided as part of the annual financial information discussed above, the county shall provide the county's audited annual financial statement prepared in accordance with the Budget Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) when and if available to each then existing NRMSIR and the SID, if any.

3. Material Events. The county agrees to provide or cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (g) Modifications to rights of Bond holders;
- (h) Optional, contingent or unscheduled calls of any Bonds other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34

-23856;

- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds; and
- (k) Rating changes.

Solely for purposes of disclosure, and not intending to modify this undertaking, the county advises with reference to item (j) above that no property secures payment of the Bonds.

4. Notification Upon Failure to Provide Financial Data. The county agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the MSRB and to the SID, if any, notice of its failure to provide the annual financial information described in subsection 2 above on or prior to the date set forth in subsection 2 above.

5. Termination/Modification. The county's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. This section, or any provision hereof, shall be null and void if the county (i) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (ii) notifies each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of this section.

Notwithstanding any other provision of this motion, the county may amend this Section F, and any provision of this Section F may be waived, with an approving opinion of nationally recognized bond counsel and in accordance with the Rule.

In the event of any amendment or waiver of a provision of this Section F, the county shall describe such amendment in the next annual report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the county. In addition, if the

amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under subsection 3, and (ii) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

6. Bond Owner's Remedies under this Section. The right of any Bond Owner or Beneficial Owner of Bonds to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the county's obligations hereunder, and any failure by the county to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds hereunder. For purposes of this section, "Beneficial Owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

G. Provisions Relating to Bond Insurance. In accordance with the Purchase Contracts, the council hereby approves the commitment of Financial Security Assurance Inc. (the "Insurer") to provide insurance policies issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due (the "Insurance Policies"). The council further authorizes and directs all proper officers, agents, attorneys and employees of the county to execute a commitment letter with the Insurer and to cooperate with the Insurer in preparing such additional agreements, certificates, and other documentation on behalf of the county as shall be necessary or advisable in providing for the Insurance Policies.

So long as either of the Insurance Policies shall be in full force and effect, the county agrees to comply with the following provisions:

1. The Insurer shall be deemed to be the sole holder of the Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to the Bond Ordinance and this motion

(together, the "Bond Legislation"). The maturity of Bonds insured by the Insurer shall not be accelerated without the consent of the Insurer.

2. No waiver, modification, amendment or supplement to the Bond Legislation other than those made or adopted for the purpose of issuing Future Parity Bonds may become effective except upon obtaining the prior written consent of the Insurer.

3. Copies of any modification or amendment to the Bond Legislation shall be sent to Standard & Poor's Credit Markets Services and Moody's Investors Service, Inc. at least 10 days prior to the effective date thereof.

4. Amounts paid by the Insurer under the Insurance Policies shall not be deemed paid for purposes of the Bond Legislation and shall remain outstanding and continue to be due and owing until paid by the Issuer in accordance with the Bond Legislation. The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policies. The Bond Legislation shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

5. Claims Upon the Insurance Policies and Payments by and to the Insurer:

If, on any scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Bond Registrar, after making all transfers and deposits required under the Bond Legislation, money sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Bond Registrar shall make a claim under the applicable Insurance Policy and give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or teletype of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policies.

In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the money due, the Bond Registrar shall authenticate and deliver to affected Bondholders who surrender their Bonds a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered. The Bond Registrar shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Financial Security Assurance Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Bond Registrar's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Insurer.

The Bond Registrar shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Bond Registrar.

Upon payment of a claim under the Insurance Policies the Bond Registrar shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Bond Registrar shall have exclusive control and sole right of withdrawal. The Bond Registrar shall receive any amount paid under the Insurance Policies in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Bond Registrar to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the provisions of the Bond Legislation regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay

debt service with other funds available to make such payments.

Funds held in the Policy Payments Account shall not be invested by the Bond Registrar and may not be applied to satisfy any costs, expenses or liabilities of the Bond Registrar.

Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Insurer.

6. The Insurer shall be provided with all reports, notices and correspondence to be delivered under the terms of the Bond Legislation.

7. The notice address of the Insurer is: Financial Security Assurance Inc., 350 Park Avenue, New York, New York 10022-6022, Attention: Managing Director -- Surveillance; Re: Policy No. _____ Telephone: (212) 826-0100; Telecopier: (212) 339-3529. In each case in which notice or other communication refers to an event of default, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

8. The Insurer shall be deemed to be a third party beneficiary to the Bond Legislation.

So long as the Insurer is not in default under the Insurance Policies, the provisions of this Section G shall govern, notwithstanding anything to the contrary set forth in the Bond Legislation.

H. Further Authority. The county officials, their agents, and representatives are hereby authorized and directed to do everything necessary for the prompt issuance and delivery of the Bonds and for the proper use and application of the proceeds of such sale.

I. Severability. If any provision in this motion is declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void

and shall be deemed separable from the remaining provisions of this motion and shall in no way affect the validity of the other provisions of this motion or of the Bonds.