

10/29/97

Introduced By: Chris Vance

Proposed No.: 97-583

1
2
ORDINANCE NO. **12909**

3 AN ORDINANCE providing for the issuance and public
4 sale of not to exceed \$79,000,000 principal amount of
5 limited tax general obligation bonds of the county for the
6 purpose of providing part of the funds to acquire real and
7 personal property for county purposes, to make capital
8 improvements to county facilities and to make certain
9 capital grants, not to exceed \$53,000,000 principal amount
10 of limited tax general obligation bonds of the county
11 (secured also by hotel/motel taxes) to restructure a portion
12 of the county's Kingdome debt by refunding certain
13 outstanding general obligation bonds of the county and not
14 to exceed \$7,000,000 principal amount of taxable limited
15 tax general obligation bonds of the county (secured also by
16 hotel/motel taxes) to reimburse the county's general fund
17 for prior debt service on Kingdome-related bonds of the
18 county; providing for the date, form, terms and maturities
19 of said bonds; authorizing a plan of refunding and the
20 appointment of an escrow agent to accomplish such plan of
21 refunding; providing for the public sale of the bonds and
22 the disposition of the proceeds of sale; establishing funds
23 for the receipt and expenditure of bond proceeds and for the
24 payment of the bonds; and providing for the annual levy of
25 taxes to pay the principal thereof and interest thereon.

26 "SECTION 1. Definitions. The following words and terms as used in this
27 ordinance shall have the following meanings for all purposes of this ordinance, unless
28 some other meaning is plainly intended.

1 "Arbitrage and Tax Certification" means the certificate executed by the finance
2 director pertaining to the calculation and payment of any Rebate Amount with respect
3 to the Bonds.

4 "Bond Fund" means the bond redemption account authorized to be established for
5 each series of the Bonds pursuant to Section 15 hereof.

6 "Bond Register" means the registration books maintained by the Bond Registrar for
7 purposes of identifying ownership of the Bonds.

8 "Bond Registrar" means the fiscal agency of the State of Washington in either
9 Seattle, Washington, or New York, New York, for the purposes of registering and
10 authenticating the Bonds, maintaining the Bond Register, effecting the transfer of
11 ownership of the Bonds and paying interest on and principal of the Bonds.

12 "Bonds" means, collectively, the Various Purpose Bonds, the Refunding Bonds and
13 the Reimbursement Bonds, issued in one or more series pursuant to this ordinance.

14 "Code" means the federal Internal Revenue Code of 1986, as amended, together
15 with corresponding and applicable final, temporary or proposed regulations and
16 revenue rulings issued or amended with respect thereto by the United States Treasury
17 Department or the Internal Revenue Service, to the extent applicable to the Bonds.

18 "Commission" means the Securities and Exchange Commission.

19 "DTC" means The Depository Trust Company, New York, New York.

20 "Finance Director" means the finance director of the county or any other county
21 officer who succeeds to the duties now delegated to that office or the designee of the
22 finance director.

23 "Hotel/Motel Taxes" means taxes levied by the county pursuant to RCW 67.28.180.

24 "MSRB" means the Municipal Securities Rulemaking Board or any successor to its
25 functions.

1 "1991A Bonds" means the King County, Washington, Limited Tax General
 2 Obligation Bonds, 1991 Series A (Various Purpose), issued under date of March 1,
 3 1991, pursuant to Ordinance No. 9810 of the county, passed on February 11, 1991.

4 "1991A Kingdome Bonds" means \$65,000 principal amount of the 1991A Bonds
 5 maturing on December 1, 1999.

6 "1993A Bonds" means the King County, Washington, Limited Tax General
 7 Obligation (Various Purpose) and Refunding Bonds, 1993, Series A, issued under date
 8 of January 1, 1993, pursuant to Ordinance No. 10685 of the county, passed on
 9 December 21, 1992.

10 "1993A Kingdome Bonds" means \$15,875,000 principal amount of the 1993A
 11 Bonds, maturing in years and amounts, as follows:

Maturity (December 1)	Principal Amount	Interest Rate	Call Date
1998	\$ 935,000	4.80%	
1999	980,000	5.00	
2000	1,030,000	5.10	
2001	1,085,000	5.25	
2002	1,145,000	5.40	
2003	815,000	5.50	
2004	860,000	5.60	12/1/2003
2005	910,000	5.70	12/1/2003
2006	965,000	5.80	12/1/2003
2007	1,020,000	5.90	12/1/2003
2008	1,085,000	6.00	12/1/2003
2009	1,150,000	6.00	12/1/2003
2010	1,220,000	6.00	12/1/2003
2011	1,295,000	6.00	12/1/2003
2012	1,380,000	6.00	12/1/2003

29 "1993B Bonds" means the King County, Washington, Limited Tax General
 30 Obligation and Refunding Bonds (Various Purpose), 1993 Series B, issued under date
 31 of December 1, 1993, pursuant to Ordinance No. 11121 of the county, passed on
 32 December 2, 1993.

1 "1993B Kingdome Bonds" means \$2,055,000 principal amount of the 1993B
 2 Bonds, maturing in years and amounts, as follows:

3	Maturity	Principal	Interest	Call
4	<u>(January 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Date</u>
5	1999	\$ 685,000	6.70%	
6	2000	660,000	6.70	
7	2001	710,000	6.70	

8 "1996A Bonds" means the King County, Washington, Limited Tax General
 9 Obligation and Refunding Bonds (Various Purpose), 1996, Series A, issued under date
 10 of February 1, 1996, pursuant to Ordinance No. 12070 of the county, passed on
 11 December 18, 1995.

12 "1996A Kingdome Bonds" means \$30,690,000 principal amount of the 1996A
 13 Bonds, maturing in years and amounts, as follows:

14	Maturity	Principal	Interest	Call
15	<u>(December 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Date</u>
16	1998	\$2,475,000	5.00%	
17	1999	2,595,000	5.00	
18	2000	2,815,000	5.00	
19	2001	2,865,000	5.00	
20	2002	3,005,000	5.00	
21	2003	3,010,000	5.00	
22	2004	2,910,000	5.00	
23	2005	2,790,000	5.00	1/1/2006
24	2006	2,645,000	5.00	1/1/2006
25	2007	1,825,000	5.00	1/1/2006
26	2008	1,610,000	5.00	1/1/2006
27	2009	1,350,000	5.00	1/1/2006
28	2010	795,000	5.00	1/1/2006

29 "1996B Bonds" means the King County, Washington, Limited Tax General
 30 Obligation 501(c)(3) Refunding Bonds, 1996 Series B, issued under date of March 1,
 31 1996, pursuant to Ordinance No. 12070 of the county, passed on December 18, 1995.

32 "1996B Kingdome Bonds" means \$10,000 principal amount of the 1996B Bonds
 33 maturing on January 1, 2000.

1 "NRMSIR" means a nationally recognized municipal securities information
2 repository.

3 "Rebate Amount" means the amount, if any, determined to be payable with respect
4 to the Bonds by the county to the United States of America in accordance with
5 Section 148(f) of the Code.

6 "Refunded Bonds" means the Refunded 1991A Bonds, the Refunded 1993A Bonds,
7 the Refunded 1993B Bonds, the Refunded 1996A Bonds and the Refunded 1996B
8 Bonds.

9 "Refunded 1991A Bonds" means any or all of the 1991A Kingdome Bonds, as shall
10 be set forth in a Sale Motion in accordance with Section 13 hereof.

11 "Refunded 1993A Bonds" means any or all of the 1993A Kingdome Bonds, as shall
12 be set forth in a Sale Motion in accordance with Section 13 hereof.

13 "Refunded 1993B Bonds" means any or all of the 1993B Kingdome Bonds, as shall
14 be set forth in a Sale Motion in accordance with Section 13 hereof.

15 "Refunded 1996A Bonds" means any or all of the 1996A Kingdome Bonds, as shall
16 be set forth in a Sale Motion in accordance with Section 13 hereof.

17 "Refunded 1996B Bonds" means any or all of the 1996B Kingdome Bonds, as shall
18 be set forth in a sale Motion in accordance with Section 13 hereof.

19 "Refunding Account" means the "King County 1997 General Obligation Bond
20 Refunding Account," authorized to be created pursuant to Section 13 hereof.

21 "Refunding Bonds" means the not to exceed \$53,000,000 of limited tax general
22 obligation bonds (additionally secured by the pledge of Hotel/Motel Taxes), authorized
23 to be issued in one or more series by this ordinance to refund the Refunded Bonds.

24 "Reimbursement Bonds" means the not to exceed \$7,000,000 of limited tax general
25 obligation bonds (additionally secured by the pledge of Hotel/Motel Taxes), authorized

1 to be issued by this ordinance to reimburse the county's general fund for debt service
2 heretofore paid on county bonds issued to finance repairs to the Kingdome roof.

3 "Rule" means the Commission's Rule 15c2-12 under the Securities and Exchange
4 Act of 1934, as the same may be amended from time to time.

5 "Sale Motion" means the motion of the council approving a bid for each series of
6 the Bonds, in accordance with Section 19 hereof, and ratifying and confirming the plan
7 of refunding the Refunded Bonds, if any, in accordance with Section 13 hereof.

8 "SID" means a state information depository for the State of Washington (if one is
9 created).

10 "Various Purpose Bonds" means the not to exceed \$79,000,000 principal amount of
11 limited tax general obligation bonds authorized to be issued by this ordinance to
12 finance the projects and grants described in Section 3 of this ordinance.

13 SECTION 2. Findings. The county council hereby makes the following findings:

14 A. The following projects and capital grants, all as more fully described in
15 Exhibit A hereto, will contribute to the health, safety and welfare of the citizens of the
16 county:

- 17
18 1. technology systems improvements for the county information and administrative
19 services and finance departments and year-2000 software enhancements;
20
21 2. capital improvements to general governmental facilities in accordance with the
22 1997 capital improvements plan;
23
24 3. capital grants to the Seattle Symphony and the Pacific Science Center;
25
26 4. capital improvements to facilities of Harborview Hospital;
27
28 5. park land acquisitions; and
29
30 6. a capital grant to the City of Seattle to pay for certain West Galer Street
31 improvements.

32 B. In accordance with provisions of RCW 67.28.180, as amended, the county
33 may restructure Kingdome-related debt by refunding the Refunded Bonds, issuing the

1 Reimbursement Bonds to repay the general fund for debt service heretofore paid on
2 bonds issued to finance Kingdome roof repairs, and pledging the Hotel/Motel Taxes to
3 the payment of the Refunding Bonds and the Reimbursement Bonds. Because market
4 conditions may change, however, the council finds that it is in the best interests of the
5 county and its taxpayers that a final plan of refunding be established by the Finance
6 Director, in consultation with the county's financial advisors, preceding the public sale
7 of any series of the Refunding Bonds, which plan of refunding will be ratified and
8 confirmed by the council in a Sale Motion.

9 C. The issuance of limited tax general obligation bonds payable from regular
10 property taxes to pay the costs of the projects and capital grants approved in Section 3
11 hereof and to pay the costs of issuing such bonds is in the best interests of the county
12 and its citizens.

13 D. The issuance of limited tax general obligation bonds payable from regular
14 property taxes and Hotel/Motel Taxes to refund the Refunded Bonds, to reimburse the
15 general fund and to pay the costs of issuing such bonds is in the best interests of the
16 county and its citizens.

17 SECTION 3. Authorization of Projects and Grants. The county is hereby
18 authorized to acquire the real and personal property, make the capital improvements,
19 proceed with the projects, and make the capital grants, all as specified in Exhibit A
20 hereto and incorporated herein by reference. The costs of such projects and grants shall
21 also include interest on any interim financing for such projects and grants pending
22 receipt of Various Purpose Bond proceeds and costs and expenses incurred in issuing
23 the Various Purpose Bonds.

24 The projects authorized herein shall include the costs of sales tax, acquisition and
25 contingency allowances, financing, and any and all surveys, explorations, engineering
26 and architectural studies, drawings, designs and specifications incidental, necessary or

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convenient to the improvements herein specified. Such projects shall also include the purchase of all materials, supplies, appliances, equipment and facilities, and the permits, franchises, property and property rights and administrative costs, necessary, incidental or convenient to effect the improvements.

The projects authorized herein may be modified where deemed advisable or necessary in the judgment of the county council, and implementation or completion of any authorized project shall not be required if the county council determines that it has become inadvisable or impractical. If all of the projects either have been completed, or their completion duly provided for, or their completion found to be inadvisable or impractical, the county may apply any remaining proceeds of the Various Purpose Bonds, or any portion thereof, to the acquisition or improvement of other county facilities as the county council in its discretion may determine. In the event that the proceeds of the sale of the Various Purpose Bonds, plus any other money of the county legally available therefor, are insufficient to accomplish all of the projects authorized in this section, the county shall use the available funds for paying the cost of those projects for which the Various Purpose Bonds were authorized deemed by the county council most necessary and in the best interest of the county.

The county is further authorized to make the capital grants described in Exhibit A hereto.

SECTION 4. Purpose, Authorization and Description of Bonds; Use of Depository.

A. Purpose and Authorization of Bonds. The county shall now issue and sell not to exceed \$79,000,000 principal amount of the Various Purpose Bonds for the purpose of providing the county with part of the funds required to pay the costs of the projects and capital grants authorized in Section 3 hereof and to pay the costs of issuing the Various Purpose Bonds. The Various Purpose Bonds shall be issued and sold in one or more series as provided in Section 19 hereof.

1 To provide funds to restructure certain Kingdome-related debt of the county by
2 refunding the Refunded Bonds, the county shall issue and sell the Refunding Bonds in
3 an aggregate principal amount to be established as provided in Section 19 hereof and in
4 any event not to exceed \$53,000,000. The Refunding Bonds shall be issued and sold in
5 one or more series as provided in Section 19 hereof.

6 To provide funds to reimburse the county's general fund for debt service heretofore
7 paid on the county's bonds issued to finance Kingdome roof repairs, the county shall
8 issue and sell not to exceed \$7,000,000 of the Reimbursement Bonds in a taxable
9 series.

10 B. Description. The Various Purpose Bonds shall be designated "King
11 County, Washington, Limited Tax General Obligation Bonds (Various Purpose)," with
12 an applicable year and series designation established as provided in Section 19 hereof.
13 The Refunding Bonds shall be designated "King County, Washington, Limited Tax
14 General Obligation Refunding Bonds," with an applicable year and series designation
15 established as provided in Section 19 hereof. The Reimbursement Bonds shall be
16 designated "King County, Washington, Limited Tax General Obligation Bonds
17 (Taxable)," with an applicable year and series designation established as provided in
18 Section 19 hereof. The Bonds shall be fully registered as to both principal and interest,
19 shall be in the denomination of \$5,000 each or any integral multiple thereof (but no
20 Bond shall represent more than one maturity), shall be numbered separately in such
21 manner and with any additional designation as the Bond Registrar deems necessary for
22 purposes of identification, and shall be dated as of such date and shall mature on the
23 dates, in the years and the amounts established as provided in Section 19 hereof.

24 The Bonds shall bear interest (computed on the basis of a 360-day year of twelve
25 30-day months) from their date or from the most recent interest payment date for which
26 interest has been paid or duly provided for, whichever is later, payable on semiannual

1 interest payment dates to be established as provided in Section 19 hereof, at the rate or
2 rates bid by the successful bidder at public sale and accepted by motion of the county
3 council, as provided in Section 19 hereof.

4 C. Initial Immobilization of Bonds; Depository Provisions. The Bonds
5 initially shall be held in fully immobilized form by DTC acting as depository pursuant
6 to the terms and conditions set forth in the Blanket Issuer Letter of Representations
7 heretofore executed on behalf of the county. Neither the county nor the Bond Registrar
8 shall have any responsibility or obligation to DTC participants or the persons for whom
9 they act as nominees with respect to the Bonds with respect to the accuracy of any
10 records maintained by DTC or any DTC participant, the payment by DTC or any DTC
11 participant of any amount in respect of principal or redemption price or interest on the
12 Bonds, any notice that is permitted or required to be given to Registered Owners under
13 this ordinance (except such notice as is required to be given by the county to the Bond
14 Registrar or to DTC), the selection by DTC or any DTC participant of any person to
15 receive payment in the event of a partial redemption of the Bonds or any consent given
16 or other action taken by DTC as owner of the Bonds.

17 The Bonds initially shall be issued in denominations equal to the aggregate
18 principal amount of each maturity and initially shall be registered in the name of CEDE
19 & Co., as the nominee of DTC. The Bonds so registered shall be held in fully
20 immobilized form by DTC as depository. For so long as any Bonds are held in fully
21 immobilized form, DTC, its successor or any substitute depository appointed by the
22 county, as applicable, shall be deemed to be the Registered Owner for all purposes
23 hereunder and all references to Registered Owners, bondowners, bondholders, owners
24 or the like shall mean DTC or its nominees and shall not mean the owners of any
25 beneficial interests in the Bonds. Registered ownership of such Bonds, or any portions
26 thereof, may not thereafter be transferred except:

1 1. To any successor of DTC or its nominee, if that successor shall be
2 qualified under any applicable laws to provide the services proposed to be provided by
3 it;

4 2. To any substitute depository appointed by the county pursuant to
5 this subsection or such substitute depository's successor; or

6 3. To any person as herein provided if the Bonds are no longer held in
7 immobilized form.

8 Upon the resignation of DTC or its successor (or any substitute depository or its
9 successor) from its functions as depository, or a determination by the county that it is
10 no longer in the best interests of beneficial owners of the Bonds to continue the system
11 of book entry transfers through DTC or its successor (or any substitute depository or its
12 successor), the county may appoint a substitute depository. Any such substitute
13 depository shall be qualified under any applicable laws to provide the services
14 proposed to be provided by it.

15 In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of
16 this subsection, the Bond Registrar, upon receipt of all outstanding Bonds together with
17 a written request on behalf of the county, shall issue a single new Bond for each
18 maturity of Bonds then outstanding, registered in the name of such successor or such
19 substitute depository, or their nominees, as the case may be, all as specified in such
20 written request of the county.

21 In the event that DTC or its successor (or substitute depository or its successor)
22 resigns from its functions as depository, and no substitute depository can be obtained;
23 or the county determines that it is in the best interests of the beneficial owners of the
24 Bonds that they be able to obtain Bond certificates, the ownership of Bonds may be
25 transferred to any person as herein provided, and the Bonds shall no longer be held in
26 fully immobilized form. The county shall deliver a written request to the Bond

1 Registrar, together with a supply of definitive Bonds, to issue Bonds as herein provided
2 in any authorized denomination. Upon receipt of all then outstanding Bonds by the
3 Bond Registrar, together with a written request on behalf of the county to the Bond
4 Registrar, new Bonds shall be issued in such denominations and registered in the
5 names of such persons as are requested in such a written request.

6 D. Place, Manner and Medium of Payment. Both principal of and interest on
7 the Bonds shall be payable in lawful money of the United States of America. For so
8 long as outstanding Bonds are registered in the name of CEDE & Co., or its registered
9 assigns, as nominee of DTC, payments of principal of and interest on the Bonds shall
10 be made in next day funds on the date such payment is due and payable at the place and
11 in the manner provided in the Letter of Representations.

12 In the event that Bonds are no longer held in fully immobilized form by DTC or its
13 successor (or substitute depository or its successor), interest on the Bonds shall be paid
14 by checks or drafts mailed, or by wire transfer, to owners of Bonds at the addresses for
15 such owners appearing on the Bond Register on the 15th day of the calendar month
16 preceding the interest payment date. Wire transfer will be made only if so requested in
17 writing and if the owner owns at least one million dollars (\$1,000,000) par value of the
18 Bonds. Principal of the Bonds shall be payable at maturity or on such dates as may be
19 fixed for prior redemption upon presentation and surrender of the Bonds by the owners
20 at either principal office of the Bond Registrar in Seattle, Washington, or New York,
21 New York, at the option of such owners.

22 SECTION 5. Optional Redemption of Bonds. The county may reserve the right to
23 redeem outstanding Bonds prior to their maturity on the dates and at the prices
24 established in the Notice of Sale and ratified and confirmed by a Sale Motion in
25 accordance with Section 19 hereof. Portions of the principal amount of any Bond, in
26 increments of \$5,000 or any integral multiple of \$5,000, may be redeemed. If less than

1 all of the principal amount of any Bond is redeemed, upon surrender of such Bond at
2 the principal office of the Bond Registrar there shall be issued to the registered owner,
3 without charge therefor, for the then unredeemed balance of the principal amount
4 thereof, a new Bond or Bonds, at the option of the registered owner, of like maturity
5 and interest rate in any denomination authorized by this ordinance.

6 All Bonds purchased or redeemed under this section shall be canceled by the Bond
7 Registrar and shall not be reissued.

8 SECTION 6. Notice and Effect of Redemption. Unless waived by the registered
9 owner of Bonds to be redeemed or the nominee of such owner, official notice of any
10 such redemption shall be given by the Bond Registrar on behalf of the county by
11 mailing a copy of an official redemption notice by certified or registered mail, postage
12 prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption,
13 to the registered owner of the Bond or Bonds to be redeemed at the address shown on
14 the Bond Register or at such other address as is furnished in writing by such registered
15 owner to the Bond Registrar. The Bond Registrar shall provide additional notice of
16 redemption of the Bonds to each NRMSIR and SID, if any, in accordance with the
17 ongoing disclosure provisions to be adopted by a Sale Motion pursuant to Section 23
18 hereof.

19 All official notices of redemption shall be dated and shall state:

- 20 A. the redemption date;
- 21 B. the redemption price;
- 22 C. if less than all outstanding Bonds are to be redeemed, the identification
23 (and, in the case of partial redemption, the respective principal amounts) of the Bonds
24 to be redeemed;

1 D. that on the redemption date the redemption price will become due and
2 payable upon each such Bond or portion thereof called for redemption, and that interest
3 thereon shall cease to accrue from and after said date; and

4 E. the place where such Bonds are to be surrendered for payment of the
5 redemption price, which place of payment shall be either of the principal offices of the
6 Bond Registrar.

7 Such notice of redemption shall be mailed within the same period, postage prepaid,
8 to Moody's Investors Service, Inc. and Standard & Poor's Ratings Services at their
9 offices in New York, New York, or their successors, and to such other persons and with
10 such additional information as the finance director shall deem appropriate, but such
11 mailings shall not be a condition precedent to the redemption of the Bonds.

12 Prior to any redemption date, the county shall deposit with the Bond Registrar an
13 amount of money sufficient to pay the redemption price of all the Bonds or portions of
14 Bonds that are to be redeemed on that date.

15 Official notice of redemption having been given as aforesaid, the Bonds or portions
16 of Bonds so to be redeemed shall, on the redemption date, become due and payable at
17 the redemption price therein specified, and from and after such date (unless the county
18 shall default in the payment of the redemption price upon presentation) such Bonds or
19 portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for
20 redemption in accordance with said notice, such Bonds shall be paid by the Bond
21 Registrar at the redemption price. Installments of interest due on or prior to the
22 redemption date shall be payable as herein provided for payment of interest. Upon the
23 payment of the redemption price of Bonds being redeemed, each check or other transfer
24 of funds issued for such purpose shall bear the CUSIP number identifying, by issue and
25 maturity, the Bonds being redeemed with the proceeds of such check or other transfer.
26 Upon surrender for any partial redemption of any Bond, there shall be prepared for the

1 registered owner a new Bond or Bonds of the same maturity in the amount of unpaid
2 principal.

3 In addition to the foregoing notice, further notice shall be given by the Bond
4 Registrar as set out below, but no defect in said further notice nor any failure to give all
5 or any portion of such further notice shall in any manner defeat the effectiveness of a
6 call for redemption if notice thereof is given as above prescribed.

7 1. Each further notice of redemption given hereunder shall contain the
8 information required above for an official notice of redemption plus: the CUSIP
9 numbers of all Bonds being redeemed; the date of issue of the Bonds as originally
10 issued; the rate of interest borne by each Bond being redeemed; the maturity date of
11 each Bond being redeemed; and any other descriptive information needed to identify
12 accurately the Bonds being redeemed.

13 2. Each further notice of redemption shall be sent at least 35 days before the
14 redemption date by registered or certified mail or overnight delivery service to all
15 registered securities depositories then in the business of holding substantial amounts of
16 obligations of types comprising the Bonds (such depositories now being The
17 Depository Trust Company of New York, New York, Midwest Securities Trust
18 Company of Chicago, Illinois, and Philadelphia Depository Trust Company of
19 Philadelphia, Pennsylvania).

20 The requirements of this section shall be deemed to be complied with when notice
21 is mailed as herein provided, whether or not it is actually received by the owner.

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SECTION 7. Form of Bonds. The Bonds shall be in substantially the following

form:

NO. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF WASHINGTON
KING COUNTY

LIMITED TAX GENERAL OBLIGATION [REFUNDING] BOND
[(VARIOUS PURPOSE)][TAXABLE], [applicable year] SERIES _____

INTEREST RATE: _____ MATURITY DATE: _____ CUSIP NO.: _____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, the Principal Amount specified above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from _____, 1997, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on _____ 1, 1998, and semiannually thereafter on the first days of each succeeding _____ and _____.

Both principal of and interest on this bond are payable in lawful money of the United States of America. While bonds are held on immobilized "book entry" system of registration, the principal of this bond is payable to the order of the Registered Owner in same day funds received by the Registered Owner on the maturity date of this bond, and the interest on this bond is payable to the order of the Registered Owner in same day funds received by the Registered Owner on each interest payment date. When Bonds are no longer held in an immobilized "book entry" registration system, the principal shall be paid to the Registered Owner or nominee of such owner upon presentation and surrender of this bond at either of the principal offices of the fiscal agency of the State of Washington in either Seattle, Washington or New York, New York (collectively the "Bond Registrar"), and the interest shall be paid by mailing a check or draft (on the date such interest is due) to the Registered Owner or nominee of such owner at the address shown on the registration books maintained by the Bond Registrar (the "Bond Register") as of the 15th day of the month prior to the interest payment date; provided, however that if so requested in writing by the Registered Owner of at least \$1,000,000 par value of the Bonds, interest will be paid by wire transfer.

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity, in the aggregate principal amount of \$ _____, and is issued [to pay a portion of the costs to acquire, construct, equip and make capital improvements to certain County facilities and projects and to make capital grants/to refund certain general obligation bonds of the County].

1 The bonds of this issue are issued under and in accordance with the provisions of
2 the Constitution and applicable statutes of the State of Washington, the County Charter
3 and applicable ordinances duly adopted by the County.

4 The County has reserved the right to redeem outstanding bonds of this issue
5 maturing on or after _____ 1, 200__ in whole on any date or in part on any interest
6 payment date, on or after _____ 1, 200__, maturities to be redeemed to be selected
7 by the County (and by lot within a maturity, in increments of \$5,000, with the manner
8 of selection to be as chosen by the Bond Registrar) at par plus accrued interest to the
9 date of redemption.

10 [The bonds of this issue maturing on _____ 1, ___, are also subject to
11 redemption prior to maturity through mandatory amortization payments on
12 _____ 1 of the following years and in the following amounts in each case at a
13 redemption price of 100% of the principal amount of bonds to be redeemed, plus
14 accrued interest to the date of redemption.

15 Years Amount

16
17 * Final Maturity]

18 Portions of the principal sum of this bond in installments of \$5,000 or any integral
19 multiple thereof also may be redeemed in accordance with the provisions set forth
20 above, and if less than all of the principal sum hereof is to be redeemed, upon the
21 surrender of this bond at the principal offices of the Bond Registrar there shall be
22 issued to the Registered Owner, without charge therefor, for the then unredeemed
23 balance of the principal sum hereof, at the option of the owner, a bond or bonds of like
24 maturity and interest rate in any of the denominations authorized by the Bond
25 Ordinance.

26 Notice of redemption, unless waived, is given by the Bond Registrar by mailing an
27 official redemption notice by certified or registered mail, postage prepaid, not less than
28 30 days and not more than 60 days prior to the date fixed for redemption, to the
29 Registered Owner of any bond to be redeemed at the address appearing on the Bond
30 Register. The requirements for such notice shall be deemed to be complied with when
31 notice is mailed as herein provided, regardless of whether or not it is actually received
32 by the owner of any bond.

33 If such notice has been given and if the County has set aside, on the date fixed for
34 redemption, sufficient money for the payment of all bonds called for redemption, the
35 bonds so called shall cease to accrue interest after such redemption date, and all such
36 bonds shall no longer be deemed to be outstanding for any purpose, except that the
37 Registered Owners thereof shall be entitled to receive payment of the redemption price
38 and accrued interest to the redemption date from the money set aside for such purpose.

39 The County hereby irrevocably covenants and agrees with the owner of this bond
40 that it will annually include in its budget and levy taxes, within and as a part of the tax
41 levy permitted to counties without a vote of the electorate upon all the property subject
42 to taxation, in an amount sufficient, together with all other money legally available
43 therefor, to pay the principal of and interest on this bond as the same shall become due.
44 [The County hereby further irrevocably covenants and agrees with the owner of this

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bond that it will levy hotel/motel taxes pursuant to RCW 67.28.180 at not less than the maximum allowable rate at the time this bond is issued and hereby pledges to apply the amounts collected, subject to their use for other authorized purposes, to the extent necessary for the payment of the principal of and interest on the bonds of this issue.] The full faith, credit and resources of the County are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

The pledge of tax levies for repayment of principal of and interest on the bonds may be discharged prior to maturity of the bonds by making provisions for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM- as tenants in common
 - TEN ENT - as tenants by the entireties
 - JT TEN - as joint tenants with right of survivorship and not as tenants in common
 - UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
- under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used though not listed above. This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under King County Ordinance No. _____ (the "Bond Ordinance") until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington and the Charter and ordinances of the County to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the bonds of this series does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the County may incur.

IN WITNESS WHEREOF, the County has caused this bond to be executed by the manual or facsimile signatures of the County Executive and the Clerk of the County Council, and the seal of the County to be impressed or imprinted hereon, as of this ____ day of _____, 1997.

KING COUNTY, WASHINGTON
By _____
County Executive

ATTEST:

Clerk of the Council

1 The Bond Registrar's Certificate of Authentication on the Bonds shall be in
2 substantially the following form:

3 CERTIFICATE OF AUTHENTICATION

4 This bond is one of the bonds described in the within mentioned Bond Ordinance
5 and is one of the Limited Tax General Obligation [Refunding] Bonds [(Various
6 Purpose)], [applicable year] Series __, of King County, Washington, dated
7 _____, 1997.

8 WASHINGTON STATE FISCAL AGENCY, as Bond Registrar

9 By _____

10 Authorized Officer

11 ASSIGNMENT

12 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

13
14 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION
15 NUMBER OF TRANSFEREE

16

17
18 (Please print or typewrite name and address, including zip code of Transferee)

19
20 the within bond and does hereby irrevocably constitute and appoint _____
21 _____, or its successor, as Bond Registrar to transfer said bond on
22 the books kept for registration thereof with full power of substitution in the premises.

23 DATED: _____, _____.

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

28 SIGNATURE GUARANTEED:

29 _____

30 SECTION 8. Execution of Bonds. The Bonds shall be executed on behalf of the
31 county with the manual or facsimile signatures of the county executive and the clerk of
32 the council, and shall have the seal of the county impressed or imprinted thereon.

33 In case either or both of the officers who shall have executed the Bonds shall cease
34 to be an officer or officers of the county before the Bonds so signed shall have been
35 authenticated or delivered by the Bond Registrar, or issued by the county, such Bonds
36 may nevertheless be authenticated, delivered and issued and upon such authentication,
37 delivery and issuance, shall be as binding upon the county as though those who signed
38 the same had continued to be such officers of the county. Any Bond also may be signed

1 and attested on behalf of the county by such persons as at the actual date of execution
2 of such Bond shall be the proper officers of the county although at the original date of
3 such Bond any such person shall not have been such officer of the county.

4 Only such Bonds as shall bear thereon a Certificate of Authentication in the form
5 hereinbefore recited, manually executed by the Bond Registrar, shall be valid or
6 obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate
7 of Authentication shall be conclusive evidence that the Bonds so authenticated have
8 been duly executed, authenticated and delivered hereunder and are entitled to the
9 benefits of this ordinance.

10 SECTION 9. Bond Registrar. The county hereby adopts for the Bonds the system
11 of registration specified and approved by the Washington State Finance Commission.
12 The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust
13 office, sufficient books for the registration and transfer of the Bonds, which shall at all
14 times be open to inspection by the county. Such Bond Register shall contain the name
15 and mailing address of the owner of each Bond or nominee of such owner and the
16 principal amount and number of Bonds held by each owner or nominee. The Bond
17 Registrar is authorized, on behalf of the county, to authenticate and deliver the Bonds
18 transferred or exchanged in accordance with the provisions of such Bonds and this
19 ordinance and to carry out all of the Bond Registrar's powers and duties under this
20 ordinance.

21 The Bond Registrar shall be responsible for its representations contained in the
22 Certificate of Authentication on the Bonds. The Bond Registrar may become the
23 owner of Bonds with the same rights it would have if it were not the Bond Registrar,
24 and to the extent permitted by law may act as depository for and permit any of its
25 officers or directors to act as a member of, or in any other capacity with respect to, any
26 committee formed to protect the rights of Bond owners.

1 Upon surrender thereof to the Bond Registrar, the Bonds are interchangeable for
2 Bonds in any authorized denomination of an equal aggregate principal amount and of
3 the same interest rate and maturity. Bonds may be transferred only if endorsed in the
4 manner provided thereon and surrendered to the Bond Registrar. Upon such surrender,
5 the Bond Registrar shall cancel the surrendered Bond and shall authenticate and
6 deliver, without charge to the owner or transferee therefor (other than taxes, if any,
7 payable on account of such transfer), a new Bond (or Bonds, at the option of the new
8 registered owner) of the same maturity and interest rate and for the same aggregate
9 principal amount, in any authorized denomination, naming as registered owner the
10 person or persons listed as the assignee on the assignment form appearing on the
11 surrendered Bond, in exchange for such surrendered and canceled Bond. The Bond
12 Registrar shall not be obligated to transfer or exchange any Bond during a period
13 beginning at the opening of business on the 15th day of the month next preceding any
14 interest payment or principal payment date and ending at the close of business on such
15 payment date.

16 The county and the Bond Registrar, each in its discretion, may deem and treat the
17 registered owner of each Bond as the absolute owner thereof for all purposes, and
18 neither the county nor the Bond Registrar shall be affected by any notice to the
19 contrary.

20 SECTION 10. Mutilated, Lost, or Destroyed Bonds. If any Bond shall become
21 mutilated, the Bond Registrar shall authenticate and deliver a new Bond of like amount,
22 date, interest rate and tenor in exchange and substitution for the Bond so mutilated,
23 upon the owner's paying the expenses and charges of the county and the Bond Registrar
24 in connection therewith and upon surrender to the Bond Registrar of the Bond so
25 mutilated. Every mutilated Bond so surrendered shall be canceled and destroyed by the
26 Bond Registrar.

1 In case the Bonds or any of them shall be lost, stolen or destroyed, the Bond
2 Registrar may authenticate and deliver a new Bond or Bonds of like amount, date, and
3 tenor to the registered owner thereof upon the owner's paying the expenses and charges
4 of the county and the Bond Registrar in connection therewith and upon his/her filing
5 with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond or
6 Bonds were actually lost, stolen or destroyed and of his/her ownership thereof, and
7 upon furnishing the county and Bond Registrar with indemnity satisfactory to the
8 finance director and the Bond Registrar.

9 SECTION 11. Covenants and Warranties. The county makes the following
10 covenants and warranties:

11 A. The county has full legal right, power and authority to adopt this ordinance,
12 to sell, issue and deliver the Bonds as provided herein, and to carry out and
13 consummate all other transactions contemplated by this ordinance.

14 B. By all necessary official action prior to or concurrently herewith, the county
15 has duly authorized and approved the execution and delivery of, and the performance
16 by the county of its obligations contained in the Bonds and in this ordinance and the
17 consummation by it of all other transactions necessary to effectuate this ordinance in
18 connection with the issuance of the Bonds, and such authorizations and approvals are
19 in full force and effect and have not been amended, modified or supplemented in any
20 material respect.

21 C. This ordinance constitutes a legal, valid and binding obligation of the
22 county.

23 D. The Bonds, when issued, sold, authenticated and delivered, will constitute
24 the legal, valid and binding general obligations of the county.

1 E. Until all Bonds shall have been surrendered and canceled, the county will
2 maintain or cause to be maintained a system of registration of the Bonds that complies
3 with the applicable provisions of the Code.

4 F. The adoption of this ordinance, and compliance on the county's part with
5 the provisions contained herein, will not conflict with or constitute a breach of or
6 default under any constitutional provisions, law, administrative regulation, judgment,
7 decree, loan agreement, indenture, bond, note, resolution, ordinance, motion,
8 agreement or other instrument to which the county is a party or to which the county or
9 any of its property or assets are otherwise subject.

10 G. The county finds and covenants that the Bonds are issued within all
11 statutory and constitutional debt limitations applicable to the county.

12 H. None of the proceeds of the Bonds will be used for any purpose other than
13 as provided in this ordinance, and the county shall not suffer any amendment or
14 supplement to this ordinance, or any departure from the due performance of the
15 obligations of the county hereunder, that might materially adversely affect the rights of
16 the owners from time to time of the Bonds.

17 SECTION 12. Application of the Various Purpose and Reimbursement Bond
18 Proceeds.

19 A. There is hereby created the "Technology Systems Acquisition Fund," and
20 within such fund the following four subfunds: Finance Systems Acquisition Subfund,
21 Election Systems Acquisition Subfund, Open Access Recording System Acquisition
22 Subfund and Year 2000 Software Enhancement Subfund. Each of these subfunds shall
23 be a first tier fund managed by the Director of the Department of Finance. There shall
24 be deposited into such subfunds approximately \$40,650,000 of Various Purpose Bond
25 proceeds at the time of delivery of the Various Purpose Bonds to pay a portion of the
26 costs of the technology systems improvements for the county information and

1 administrative services and finance departments and acquisition and installation of
2 year-2000 software enhancements, as described in Exhibit A hereto and \$200,000 to
3 pay costs of issuance of the Various Purpose Bonds.

4 B. General Government CIP Projects. There is hereby created the "General
5 Government CIP 1997 Subfund" within the Building Repair and Replacement Fund.
6 This subfund shall be a first tier fund managed by the Director of the Department of
7 Construction and Facilities Management. There shall be deposited into said subfund
8 approximately \$9,030,000 of Various Purpose Bond proceeds at the time of delivery of
9 the Various Purpose Bonds to fund certain 1997 Capital Improvement Plan projects
10 and the grant to the City of Seattle for West Galer Street improvements, as described in
11 Exhibit A hereto.

12 C. 501(c)(3) Grants. There has heretofore been created the "Arts and Historic
13 Preservation Capital Fund." This is a first tier fund managed by the Director of the
14 Office of Budget and Strategic Planning. There shall be deposited into subfunds within
15 said fund approximately \$4,500,000 of Various Purpose Bond proceeds at the time of
16 delivery of the Various Purpose Bonds to make grants to the Seattle Symphony and the
17 Pacific Science Center, as described in Exhibit A hereto.

18 D. Harborview Improvements. There is hereby created the "Harborview
19 Medical Center Construction 1997 Subfund" within the Harborview Medical Center
20 Construction Fund. This subfund shall be a first tier fund managed by the Director of
21 the Department of Construction and Facilities Management. There shall be deposited
22 into said subfund approximately \$7,800,000 of Various Purpose Bond proceeds at the
23 time of delivery of the Various Purpose Bonds to pay a portion of the costs of certain
24 improvements to facilities of Harborview Hospital, as described in Exhibit A hereto.

25 E. Open Space Preservation. There is hereby created the "Open Space 1997
26 Subfund" within the Parks, Recreation and Open Space Fund. This subfund shall be a

1 first tier fund managed by the Director of the Department of Construction and Facilities
2 Management. There shall be deposited into said subfund approximately \$12,500,000
3 of Various Purpose Bond proceeds at the time of delivery of the Various Purpose
4 Bonds to acquire real property for preserving open space.

5 F. Reimbursement Bond Proceeds. Proceeds of the Reimbursement Bonds
6 shall be deposited into the Current Expense Fund to be used to reimburse such fund for
7 debt service paid heretofore on bonds issued to finance repairs to the Kingdome roof
8 and to pay costs of issuance of the Reimbursement Bonds.

9 SECTION 13. Application of the Refunding Bond Proceeds

10 A. Plan of Refunding. There is hereby authorized and established a special
11 account of the county to be maintained with the Escrow Agent (as hereinafter defined)
12 to be known as the "King County 1997 General Obligation Bond Refunding Account"
13 (the "Refunding Account"), which account shall be drawn upon for the sole purpose of
14 paying the principal of and interest on the Refunded Bonds and of paying costs related
15 to issuance of the Refunding Bonds and refunding the Refunded Bonds. A portion of
16 the proceeds of sale of the Refunding Bonds shall be deposited into the Refunding
17 Account to provide for refunding the Refunded Bonds, as authorized by the ordinances
18 authorizing their issuance and to pay the costs of issuance of the Refunding Bonds.

19 The finance director is authorized to determine, in consultation with the county's
20 financial advisors, which of the potential Refunded Bonds, if any, are to be refunded.
21 The final plan of refunding and call for redemption of the Refunded Bonds shall be set
22 forth in and ratified and confirmed by a Sale Motion. Money in the Refunding
23 Account shall be used immediately upon receipt thereof to defease the Refunded Bonds
24 and discharge the other obligations of the county relating thereto under the ordinances
25 authorizing their issuance as applicable, by providing for the payment of the principal
26 of and interest on the Refunded Bonds as set forth in such Sale Motion. The county

1 shall defease such bonds and discharge such obligations by the use of the money in the
2 Refunding Account to purchase certain "Government Obligations" as such obligations
3 are defined in Chapter 39.53 RCW as now or hereafter amended (which obligations so
4 purchased, are herein called "Acquired Obligations"), bearing such interest and
5 maturing as to principal and interest in such amounts and at such times that, together
6 with any necessary beginning cash balance, will provide for the payment of the
7 Refunded Bonds, as set forth in the Sale Motion. Such Acquired Obligations shall be
8 purchased at a yield not greater than the yield permitted by the Code and regulations
9 relating to acquired obligations in connection with refunding bond issues.

10 To carry out the refunding and defeasance of the Refunded Bonds, the finance
11 director is hereby authorized to appoint as escrow agent a bank or trust company
12 qualified by law to perform the duties described herein and in the form of escrow
13 agreement attached hereto as Exhibit B (the "Escrow Agent"). Any beginning cash
14 balance and the Acquired Obligations shall be irrevocably deposited with the Escrow
15 Agent in an amount sufficient to defease the Refunded Bonds in accordance with this
16 Section 13 and the Sale Motion.

17 The county will take such actions as are found necessary to see that all necessary
18 and proper fees, compensation and expenses of the Escrow Agent shall be paid when
19 due. The proper officers and agents of the county are directed to obtain from the
20 Escrow Agent an agreement setting forth the duties, obligations and responsibilities of
21 the Escrow Agent in connection with the redemption and retirement of the Refunded
22 Bonds as provided herein and stating that such provisions for the payment of the fees,
23 compensation and expenses of such Escrow Agent are satisfactory to it.

24 To carry out the purposes of this section of this ordinance, the finance director is
25 authorized and directed to execute and deliver to the Escrow Agent the Escrow

1 Agreement in substantially the form set forth in Exhibit B attached to this ordinance
2 and incorporated herein by this reference.

3 B. Finding of Defeasance. By the Sale Motion for the Refunding Bonds, the
4 council shall set forth its finding of defeasance with respect to those Refunded Bonds,
5 if any, authorized to be refunded from the proceeds of the Refunding Bonds.

6 SECTION 14. Application of Bond Proceeds--General. The exact amounts to be
7 deposited in accordance with Sections 12 and 13 hereof shall be determined by the
8 finance director upon the sale of the Bonds. The amounts so deposited in accordance
9 with Section 12 may be used to repay interim borrowing used to pay the costs of the
10 projects authorized in Section 3 hereof.

11 Funds deposited in the funds and accounts established in Sections 12 and 13 hereof
12 shall be invested as permitted by law for the sole benefit of the respective funds.
13 Irrespective of the general provisions of Ordinance No. 7112 and K.C. 4.10, the county
14 current expense fund shall not receive any earnings attributable to such funds. Money
15 other than proceeds of the Bonds may be deposited in the funds and accounts
16 established under Sections 12 and 13; provided, however, that proceeds of the Bonds
17 and earnings thereon shall be accounted for separately for purposes of the calculations
18 required to be made under Section 18 hereof. For purposes of such calculations, Bond
19 proceeds shall be deemed to have been expended first.

20 SECTION 15. Bond Redemption Fund. There has heretofore been created in the
21 office of the finance director a special fund to be drawn upon for the purpose of paying
22 the principal of and interest on the limited tax general obligation bonds of the county.
23 There is hereby authorized to be created within said fund for each series of the Bonds a
24 special account of the county to be known as the "Limited Tax General Obligation
25 Bond Redemption Account, [applicable year] Series ___" (each a "Bond Fund").

1 The accrued interest on each series of the Bonds and any proceeds that represent
2 less than the maximum discount permitted in the Official Notice of Bond Sale shall be
3 deposited in the applicable Bond Fund at the time of delivery of each series of the
4 Bonds and shall be applied to the payment of interest on such Bonds. Any premium
5 received upon the sale of each series of the Bonds shall be deposited into the applicable
6 Bond Fund and applied to the payment of principal of or interest on such Bonds.

7 The taxes hereafter levied for the purpose of paying principal of and interest on the
8 Bonds and other funds to be used to pay the Bonds shall be deposited in the applicable
9 Bond Fund no later than the date such funds are required for the payment of principal
10 of and interest on such Bonds; provided, however, that if the payment of principal of
11 and interest on any Bonds is required prior to the receipt of such levied taxes, the
12 county may make an interfund loan to the applicable Bond Fund pending actual receipt
13 of such taxes. The applicable Bond Fund shall be drawn upon for the purpose of
14 paying the principal of and interest on each series of the Bonds. Money in any Bond
15 Fund not needed to pay the interest or principal next coming due may temporarily be
16 deposited in such institutions or invested in such obligations as may be lawful for the
17 investment of county funds. Each Bond Fund shall be a second tier fund in accordance
18 with Ordinance No. 7112 and K.C. 4.10.

19 SECTION 16. Pledge of Taxation and Credit; Pledge of Hotel/Motel Taxes to
20 Refunding Bonds and Reimbursement Bonds. The county hereby irrevocably
21 covenants and agrees for as long as any of the Bonds are outstanding and unpaid, that
22 each year it will include in its budget and levy an *ad valorem* tax upon all the property
23 within the county subject to taxation in an amount that will be sufficient, together with
24 all other revenues, taxes and money of the county legally available for such purposes,
25 including the Hotel/Motel Taxes pledged below, to pay the principal of and interest on
26 the Bonds as the same shall become due. All such taxes so collected and any other

1 money to be used for such purposes shall be paid into the applicable Bond Fund no
2 later than the date such funds are required for the payment of principal of and interest
3 on each series of the Bonds.

4 The county hereby irrevocably pledges that the annual tax provided for herein to be
5 levied for the payment of such principal and interest shall be within and as a part of the
6 tax levy permitted to counties without a vote of the people, and that a sufficient portion
7 of each annual levy to be levied and collected by the county prior to the full payment of
8 the principal of and interest on the Bonds will be and is hereby irrevocably set aside,
9 pledged and appropriated for the payment of the principal of and interest on the Bonds.

10 The full faith, credit and resources of the county are hereby irrevocably pledged for
11 the annual levy and collection of said taxes and for the prompt payment of the principal
12 of and interest on the Bonds as the same shall become due.

13 The county hereby further irrevocably covenants and agrees for as long as the
14 Refunding Bonds and the Reimbursement Bonds are outstanding and unpaid, to levy
15 the Hotel/Motel Taxes at not less than the maximum allowable rate at the time the
16 Refunding Bonds and the Reimbursement Bonds are issued and hereby pledges in
17 accordance with RCW 67.28.150 to apply amounts collected thereunder, subject to
18 their use for other authorized purposes, to the extent necessary for the payment of the
19 principal of and interest on the Refunding Bonds and the Reimbursement Bonds. Such
20 amounts as are available and necessary for the payment of principal of and interest on
21 the Refunding Bonds and the Reimbursement Bonds will be and are irrevocably set
22 aside, pledged and appropriated for such purpose.

23 SECTION 17. Tax-Exemption. The county shall comply with the provisions of
24 this section unless, in the written opinion of nationally-recognized bond counsel to the
25 county, such compliance is not required to maintain the exemption of the interest on the
26 Various Purpose Bonds and the Refunding Bonds from federal income taxation.

1 The county hereby covenants that it will not make any use of the proceeds from the
2 sale of the Various Purpose Bonds and the Refunding Bonds or any other funds of the
3 county that may be deemed to be proceeds of such Various Purpose Bonds and the
4 Refunding Bonds pursuant to Section 148 of the Code and the applicable regulations
5 thereunder that will cause the Various Purpose Bonds and the Refunding Bonds to be
6 "arbitrage bonds" within the meaning of said section and said regulations. The county
7 will comply with the applicable requirements of Section 148 of the Code (or any
8 successor provision thereof applicable to the Various Purpose Bonds and the Refunding
9 Bonds) and the applicable regulations thereunder throughout the term of the Various
10 Purpose Bonds and the Refunding Bonds.

11 The county further covenants that it will not take any action or permit any action to
12 be taken that would cause the Various Purpose Bonds and the Refunding Bonds to
13 constitute "private activity bonds" under Section 141 of the Code.

14 SECTION 18. Arbitrage Rebate. The county will pay the Rebate Amount, if any,
15 to the United States of America at the times and in the amounts necessary to meet the
16 requirements of the Code to maintain the federal income tax exemption for interest
17 payments on the Various Purpose Bonds and the Refunding Bonds, in accordance with
18 the Arbitrage and Tax Certification.

19 SECTION 19. Sale of Bonds. The Various Purpose Bonds shall be sold in one or
20 more series and the Refunding Bonds and the Reimbursement Bonds shall be sold in
21 separate series, as the finance director may determine, at public sale. Bids for the
22 purchase of each series of the Bonds shall be received at the county's purchasing office,
23 Room 610, King County Administration Building, 500 Fourth Avenue, Seattle,
24 Washington, at 10:00 a.m., or at such other time as the finance director shall direct, on
25 such date as the finance director shall direct.

1 Upon the date and time established for the receipt of bids for each series of the
2 Bonds, the finance director or his designee shall open the bids for the Bonds, shall
3 cause the bids to be mathematically verified and shall report to the county council
4 regarding the bids received. Such bids shall then be considered and acted upon by the
5 county council in an open public meeting. The county council reserves the right to
6 reject any and all bids for any series of the Bonds. Bids for each series of the Bonds
7 must be on an all or none basis. The county council by a Sale Motion shall approve the
8 sale of each series of the Bonds, establish the series designation, date, interest rates, and
9 redemption provisions of such Bonds, and ratify and confirm any plan of refunding
10 Refunded Bonds.

11 The finance director is hereby authorized and directed to prepare an official notice
12 of bond sale for each series of the Bonds which notice shall be filed with the clerk of
13 the council and shall be ratified and confirmed by the Sale Motion. The finance
14 director is hereby authorized to establish the series designation, principal amount,
15 interest payment dates, maturity schedule and redemption provisions for such series of
16 the Bonds in such Official Notice of Bond Sale so long as the aggregate principal
17 amount of the Various Purpose Bonds does not exceed \$79,000,000, the aggregate
18 principal amount of the Refunding Bonds does not exceed \$53,000,000 and the
19 aggregate principal amount of the Reimbursement Bonds does not exceed \$7,000,000.
20 The Official Notice of Bond Sale or an abridged form thereof shall be published once
21 prior to such sale date in The Bond Buyer and may be published in such other papers or
22 financial journals as may be deemed desirable or appropriate by the financial advisors
23 to the county.

24 SECTION 20. Delivery of Bonds. Following the sale of each series of the Bonds,
25 the county shall cause definitive Bonds of such series to be prepared, executed and

1 delivered, which Bonds shall be typewritten, lithographed or printed with engraved or
2 lithographed borders.

3 If definitive Bonds are not ready for delivery by the date established for their
4 delivery to the initial purchasers thereof, then the finance director, upon the approval of
5 the purchasers, may cause to be issued and delivered to the purchasers one or more
6 temporary Bonds with appropriate omissions, changes and additions. Any temporary
7 Bond or Bonds shall be entitled and subject to the same benefits and provisions of this
8 ordinance with respect to the payment, security and obligation thereof as definitive
9 Bonds authorized thereby. Such temporary Bond or Bonds shall be exchangeable
10 without cost to the owners thereof for definitive Bonds when the latter are ready for
11 delivery.

12 SECTION 21. Preliminary Official Statement Declaration. The county hereby
13 authorizes and directs the finance director: (i) to review and approve the information
14 contained in the preliminary official statement (the "Preliminary Official Statement")
15 prepared in connection with the sale of each series of the Bonds; (ii) for the sole
16 purpose of the Bond purchasers' compliance with Securities and Exchange Commission
17 Rule 15c2-12(b)(1), to "deem final" that Preliminary Official Statement as of its date,
18 except for the omission of information on offering prices, interest rates, selling
19 compensation, delivery dates, any other terms or provisions required by the county to
20 be specified in a competitive bid, ratings, other terms of the Bonds dependent on such
21 matters and the identity of the Bond purchaser; and (iii) to authorize the distribution of
22 the Preliminary Official Statement to prospective purchasers of the Bonds.

23 SECTION 22. Approval of Official Statement. The county executive or the
24 finance director is hereby authorized and directed to review and approve on behalf of
25 the county an official statement with respect to the Bonds to be prepared prior to the
26 sale thereof.

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SECTION 23. Undertaking to Provide Ongoing Disclosure. In each Sale Motion, the county council will set forth an undertaking for ongoing disclosure with respect to such series of the Bonds, as required by Section (b)(5) of Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time (the "Rule") established by the Securities and Exchange Commission (the "Commission").

SECTION 24. General Authorization. The appropriate county officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt sale, issuance, execution and delivery of the Bonds, and for the proper use and application of the proceeds of the sale thereof.

SECTION 25. Refunding or Defeasance of the Bonds. The county may issue advance refunding bonds pursuant to the laws of the State of Washington or use money available from any other lawful source to pay when due the principal of and interest on the Bonds, or any portion thereof included in a refunding or defeasance plan, and to redeem and retire, refund or defease all such then-outstanding Bonds and to pay the costs of the refunding or defeasance.

In the event that money and/or noncallable "Government Obligations," as such obligations are defined in Chapter 39.53 RCW, as now or hereafter amended, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire, refund or defease part or all of the Bonds in accordance with their terms, are set aside in a special account of the county to effect such redemption and retirement, and such money and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the

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1 right to receive the money so set aside and pledged, and such Bonds shall be deemed
2 not to be outstanding hereunder.

3 Within 30 days of the defeasance of any of the Bonds, the Bond Registrar shall
4 provide notice of defeasance of such Bonds to the registered owners of the Bonds and
5 to each NRMSIR and SID, if any, in accordance with the undertaking for ongoing
6 disclosure to be adopted by a Sale Motion pursuant to Section 21 hereof.

7 SECTION 26. Open Market Purchase. The county reserves the right to purchase
8 any or all of the Bonds on the open market at any time at any price.

1 SECTION 27. Contract; Severability. The covenants contained in this ordinance
2 shall constitute a contract between the county and the owners of each and every Bond.
3 If any one or more of the covenants or agreements provided in this ordinance to be
4 performed on the part of the county shall be declared by any court of competent
5 jurisdiction to be contrary to law, then such covenant or covenants, agreement or
6 agreements, shall be null and void and shall be deemed separable from the remaining
7 covenants and agreements of this ordinance and shall in no way affect the validity of
8 the other provisions of this ordinance or of the Bonds.

9 INTRODUCED AND READ for the first time this 22nd day of

10 September, 1997.

11 PASSED by a vote of 12 to 0 on this 3rd day of NOVEMBER, 19 97

12 KING COUNTY COUNCIL
13 KING COUNTY, WASHINGTON

14
15 Gene Hogue
Chair

16 ATTEST:

17 Theresa

18 Clerk of the Council

19 APPROVED this 14 day of November, 1997.

20 [Signature]
21

22 King County Executive

23 Attachments: Exhibit A-Project and Grant Descriptions

24 Exhibit B-Form of Escrow

EXHIBIT A

PROJECT AND GRANT DESCRIPTIONS

The county shall provide full or partial financing for the following projects:

1. Technology Systems Acquisitions

Finance (including costs of issuance) (Finance Systems Acquisition Subfund)	\$ 32,700,000
Elections (Election Systems Acquisition Subfund)	\$ 5,050,000
Records (Open Access Recording System Acquisition Subfund)	\$ 1,600,000
ITS (Year 2000 Software Enhancement Subfund)	\$ 1,300,000
2. General Government CIP 1997 Projects

Communications Center	\$ 1,200,000
Courthouse South Addition (design)	\$ 3,500,000
Seismic Retrofit Project Phase	\$ 650,000
DPS Evidence Storage Facility	\$ 300,000
Superior Court Video Arraignment	\$ 180,000
West Galer Street Improvements	\$ 3,200,000
3. Arts and Historic Preservation

Seattle Symphony (Cultural Initiative 1997, Seattle Symphony Subfund)	\$ 3,000,000
Pacific Science Center (Cultural Initiative 1997, Pacific Science Center Subfund)	\$ 1,500,000
4. Harborview Medical Center Parking Garage
Expansion

	\$ 7,800,000
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5. Park Land Acquisition

	\$ 12,500,000
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EXHIBIT B

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, made and entered into as of the ____ day of _____, 1997 (the "Agreement"), by and between King County, Washington (the "County"), and _____, Seattle, Washington (the "Escrow Agent");

WITNESSETH:

WHEREAS, the County, pursuant to Ordinance No. 9810, passed on February 11, 1991, issued and sold its \$33,610,000 Limited Tax General Obligation Bonds, 1991 Series A (Various Purpose) (the "1991A Bonds"), under date of March 1, 1991; and

WHEREAS, the County, pursuant to Ordinance No. 10685, passed on December 21, 1992, issued and sold its \$106,830,000 Limited Tax General Obligation (Various Purpose) and Refunding Bonds, 1993, Series A (the "1993A Bonds"), under date of January 1, 1993; and

WHEREAS, the County, pursuant to Ordinance No. 11121, passed on December 2, 1993, issued and sold its \$117,770,000 Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B (the "1993B Bonds"), under date of December 1, 1993; and

WHEREAS, the County, pursuant to Ordinance No. 12070, passed on December 18, 1995, issued and sold its \$145,820,000 Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1996, Series A (the "1996A Bonds"), under date of February 1, 1996; and

WHEREAS, the County, pursuant to Ordinance No. 12070, passed on December 18, 1995, issued and sold its \$22,980,000 Limited Tax General Obligation 501(c)(3) Refunding Bonds, 1996 Series B (the "1996B Bonds"), under date of March 1, 1996; and

WHEREAS, the County by Ordinance No. _____, passed on _____, 1997 and Motion No. ____ of the County Council, passed on _____, 1997 (together, the "Bond Ordinance"), has determined to issue its Limited Tax General Obligation Refunding Bonds, 1997 Series ____, under date of _____ 1, 1997 (the "Bonds"), to refund portions of the 1991A Bonds, the 1993A Bonds, the 1993B Bonds, the 1996A Bonds and the 1996B Bonds, as follows:

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Refunded 1991A Bonds

<u>Maturity</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Call</u> <u>Date</u>
1999	\$ 65,000	6.10%	

Refunded 1993A Bonds

<u>Maturity</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Call</u> <u>Date</u>
1998	\$ 935,000	4.80%	
1999	980,000	5.00	
2000	1,030,000	5.10	
2001	1,085,000	5.25	
2002	1,145,000	5.40	
2003	815,000	5.50	
2004	860,000	5.60	12/1/2003
2005	910,000	5.70	12/1/2003
2006	965,000	5.80	12/1/2003
2007	1,020,000	5.90	12/1/2003
2008	1,085,000	6.00	12/1/2003
2009	1,150,000	6.00	12/1/2003
2010	1,220,000	6.00	12/1/2003
2011	1,295,000	6.00	12/1/2003
2012	1,380,000	6.00	12/1/2003

Refunded 1993B Bonds

<u>Maturity</u> <u>(January 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Call</u> <u>Date</u>
1999	\$ 685,000	6.70%	
2000	660,000	6.70	
2001	710,000	6.70	

Refunded 1996A Bonds

<u>Maturity</u> <u>(December 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Call</u> <u>Date</u>
1998	\$2,475,000	5.00%	
1999	2,595,000	5.00	
2000	2,815,000	5.00	
2001	2,865,000	5.00	
2002	3,005,000	5.00	
2003	3,010,000	5.00	
2004	2,910,000	5.00	
2005	2,790,000	5.00	1/1/2006
2006	2,645,000	5.00	1/1/2006
2007	1,825,000	5.00	1/1/2006
2008	1,610,000	5.00	1/1/2006
2009	1,350,000	5.00	1/1/2006
2010	795,000	5.00	1/1/2006

Refunded 1996B Bonds

<u>Maturity</u> <u>(January 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Call</u> <u>Date</u>
2000	\$ 10,000	4.10%	

WHEREAS, the Escrow Agent has reviewed the Bond Ordinance and this Agreement, and is willing to serve as Escrow Agent hereunder; and

WHEREAS, _____, _____, Certified Public Accountants, of Seattle, Washington, have prepared a verification report dated _____, 1997 (the "Verification Report") relating to the source and use of funds available to accomplish the refunding of the Refunded Bonds, the investment of such funds and the adequacy of such funds and investments to provide for the payment of the debt service due on the Refunded Bonds; and

WHEREAS, the County by the Bond Ordinance has duly authorized the execution and delivery of this Agreement and has designated the Refunded Bonds for redemption prior to their scheduled maturity dates; and

WHEREAS, the County desires that, concurrently with the delivery of the Refunding Bonds to the purchasers thereof, the proceeds of the Refunding Bonds, together with certain other available funds of the County, shall be applied to purchase certain direct obligations of the United States of America hereinafter defined as the "Escrowed Securities" for deposit to the credit of the Refunding Account created

pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Refunding Account; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide money that, together with cash balances from time to time on deposit in the Refunding Account, will be sufficient to pay:

(a) the principal of and interest on the Refunded 1991A Bonds due and payable on and prior to December 1, 1999;

(b) the principal of and interest on the Refunded 1993A Bonds due and payable on and prior to December 1, 2003;

(c) the redemption price (100% of the principal amount) payable on December 1, 2003, of the Refunded 1993A Bonds;

(d) the principal of and interest on the Refunded 1993B Bonds due and payable on and prior to January 1, 2001;

(e) the principal of and interest on the Refunded 1996A Bonds due and payable on and prior to January 1, 2006;

(f) the redemption price (100% of the principal amount) payable on January 1, 2006, of the Refunded 1996A Bonds; and

(g) the principal of and interest on the Refunded 1996B Bonds due and payable on and prior to January 1, 2000;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of the principal of and interest on the Refunded Bonds, the County and the Escrow Agent mutually undertake, promise and agree for themselves and their respective representatives and successors, as follows:

Article 1. Definitions

Section 1.1. Definitions.

Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Escrowed Securities" means the noncallable Government Obligations described in Appendix A attached to this Agreement, or cash or other noncallable obligations substituted therefor pursuant to Section 4.1 of this Agreement.

"Government Obligations" means direct, noncallable (a) United States Treasury Obligations, (b) United States Treasury Obligations - State and Local Government Series ("SLGS"), (c) non-prepayable obligations that are unconditionally guaranteed as to full and timely payment of principal and interest by the United States of America or (d) REFCORP debt obligations unconditionally guaranteed by the United States. Securities described in (c) shall be limited to those securities that are defined as government obligations by Section 39.53.010(9), Revised Code of Washington.

"Paying Agent" means the fiscal agency of the State of Washington, as the paying agent for the Refunded Bonds.

"Refunded Bonds" means, collectively, the Refunded 1991A Bonds, the Refunded 1993A Bonds, the Refunded 1993B Bonds, the Refunded 1996A Bonds and the Refunded 1996B Bonds.

"Refunding Account" means the King County 1997 Limited Tax General Obligation Bond Refunding Account authorized by the Bond Ordinance to be established, held and administered by the Escrow Agent pursuant to the provisions of this Agreement.

Section 1.2. Other Definitions.

The terms "Agreement," "County," "Escrow Agent," "Bond Ordinance," "Verification Report," "Refunded Bonds," and "Refunding Bonds" when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement. All other capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them by the Bond Ordinance.

Section 1.3. Interpretations.

The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Bonds in accordance with applicable law.

Article 2. Deposit of Funds and Escrowed Securities

Section 2.1. Deposits in the Refunding Account.

Concurrently with the sale and delivery of the Refunding Bonds the County shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Refunding Account, \$_____ of the proceeds of the Refunding Bonds, of which \$_____ shall be applied to purchase the initial Escrowed Securities, \$_____ to establish a beginning cash balance, and \$_____ to pay the costs of issuance described in Appendix C attached hereto, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the County in writing.

Article 3. Creation and Operation of Refunding Account

Section 3.1. Refunding Account.

The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the Refunding Account (the "Refunding Account"). The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Refunding Account the funds and the Escrowed Securities described in Section 2.1 hereof. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Refunding Account, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.2 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Bonds, any balance then remaining in the Refunding Account shall be transferred to the County, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.2. Payment of Principal and Interest.

The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent from the cash balances from time to time on deposit in the Refunding Account, the amounts required to pay the principal of the Refunded Bonds at their redemption date and interest thereon to such redemption date in the amounts and at the times shown in Appendix B attached hereto.

Section 3.3. Sufficiency of Refunding Account.

The County represents that, based upon the information provided in the Verification Report, the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Refunding Account will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay interest due and payable

on the Refunded Bonds on and prior to their respective redemption dates, and the redemption price for the Refunded Bonds payable on such redemption dates, all as set forth in the recitals of this Agreement.

If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Refunding Account shall be insufficient to transfer the amounts required by the Paying Agent to make the payments described in Section 3.2. hereof, the County shall timely deposit in the Refunding Account, from any funds lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Refunding Account or the County's failure to make additional deposits thereto.

Section 3.4. Trust Fund.

The Escrow Agent shall hold at all times the Refunding Account, the Escrowed Securities and all other assets of the Refunding Account, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Refunding Account to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Refunding Account only as set forth herein. The Escrowed Securities and other assets of the Refunding Account shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Bonds; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Refunding Account to which they are entitled as owners of the Refunded Bonds. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the County, and the Escrow Agent shall have no right to title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the County or, except to the extent expressly herein provided, by the Paying Agent.

Article 4. Limitation on Investments

Section 4.1. Investments; Substitution of Securities.

Except for the initial investment in the Escrowed Securities, and except as provided in this Section 4.1, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer, or otherwise dispose of the Escrowed Securities.

At the written request of the County, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall utilize cash balances in the Refunding Account, or sell, transfer, otherwise dispose of or request the redemption of the Escrowed Securities and apply the proceeds therefrom to purchase Refunded Bonds or Government Obligations that do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (a) the Escrow Agent shall have received a written opinion from a firm of certified public accountants that such transaction will not cause the amount of money and securities in the Refunding Account to be reduced below an amount sufficient to provide for the full and timely payment of principal of and interest on all of the remaining Refunded Bonds as they become due, taking into account any optional redemption thereof exercised by the County in connection with such transaction; (b) the Escrow Agent shall have received the unqualified written legal opinion of the County's bond counsel or tax counsel to the effect that such transaction will not cause any of the Refunding Bonds or Refunded Bonds to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and (c) such transaction is approved by an ordinance duly passed by the County Council.

Article 5. Application of Cash Balances

Section 5.1. In General.

Except as provided in Sections 3.2 and 4.1 hereof, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Refunding Account. Cash balances shall be held by the Escrow Agent in U.S. currency and as cash balances as shown on the books and records of the Escrow Agent and shall not be reinvested by the Escrow Agent; provided, however, a conversion to currency shall not be required (i) for so long as the Escrow Agent's internal rate of return does not exceed _____%, or (ii) if the Escrow Trustee's internal rate of return exceeds _____%, the Escrow Agent receives a letter of instructions, accompanied by the opinion of the County's bond counsel approving the assumed reinvestment of such proceeds at such higher yield.

Article 6. Redemption of Refunded Bonds

Section 6.1. Call for Redemption.

The County has, pursuant to the Bond Ordinance, irrevocably called the Refunded Bonds for redemption on their earliest redemption date, as shown in the Verification Report.

Section 6.2. Notice of Redemption.

The Escrow Agent agrees to give notice of the redemption of the Refunded Bonds, or to notify the Paying Agent to give such notice, pursuant to the terms of the resolutions authorizing the issuance of the Refunded Bonds. The Escrow Agent hereby certifies that it has made provision satisfactory and acceptable to it for the giving of notice of redemption of the Refunded Bonds.

Article 7. Records and Reports

Section 7.1. Records.

The Escrow Agent will keep books of record and account in which complete and accurate entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Refunding Account and all proceeds thereof, and such books shall be available for inspection during business hours and after reasonable notice.

Section 7.2. Reports.

While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the County a written report summarizing all transactions relating to the Refunding Account during the preceding year, including, without limitation, credits to the Refunding Account as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Refunding Account for payments on the Refunded Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Refunding Account as of the end of such period.

Article 8. Concerning the Paying Agent and Escrow Agent

Section 8.1. Representations.

The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein and that it will carry out all of its obligations hereunder.

Section 8.2. Limitation on Liability.

The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Refunding Account. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Refunding Account or any failure of the obligors of the Escrowed Securities to

make timely payment thereon, except for the obligation to notify the County promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Bonds shall be taken as the statements of the County and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent.

The Escrow Agent is not a party to the proceedings authorizing the Refunding Bonds or the Refunded Bonds and is not responsible for nor bound by any of the provisions thereof (except to the extent that the Escrow Agent may be a place of payment and paying agent and/or a paying agent/registrars therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Refunding Account, or any part thereof, or as to the title of the County thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or want of good faith.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the County with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Refunding Account, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the County or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or

contingency, and in this connection may make inquiries of, and consult with, among others, the County at any time.

Section 8.3. Compensation.

The County shall pay to the Escrow Agent \$_____ for services rendered by it pursuant to the provisions of this Agreement, and such payment is inclusive of all fees, compensation and expenses of the Escrow Agent; provided, however, that the Escrow Agent shall be separately compensated for services performed in connection with any substitution of securities pursuant to Section 4.1 of this Agreement.

In the event that the Escrow Agent renders any service at the request of the County that is not provided for in this Agreement, or the Escrow Agent is made a party to or intervenes in any litigation pertaining to this Agreement or institutes interpleader proceedings relative hereto, the Escrow Agent shall be reasonably compensated by the County for such extraordinary services and reimbursed for all fees, costs, liability and expenses (including reasonable attorneys' fees) occasioned thereby. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Refunding Account for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses as Escrow Agent or in any other capacity.

Section 8.4. Successor Escrow Agent.

The obligations assumed by the Escrow Agent pursuant to this Agreement may be transferred by the Escrow Agent to a successor; provided that the Escrow Agent has presented evidence satisfactory to the County and its bond counsel that the successor meets the requirements of RCW Chapter 39.53, as now in effect or hereafter amended, and has assumed all the obligations of the Escrow Agent under this Agreement, and that all the Acquired Obligations and money held by the Escrow Agent pursuant to this Agreement have been duly transferred to such successor.

Any corporation or association into which the Escrow Agent may be merged or converted, or resulting from any merger or conversion, or to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Escrow Agent without the execution of filing of any paper or any further act, anything herein to the contrary notwithstanding.

Article 9. Miscellaneous

Section 9.1. Notice.

Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed

by registered or certified mail, postage prepaid addressed to the County or the Escrow Agent at the address shown below. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

County: King County, Washington
Department of Finance
County Administration Building
500 Fourth Avenue
Seattle, WA 98104
Attention: Finance Director

Escrow Agent: _____

Attention: _____

Section 9.2. Termination of Responsibilities.

Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the County, the owners of the Refunded Bonds or to any other person or persons in connection with this Agreement.

Section 9.3. Binding Agreement.

This Agreement shall be binding upon the County and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Bonds, the County, the Escrow Agent and their respective successors and legal representatives.

Section 9.4. Severability.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 9.5. Washington Law Governs.

This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Washington.

Section 9.6. Time of the Essence.

Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 9.7. Notice to Rating Agencies.

In the event that this agreement or any provision thereof is severed, amended or revoked, the County shall provide written notice of such severance, amendment or revocation to:

Standard & Poor's Ratings Services
Attn: Public Finance Rating Desk/Refunded Bonds
25 Broadway
New York, New York 10004

Moody's Investors Service
Attn: Public Finance Rating Desk/Refunded Bonds
99 Church Street
New York, New York 10007

Section 9.8. Amendments.

This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Bonds. No such amendment shall be made without first receiving written confirmation from the rating agencies (if any) that have rated the Refunded Bonds that such

administrative changes will not result in a withdrawal or reduction of its rating then assigned to the Refunded Bonds. If this Agreement is amended, prior written notice and copies of the proposed changes shall be given to the rating agencies that have rated the Refunded Bonds.

IN WITNESS WHEREOF, the parties have executed and delivered this Escrow Agreement, all as of the date and year first above written.

KING COUNTY, WASHINGTON

Finance Director

[ESCROW AGENT]

Trust Officer

- Appendix A - Description of the Escrowed Securities
- Appendix B - Schedule of Payments on the Refunded Bonds
- Appendix C - Expenses to be Paid at Closing

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APPENDIX A

[INSERT HERE A COPY OF THE DESCRIPTION OF THE ESCROW
SECURITIES FROM THE VERIFICATION REPORT.]

APPENDIX B

[INSERT HERE A COPY FROM THE VERIFICATION REPORT OF THE SCHEDULE OF INTEREST PAYMENTS TO BE MADE ON THE REFUNDED BONDS AND THE PAYMENT OF THE REDEMPTION PRICES OF THE REFUNDED BONDS.]

APPENDIX C

Expenses to be Paid at Closing:

1
2
3
4
5

Description	Payee	Amount
Escrow Verification Fee		
Escrow Agent Fee		
Bond Counsel Fee		
Financial Advisor Fee		
Official Statement Printing and Mailing		
Bond Printing Costs		
Rating Agency		
Rating Agency		
Total		

6
7
8
9