



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

March 11, 2003

Ordinance 14583

Proposed No. 2003-0055.2

Sponsors Phillips

1 AN ORDINANCE providing for the issuance of unlimited tax
2 general obligation refunding bonds of the county in an outstanding
3 aggregate principal amount not to exceed \$120,000,000 for the
4 purpose of providing funds to refund, on a current basis, all or a
5 portion of the county's outstanding Unlimited Tax General
6 Obligation Refunding Bonds, 1993 Series C; providing for the
7 public sale of the bonds and the disposition of the proceeds of sale;
8 establishing funds for the receipt and expenditure of bond proceeds
9 and for the payment of the bonds; and providing for the annual
10 levy of taxes to pay the principal thereof and interest thereon.

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56 for the annual levy of taxes to pay the principal thereof and
57 interest thereon.

58
59 PREAMBLE:

60
61 The county has previously issued its Unlimited Tax General Obligation
62 Refunding Bonds, 1993 Series C, all of which are now subject to
63 redemption prior to maturity. The county has an opportunity to refund, on
64 a current basis, all or a portion of those bonds, thereby realizing savings to
65 its taxpayers.

66
67 It is deemed necessary and advisable that the county now issue and sell its
68 unlimited tax general obligation refunding bonds in an outstanding
69 aggregate principal amount not to exceed \$120,000,000 to undertake such
70 current refunding.

71
72 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

73
74 SECTION 1. Definitions. The following words and terms as used in this
75 ordinance shall have the following meanings for all purposes of this ordinance, unless
76 some other meaning is plainly intended.

77 “Arbitrage and Tax Certification” means the certificate executed by the Finance
78 Manager pertaining to the county’s expectations with respect to the use, investment and
79 rebate, if any, of Bond proceeds for purposes of Sections 141 and 148 of the Code.

80 “Bond Fund” means the bond redemption account authorized to be established for
81 the Bonds pursuant to Section 13 hereof.

82 “Bond Register” means the registration books maintained by the Bond Registrar
83 for purposes of identifying ownership of the Bonds.

84 “Bond Registrar” means the fiscal agency of the State of Washington in either
85 Seattle, Washington, or New York, New York, for the purposes of registering and
86 authenticating the Bonds, maintaining the Bond Register, effecting the transfer of
87 ownership of the Bonds and paying interest on and principal of the Bonds.

88 “Bonds” means the unlimited tax general obligation refunding bonds of the
89 county in an outstanding aggregate principal amount not to exceed \$120,000,000
90 authorized to be issued by this ordinance to undertake the current refunding of the
91 Refunded Bonds pursuant to the refunding plan described in Section 11 of this ordinance.

92 “Code” means the federal Internal Revenue Code of 1986, as amended, together
93 with corresponding and applicable final, temporary or proposed regulations and revenue
94 rulings issued or amended with respect thereto by the United States Treasury Department
95 or the Internal Revenue Service, to the extent applicable to the Bonds.

96 “Commission” means the Securities and Exchange Commission.

97 “DTC” means The Depository Trust Company, New York, New York.

98 “Escrow Trustee” means the corporate trustee chosen to serve as such pursuant to
99 Section 11 hereof.

100 “Finance Manager” means the manager of county’s finance and business
101 operations division, or any other county officer who succeeds to the duties now delegated
102 to that office, or the designee thereof.

103 “Government Obligations” means “government obligations,” as defined in
104 Chapter 39.53 RCW, as now in existence or hereafter amended.

105 “MSRB” means the Municipal Securities Rulemaking Board or any successor to
106 its functions.

107 “1993C Bonds” means the King County, Washington, Unlimited Tax General
108 Obligation Refunding Bonds, 1993 Series C.

109 “NRMSIR” means a nationally recognized municipal securities information
110 repository.

111 “Rebate Amount” means the amount, if any, determined to be payable with
112 respect to the Bonds by the county to the United States of America in accordance with
113 Section 148(f) of the Code.

114 “Refunded Bonds” means that portion of the outstanding 1993C Bonds to be
115 refunded with proceeds of the Bonds, established as described in Section 17 hereof.

116 “Rule” means the Commission’s Rule 15c2-12 under the Securities and Exchange
117 Act of 1934, as the same may be amended from time to time.

118 “Sale Motion” means the motion of the council establishing (if the Bonds are sold
119 by competitive bid) or ratifying (if the Bonds are sold by negotiated sale) the amount of
120 the Refunded Bonds, ratifying and confirming the date, principal amounts and maturity
121 dates, interest rates and interest payment dates, redemption provisions and delivery date
122 for the Bonds, and approving the bond purchase contract (if the Bonds are sold by

123 negotiated sale) or accepting a bid (if the Bonds are sold by competitive bid) for the
124 purchase of the Bonds, all in accordance with Section 17 hereof.

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

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

129 A. Significant debt service savings can be realized by the county through the
130 refunding, on a current basis, of all or a portion of the outstanding 1993C Bonds.

131 B. The issuance of the Bonds to refund, on a current basis, all or a portion of
132 the outstanding 1993C Bonds and to pay the costs of issuing the Bonds will reduce the
133 overall costs of borrowing such funds, and is in the best interests of the county and its
134 citizens.

135 SECTION 3. Purpose, Authorization and Description of Bonds; Use of
136 Depository.

137 A. Purpose and Authorization of Bonds. The county shall now issue and sell
138 Bonds in an aggregate principal amount not to exceed \$120,000,000 for the purpose of
139 providing the county with funds to refund, on a current basis, all or a portion of the
140 outstanding 1993C Bonds and to pay the costs of issuing the Bonds.

141 B. Description. The Bonds shall be designated "King County, Washington,
142 Unlimited Tax General Obligation Refunding Bonds, 2003." The Bonds shall be fully
143 registered as to both principal and interest, shall be in the denomination of \$5,000 each or
144 any integral multiple thereof (but no Bond shall represent more than one maturity), shall
145 be numbered separately in such manner and with any additional designation as the Bond

146 Registrar deems necessary for purposes of identification, and shall be dated as of such
147 date and shall mature on the dates, in the years and the amounts established as provided
148 in Section 17 hereof.

149 The Bonds shall bear interest (computed on the basis of a 360-day year of twelve
150 30-day months) from their date or from the most recent interest payment date for which
151 interest has been paid or duly provided for, whichever is later, payable at the rate or rates
152 and on semiannual interest payment dates to be established as provided in Section 17
153 hereof.

154 C. Initial Immobilization of Bonds; Depository Provisions. The Bonds
155 initially shall be held in fully immobilized form by DTC acting as depository pursuant to
156 the terms and conditions set forth in the Blanket Issuer Letter of Representations
157 heretofore executed on behalf of the county. Neither the county nor the Bond Registrar
158 shall have any responsibility or obligation to DTC participants or the persons for whom
159 they act as nominees with respect to the Bonds with respect to the accuracy of any
160 records maintained by DTC or any DTC participant, the payment by DTC or any DTC
161 participant of any amount in respect of principal or redemption price or interest on the
162 Bonds, any notice that is permitted or required to be given to Registered Owners under
163 this ordinance (except such notice as is required to be given by the county to the Bond
164 Registrar or to DTC), the selection by DTC or any DTC participant of any person to
165 receive payment in the event of a partial redemption of the Bonds or any consent given or
166 other action taken by DTC as owner of the Bonds.

167 The Bonds initially shall be issued in denominations equal to the aggregate
168 principal amount of each maturity and initially shall be registered in the name of CEDE

169 & Co., as the nominee of DTC. The Bonds so registered shall be held in fully
170 immobilized form by DTC as depository. For so long as any Bonds are held in fully
171 immobilized form, DTC, its successor or any substitute depository appointed by the
172 county, as applicable, shall be deemed to be the Registered Owner for all purposes
173 hereunder and all references to Registered Owners, bondowners, bondholders, owners or
174 the like shall mean DTC or its nominees and shall not mean the owners of any beneficial
175 interests in the Bonds. Registered ownership of such Bonds, or any portions thereof, may
176 not thereafter be transferred except:

177 (1) To any successor of DTC or its nominee, if that successor shall be
178 qualified under any applicable laws to provide the services proposed to be provided by it;

179 (2) To any substitute depository appointed by the county pursuant to
180 this subsection or such substitute depository's successor; or

181 (3) To any person as herein provided if the Bonds are no longer held
182 in immobilized form.

183 Upon the resignation of DTC or its successor (or any substitute depository or its
184 successor) from its functions as depository, or a determination by the county that it is no
185 longer in the best interests of beneficial owners of the Bonds to continue the system of
186 book entry transfers through DTC or its successor (or any substitute depository or its
187 successor), the county may appoint a substitute depository. Any such substitute
188 depository shall be qualified under any applicable laws to provide the services proposed
189 to be provided by it.

190 In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of
191 this subsection, the Bond Registrar, upon receipt of all outstanding Bonds together with a

192 written request on behalf of the county, shall issue a single new Bond for each maturity
193 of Bonds then outstanding, registered in the name of such successor or such substitute
194 depository, or their nominees, as the case may be, all as specified in such written request
195 of the county.

196 In the event that DTC or its successor (or substitute depository or its successor)
197 resigns from its functions as depository, and no substitute depository can be obtained; or
198 the county determines that it is in the best interests of the beneficial owners of the Bonds
199 that they be able to obtain Bond certificates, the ownership of Bonds may be transferred
200 to any person as herein provided, and the Bonds shall no longer be held in fully
201 immobilized form. The county shall deliver a written request to the Bond Registrar,
202 together with a supply of definitive Bonds, to issue Bonds as herein provided in any
203 authorized denomination. Upon receipt of all then outstanding Bonds by the Bond
204 Registrar, together with a written request on behalf of the county to the Bond Registrar,
205 new Bonds shall be issued in such denominations and registered in the names of such
206 persons as are requested in such a written request.

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

213 In the event that Bonds are no longer held in fully immobilized form by DTC or
214 its successor (or substitute depository or its successor), interest on the Bonds shall be paid

215 by checks or drafts mailed, or by wire transfer, to owners of Bonds at the addresses for
216 such owners appearing on the Bond Register on the 15th day of the calendar month
217 preceding the interest payment date. Wire transfer will be made only if so requested in
218 writing and if the owner owns at least \$1,000,000 par value of the Bonds. Principal of
219 the Bonds shall be payable at maturity or on such dates as may be fixed for prior
220 redemption upon presentation and surrender of the Bonds by the owners at either
221 principal office of the Bond Registrar in Seattle, Washington, or New York, New York,
222 at the option of such owners.

223 SECTION 4. Optional Redemption of Bonds. The county may reserve the right
224 to redeem outstanding Bonds prior to their maturity on the dates and at the prices
225 established by the bond purchase contract or the official notice of sale therefor, as
226 applicable, and ratified and confirmed by a Sale Motion in accordance with Section 17
227 hereof. Portions of the principal amount of any Bond, in increments of \$5,000 or any
228 integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of
229 any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond
230 Registrar there shall be issued to the registered owner, without charge therefor, for the
231 then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the
232 option of the registered owner, of like maturity and interest rate in any denomination
233 authorized by this ordinance.

234 All Bonds purchased or redeemed under this Section shall be canceled by the
235 Bond Registrar and shall not be reissued.

236 SECTION 5. Notice and Effect of Redemption. Unless waived by the registered
237 owner of Bonds to be redeemed or the nominee of such owner, official notice of any such

238 redemption shall be given by the Bond Registrar on behalf of the county by mailing a
239 copy of an official redemption notice by certified or registered mail, postage prepaid, not
240 less than 30 nor more than 60 days prior to the date fixed for redemption, to the registered
241 owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register
242 or at such other address as is furnished in writing by such registered owner to the Bond
243 Registrar. The Bond Registrar shall provide additional notice of redemption of the Bonds
244 to each NRMSIR and SID, if any, in accordance with the ongoing disclosure provisions
245 to be adopted by a Sale Motion pursuant to Section 21 hereof.

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

247 A. the redemption date;

248 B. the redemption price;

249 C. if less than all outstanding Bonds are to be redeemed, the identification
250 (and, in the case of partial redemption, the respective principal amounts) of the Bonds to
251 be redeemed;

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

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

258 Such notice of redemption shall be mailed within the same period, postage
259 prepaid, to Moody's Investors Service, Inc. and Standard & Poor's Public Finance
260 Ratings, at their offices in New York, New York, or their successors, and to such other

261 persons and with such additional information as the Finance Manager shall deem
262 appropriate, but such mailings shall not be a condition precedent to the redemption of the
263 Bonds.

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

267 Official notice of redemption having been given as aforesaid, the Bonds or
268 portions of Bonds so to be redeemed shall, on the redemption date, become due and
269 payable at the redemption price therein specified, and from and after such date (unless the
270 county shall default in the payment of the redemption price upon presentation) such
271 Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds
272 for redemption in accordance with said notice, such Bonds shall be paid by the Bond
273 Registrar at the redemption price. Installments of interest due on or prior to the
274 redemption date shall be payable as herein provided for payment of interest. Upon the
275 payment of the redemption price of Bonds being redeemed, each check or other transfer
276 of funds issued for such purpose shall bear the CUSIP number identifying, by issue and
277 maturity, the Bonds being redeemed with the proceeds of such check or other transfer.
278 Upon surrender for any partial redemption of any Bond, there shall be prepared for the
279 registered owner a new Bond or Bonds of the same maturity in the amount of unpaid
280 principal.

281 In addition to the foregoing notice, further notice shall be given by the Bond
282 Registrar as set out below, but no defect in said further notice nor any failure to give all

283 or any portion of such further notice shall in any manner defeat the effectiveness of a call
284 for redemption if notice thereof is given as above prescribed.

285 (1) Each further notice of redemption given hereunder shall contain the
286 information required above for an official notice of redemption plus: the CUSIP numbers
287 of all Bonds being redeemed; the date of issue of the Bonds as originally issued; the rate
288 of interest borne by each Bond being redeemed; the maturity date of each Bond being
289 redeemed; and any other descriptive information needed to identify accurately the Bonds
290 being redeemed.

291 (2) Each further notice of redemption shall be sent at least 35 days before the
292 redemption date by registered or certified mail or overnight delivery service to all
293 registered securities depositories then in the business of holding substantial amounts of
294 obligations of types comprising the Bonds (such depositories now being only DTC).

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

297 SECTION 6. Form of Bonds. The Bonds shall be in substantially the following
298 form:

299 NO.

300 \$ _____

301 _____

302

303 UNITED STATES OF AMERICA

304

305 STATE OF WASHINGTON

306

307 KING COUNTY

308 UNLIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2003

309

310

311 INTEREST RATE: MATURITY DATE: CUSIP

312 NO. :

313

314 REGISTERED OWNER:

315

316 PRINCIPAL AMOUNT:

317

318 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to
319 owe and for value received promises to pay to the Registered Owner identified above, or
320 registered assigns, on the Maturity Date specified above, the Principal Amount specified
321 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-

322 day months) from _____, 2003, or the most recent date to which interest has been
323 paid or duly provided for until payment of this Bond at the Interest Rate set forth above,
324 payable on _____, and semiannually thereafter on the ____ days of each
325 succeeding _____ and _____.

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

342 This Bond is one of an authorized issue of bonds designated “King County,
343 Washington, Unlimited Tax General Obligation Refunding Bonds, 2003” (the “Bonds”),
344 of like date and tenor, except as to number, amount, rate of interest and date of maturity,

345 in the aggregate principal amount of \$_____, and is issued to refund, on a
346 current basis, [all][a portion] of the County's outstanding Unlimited Tax General
347 Obligation Refunding Bonds, 1993 Series C, and to pay the costs of issuing the Bonds.

348 The Bonds are issued under and in accordance with the provisions of the
349 Constitution and applicable statutes of the State of Washington, the County Charter and
350 applicable ordinances duly adopted by the County.

351 The County has reserved the right to redeem outstanding Bonds maturing on or
352 after _____, in whole on any date or in part on any interest payment date, on or
353 after _____, maturities to be redeemed to be selected by the County (and by lot
354 within a maturity, in increments of \$5,000, with the manner of selection to be as chosen
355 by the Bond Registrar) at par plus accrued interest to the date of redemption.

356 [The Bonds maturing on _____, are also subject to redemption prior to
357 maturity through mandatory amortization payments on _____ of the following
358 years and in the following amounts in each case at a redemption price of 100% of the
359 principal amount of Bonds to be redeemed, plus accrued interest to the date of
360 redemption.

361	<u>Years</u>	<u>Amount</u>
-----	--------------	---------------

362

363

364 * Maturity]

365 Portions of the principal sum of this Bond in installments of \$5,000 or any
366 integral multiple thereof also may be redeemed in accordance with the provisions set
367 forth above, and if less than all of the principal sum hereof is to be redeemed, upon the

368 surrender of this Bond at the principal offices of the Bond Registrar there shall be issued
369 to the Registered Owner, without charge therefor, for the then unredeemed balance of the
370 principal sum hereof, at the option of the owner, a Bond or Bonds of like maturity and
371 interest rate in any of the denominations authorized by King County
372 Ordinance _____ (the "Bond Ordinance").

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

380 If such notice has been given and if the County has set aside, on the date fixed for
381 redemption, sufficient money for the payment of all Bonds called for redemption, the
382 Bonds so called shall cease to accrue interest after such redemption date, and all such
383 Bonds shall no longer be deemed to be outstanding for any purpose, except that the
384 Registered Owners thereof shall be entitled to receive payment of the redemption price
385 and accrued interest to the redemption date from the money set aside for such purpose.

386 The County has irrevocably covenanted in the Bond Ordinance that each year it
387 will include in its budget and make an annual levy of taxes without limitation as to rate or
388 amount upon all the property within the County subject to taxation in an amount
389 sufficient, together with all other revenues, taxes and money of the County legally
390 available for such purposes, to pay the principal of and interest on the Bonds as the same

391 shall become due. The County has irrevocably pledged its full faith, credit and resources
392 for the annual levy and collection of said taxes and for the prompt payment of the
393 principal of and interest on the Bonds as the same shall become due.

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

397 This Bond shall not be valid or become obligatory for any purpose or be entitled
398 to any security or benefit under the Bond Ordinance until the Certificate of
399 Authentication hereon shall have been manually signed by the Bond Registrar.

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

406 IN WITNESS WHEREOF, the County has caused this Bond to be executed by
407 the manual or facsimile signatures of the County Executive and the Clerk of the County
408 Council, and the seal of the County to be impressed or imprinted hereon, as of this
409 [_____] day of [_____].

410 KING COUNTY, WASHINGTON

411

412

413

By _____

414

415

County Executive

416

417 ATTEST:

418

419

420

421 Clerk of the Council

422

423

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

426 CERTIFICATE OF AUTHENTICATION

427 This bond is one of the bonds described in the within mentioned Bond Ordinance
428 and is one of the Unlimited Tax General Obligation Refunding Bonds, 2003, of King
429 County, Washington, dated [_____].

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450

WASHINGTON STATE FISCAL
AGENCY, as Bond Registrar

By _____

Authorized Officer

ASSIGNMENT

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

unto

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

NUMBER OF TRANSFEREE

[]

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

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

454 DATED: _____, _____.

455

456 _____

457 _____

458

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

459

460

461

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465

466 SIGNATURE GUARANTEED:

467

468

469 _____

470

471 SECTION 7. Execution of Bonds. The Bonds shall be executed on behalf of the
472 county with the manual or facsimile signatures of the county executive and the clerk of
473 the council, and shall have the seal of the county impressed or imprinted thereon.

474 In case either or both of the officers who shall have executed the Bonds shall
475 cease to be an officer or officers of the county before the Bonds so signed shall have been
476 authenticated or delivered by the Bond Registrar, or issued by the county, such Bonds
477 may nevertheless be authenticated, delivered and issued and upon such authentication,
478 delivery and issuance, shall be as binding upon the county as though those who signed
479 the same had continued to be such officers of the county. Any Bond also may be signed
480 and attested on behalf of the county by such persons as at the actual date of execution of
481 such Bond shall be the proper officers of the county although at the original date of such
482 Bond any such person shall not have been such officer of the county.

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

489 SECTION 8. Bond Registrar. The county hereby adopts for the Bonds the
490 system of registration specified and approved by the Washington State Finance
491 Committee. The Bond Registrar shall keep, or cause to be kept, at its principal corporate
492 trust office, sufficient books for the registration and transfer of the Bonds, which shall at
493 all times be open to inspection by the county. Such Bond Register shall contain the name
494 and mailing address of the owner of each Bond or nominee of such owner and the
495 principal amount and number of Bonds held by each owner or nominee. The Bond
496 Registrar is authorized, on behalf of the county, to authenticate and deliver the Bonds

497 transferred or exchanged in accordance with the provisions of such Bonds and this
498 ordinance and to carry out all of the Bond Registrar's powers and duties under this
499 ordinance.

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

506 Upon surrender thereof to the Bond Registrar; the Bonds are interchangeable for
507 Bonds in any authorized denomination of an equal aggregate principal amount and of the
508 same interest rate and maturity. Bonds may be transferred only if endorsed in the manner
509 provided thereon and surrendered to the Bond Registrar. Upon such surrender, the Bond
510 Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without
511 charge to the owner or transferee therefor (other than taxes, if any, payable on account of
512 such transfer), a new Bond (or Bonds, at the option of the new registered owner) of the
513 same maturity and interest rate and for the same aggregate principal amount, in any
514 authorized denomination, naming as registered owner the person or persons listed as the
515 assignee on the assignment form appearing on the surrendered Bond, in exchange for
516 such surrendered and canceled Bond. The Bond Registrar shall not be obligated to
517 transfer or exchange any Bond during a period beginning at the opening of business on
518 the 15th day of the month next preceding any interest payment or principal payment date
519 and ending at the close of business on such payment date.

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

523 SECTION 9. Mutilated, Lost or Destroyed Bonds. If any Bond shall become
524 mutilated, the Bond Registrar shall authenticate and deliver a new Bond of like amount,
525 date, interest rate and tenor in exchange and substitution for the Bond so mutilated, upon
526 the owner's paying the expenses and charges of the county and the Bond Registrar in
527 connection therewith and upon surrender to the Bond Registrar of the Bond so mutilated.
528 Every mutilated Bond so surrendered shall be canceled and destroyed by the Bond
529 Registrar.

530 In case the Bonds or any of them shall be lost, stolen or destroyed, the Bond
531 Registrar may authenticate and deliver a new Bond or Bonds of like amount, date and
532 tenor to the registered owner thereof upon the owner's paying the expenses and charges
533 of the county and the Bond Registrar in connection therewith and upon his/her filing with
534 the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond or Bonds
535 were actually lost, stolen or destroyed and of his/her ownership thereof, and upon
536 furnishing the county and Bond Registrar with indemnity satisfactory to the Finance
537 Manager and the Bond Registrar.

538 SECTION 10. Covenants and Warranties. The county makes the following
539 covenants and warranties:

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

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

550 C. This ordinance constitutes a legal, valid and binding obligation of the
551 county.

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

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

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

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

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

570 SECTION 11. Refunding Plan. There is hereby created in the office of the
571 Finance Manager an account of the King County Unlimited Tax General Obligation Bond
572 Redemption Fund known as the "2003 Current Refunding Account," which account is to
573 be drawn upon for the sole purpose of paying the principal of and interest on the
574 Refunded Bonds and of paying costs related to the refunding of such bonds.

575 All of the net proceeds of the sale of Bonds shall be credited to the 2003 Current
576 Refunding Account.

577 Money in the 2003 Current Refunding Account shall be used immediately upon
578 receipt thereof to provide for the payment of the principal of and interest on the Refunded
579 Bonds as hereinafter set forth in this section. The county shall discharge such obligations
580 by the use of money in the 2003 Current Refunding Account to purchase certain
581 noncallable Government Obligations, bearing such interest and maturing as to principal
582 and interest in such amounts and at such times which, together with any necessary initial
583 cash balance will provide for the payment of the interest on the Refunded Bonds that will
584 become due and payable on or before June 1, 2003, and the redemption price of the
585 Refunded Bonds payable on June 1, 2003, equal to 100% of the principal thereof (the
586 "Refunded Bond Payments"). Such Government Obligations shall be purchased at a
587 yield not greater than the yield permitted by the Internal Revenue Code of 1986, as

588 amended, and applicable regulations thereunder relating to acquired obligations in
589 connection with current refunding bond issues.

590 Such Government Obligations and any necessary initial cash balance shall be
591 irrevocably deposited with a corporate trustee chosen by the Finance Manager
592 (hereinafter called the "Escrow Trustee"). Any Refunded Bond Payments that are not
593 provided for in full by such initial cash balance and the purchase and deposit of
594 Government Obligations described in this section shall be provided for by the irrevocable
595 deposit of the necessary amount out of the proceeds of sale of the Bonds or any other
596 monies of the county legally available therefor with the Escrow Trustee. The proceeds of
597 the Bonds remaining in the 2003 Current Refunding Account after acquisition of the
598 Government Obligations and provision for the necessary initial cash balance shall be
599 utilized to pay expenses of the acquisition and safekeeping of the Government
600 Obligations and expenses of the issuance of the Bonds.

601 The county reserves the right to substitute other non-callable securities for the
602 Government Obligations in the event it may do so pursuant to Section 148 of the federal
603 Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, upon
604 compliance with the following conditions: (i) such substitution is accomplished pursuant
605 to a motion of the county council, which may be adopted either prior to or subsequent to
606 the delivery of the Refunded Bonds; (ii) the securities to be substituted are noncallable
607 Government Obligations; and (iii) such securities bear such interest and mature at such
608 times and in such amounts as to fully replace the Government Obligations for which they
609 are substituted, and to provide, together with Government Obligations and cash
610 remaining, for the payment of the Refunded Bond Payments.

611 The county shall irrevocably set aside sufficient funds out of the proceeds of the
612 Government Obligations purchased from proceeds of the Bonds, together with any
613 necessary initial cash balance, to pay the Refunded Bond Payments.

614 The county hereby calls the Refunded Bonds for redemption on June 1, 2003, in
615 accordance with the provisions of Ordinance 11122 and Motion 9179 of the county,
616 authorizing redemption of the Refunded Bonds prior to their maturities.

617 Said call of the Refunded Bonds for redemption shall be irrevocable after the final
618 establishment of the escrow account and delivery of the Government Obligations to the
619 Escrow Trustee, except as provided herein for the substitution of securities.

620 The Escrow Trustee is hereby authorized and directed to provide for the giving of
621 notice of the redemption of the Refunded Bonds in accordance with Ordinance 11122.
622 The Finance Manager is authorized and requested to provide whatever assistance is
623 necessary to accomplish such redemption and the giving of notice therefor. The costs of
624 publication of such notice shall be an expense of the county.

625 The Escrow Trustee is hereby authorized and directed to pay to the county, or, at
626 the direction of the Finance Manager, to the fiscal agency or agencies of the State of
627 Washington, sums sufficient to pay, when due, the Refunded Bond Payments. All such
628 sums shall be paid from the Government Obligations deposited with said Escrow Trustee
629 pursuant to this section of this ordinance, and the income therefrom and proceeds thereof.
630 All such sums so paid shall be credited to the 2003 Current Refunding Account. All
631 monies and Government Obligations deposited with the Escrow Trustee and any income
632 therefrom shall be held, invested and applied in accordance with the provisions of this

633 ordinance and with the laws of the State of Washington for the benefit of the county and
634 holders of the Refunded Bonds.

635 The county will take such actions as are found necessary to see that all necessary
636 and proper fees, compensation and expenses of the Escrow Trustee for refunding the
637 Refunded Bonds shall be paid when due.

638 The proper officers and agents of the county are directed to obtain from the
639 Escrow Trustee an agreement setting forth the duties, obligations and responsibilities of
640 the Escrow Trustee in connection with the redemption and retirement of the Refunded
641 Bonds as provided herein and stating that such provisions for the payment of the fees,
642 compensation and expenses of such Escrow Trustee are satisfactory to it. In order to
643 carry out the purposes of this section, the Finance Manager is authorized and directed to
644 execute and deliver to the Escrow Trustee, a copy of such agreement when the provisions
645 thereof have been fixed and determined.

646 SECTION 12. Application of Bond Proceeds. The exact amounts to be
647 deposited in accordance with Section 11 hereof shall be determined by the Finance
648 Manager upon the sale of the Bonds.

649 Funds deposited in the funds and accounts established in Section 11 hereof shall
650 be invested as permitted by law for the sole benefit of the respective funds. Irrespective
651 of the general provisions of Ordinance 7112 and K.C. 4.10, the county current expense
652 fund shall not receive any earnings attributable to such funds. Money other than
653 proceeds of the Bonds may be deposited in the funds and accounts established under
654 Section 11; provided, however, that proceeds of the Bonds and earnings thereon shall be
655 accounted for separately for purposes of the computations required to be made under

656 Section 16 hereof. For purposes of such computations, Bond proceeds shall be deemed to
657 have been expended first.

658 SECTION 13. Bond Redemption Fund. There has heretofore been created in
659 the office of the Finance Manager a special fund to be drawn upon for the purpose of
660 paying the principal of and interest on the unlimited tax general obligation bonds of the
661 county. There is hereby authorized to be created within said fund for the Bonds a special
662 account of the county to be known as the "Unlimited Tax General Obligation Refunding
663 Bond Redemption Account, 2003."

664 The accrued interest on the Bonds shall be deposited in the Bond Fund at the time
665 of delivery of the Bonds and shall be applied to the payment of interest on the Bonds.

666 The taxes hereafter levied for the purpose of paying principal of and interest on
667 the Bonds and other funds to be used to pay the Bonds shall be deposited in the Bond
668 Fund no later than the date such funds are required for the payment of principal of and
669 interest on such Bonds; provided, however, that if the payment of principal of and interest
670 on any Bonds is required prior to the receipt of such levied taxes, the county may make
671 an interfund loan to the Bond Fund pending actual receipt of such taxes. The Bond Fund
672 shall be drawn upon for the purpose of paying the principal of and interest on the Bonds.
673 Money in the Bond Fund not needed to pay the interest or principal next coming due may
674 temporarily be deposited in such institutions or invested in such obligations as may be
675 lawful for the investment of county funds. The Bond Fund shall be a second tier fund in
676 accordance with Ordinance 7112 and K.C. 4.10.

677 SECTION 14. Pledge of Taxation and Credit. The county hereby irrevocably
678 covenants and agrees for as long as any of the Bonds are outstanding and unpaid, that

679 each year it will include in its budget and make an annual levy of taxes without limitation
680 as to rate or amount upon all the property within the county subject to taxation in an
681 amount that will be sufficient, together with all other revenues, taxes and money of the
682 county legally available for such purposes, to pay the principal of and interest on the
683 Bonds as the same shall become due. All such taxes so collected and any other money to
684 be used for such purposes shall be paid into the applicable Bond Fund no later than the
685 date such funds are required for the payment of principal of and interest on the Bonds.

686 The county hereby irrevocably pledges that a sufficient portion of each annual
687 levy to be levied and collected by the county prior to the full payment of the principal of
688 and interest on the Bonds will be and is hereby irrevocably set aside, pledged and
689 appropriated for the payment of the principal of and interest on the Bonds.

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

693 SECTION 15. Tax Exemption. The county shall comply with the provisions of
694 this section unless, in the written opinion of nationally-recognized bond counsel to the
695 county, such compliance is not required to maintain the exemption of the interest on the
696 Bonds from federal income taxation.

697 The county hereby covenants that it will not make any use of the proceeds from
698 the sale of the Bonds or any other funds of the county that may be deemed to be proceeds
699 of such Bonds pursuant to Section 148 of the Code and the applicable regulations
700 thereunder that will cause the Bonds to be "arbitrage bonds" within the meaning of said
701 Section and said regulations. The county will comply with the applicable requirements of

702 Section 148 of the Code (or any successor provision thereof applicable to the Bonds) and
703 the applicable regulations thereunder throughout the term of the Bonds.

704 The county further covenants that it will not take any action or permit any action
705 to be taken that would cause the Bonds to constitute "private activity bonds" under
706 Section 141 of the Code.

707 SECTION 16. Arbitrage Rebate. The county will compute, if necessary, and
708 pay the Rebate Amount, if any, to the United States of America at the times and in the
709 amounts necessary to meet the requirements of the Code to maintain the federal income
710 tax exemption for interest payments on the Bonds, in accordance with the Arbitrage and
711 Tax Certification.

712 SECTION 17. Sale of Bonds.

713 A. Determination by Finance Manager. The county hereby authorizes the
714 public sale of the Bonds. The Finance Manager shall determine, in consultation with the
715 county's financial advisors, whether the Bonds shall be sold by negotiated sale or
716 competitive bid.

717 B. Procedure for Negotiated Sale. If the Finance Manager determines that
718 the Bonds shall be sold by negotiated sale, the Finance Manager shall, in accordance with
719 applicable county procurement procedures, solicit one or more underwriting firms with
720 which to negotiate the sale of the Bonds. The purchase contract for the Bonds shall
721 establish the amounts and maturities of the Refunded Bonds and the date, principal
722 amounts and maturity dates, interest rates and interest payment dates, redemption
723 provisions and delivery date for the Bonds, so long as the aggregate principal amount of
724 the Bonds to be outstanding following the issuance of the Bonds does not exceed

725 \$120,000,000. The county council, by a Sale Motion, shall approve the bond purchase
726 contract, shall ratify the amounts and maturities of the Refunded Bonds, and shall ratify
727 the terms for the Bonds established thereby.

728 C. Procedure for Sale by Competitive Bid. If the Finance Manager
729 determines that the Bonds shall be sold by competitive bid, bids for the purchase of the
730 Bonds shall be received at such time and place and by such means as the Finance
731 Manager shall direct. The Finance Manager is hereby authorized to prepare an official
732 notice of bond sale for the Bonds, establishing in such notice the date, principal amounts
733 and maturity dates, interest payment dates, redemption provisions and delivery date for
734 the Bonds, so long as the aggregate principal amount of the Bonds to be outstanding
735 following the issuance of the Bonds does not exceed \$120,000,000. The official notice of
736 bond sale or an abridged form thereof shall be published in such newspapers or financial
737 journals as may be deemed desirable or appropriate by the financial advisors to the
738 county.

739 Upon the date and time established for the receipt of bids for the Bonds, the
740 Finance Manager or his designee shall review the bids, shall cause the bids to be
741 mathematically verified and shall report to the county council regarding the bids
742 received. Such bids shall then be considered and acted upon by the county council in an
743 open public meeting. The county council reserves the right to reject any and all bids for
744 the Bonds. The county council, by a Sale Motion, shall establish the amount of the
745 Refunded Bonds, shall ratify the date, principal amounts and maturity dates, interest rates
746 and interest payment dates, redemption provisions and delivery date for the Bonds, and
747 shall accept the bid for the purchase of the Bonds.

748 SECTION 18. Delivery of Bonds. Following the sale of the Bonds, the county
749 shall cause definitive Bonds to be prepared, executed and delivered, which Bonds shall
750 be typewritten, lithographed or printed with engraved or lithographed borders.

751 If definitive Bonds are not ready for delivery by the date established for their
752 delivery to the initial purchasers thereof, then the Finance Manager, upon the approval of
753 the purchasers, may cause to be issued and delivered to the purchasers one or more
754 temporary Bonds with appropriate omissions, changes and additions. Any such
755 temporary Bond or Bonds shall be entitled and subject to the same benefits and
756 provisions of this ordinance with respect to the payment, security and obligation thereof
757 as definitive Bonds authorized thereby. Such temporary Bond or Bonds shall be
758 exchangeable without cost to the owners thereof for definitive Bonds when the latter are
759 ready for delivery.

760 SECTION 19. Preliminary Official Statement Declaration. The county hereby
761 authorizes and directs the Finance Manager: (i) to review and approve the information
762 contained in the preliminary official statement (the "Preliminary Official Statement")
763 prepared in connection with the sale of the Bonds; and (ii) for the sole purpose of the
764 Bond purchasers' compliance with Securities and Exchange Commission Rule 15c2-
765 12(b)(1), to "deem final" that Preliminary Official Statement as of its date, except for the
766 omission of information on offering prices, interest rates, selling compensation, delivery
767 dates, any other terms or provisions required by the county to be specified in a
768 competitive bid, ratings, other terms of the Bonds dependent on such matters and the
769 identity of the Bond purchasers. After the Preliminary Official Statement has been
770 reviewed and approved in accordance with the provisions of this section, the county

771 hereby authorizes the distribution of the Preliminary Official Statement to prospective
772 purchasers of the Bonds.

773 SECTION 20. Approval of Official Statement. Following the sale of the Bonds,
774 the Finance Manager is hereby authorized to review and approve on behalf of the county
775 a final official statement with respect to the Bonds. The county agrees to cooperate with
776 the purchaser of the Bonds to deliver or cause to be delivered, within seven business days
777 from the date of the Sale Motion, and in sufficient time to accompany any confirmation
778 that requests payment from any customer of such purchaser, copies of a final official
779 statement pertaining to the Bonds in sufficient quantity to comply with paragraph (b)(4)
780 of the Rule and the rules of the MSRB.

781 SECTION 21. Undertaking to Provide Ongoing Disclosure. In each Sale
782 Motion, the county council will set forth an undertaking for ongoing disclosure with
783 respect to the Bonds, as required by Section (b)(5) of the Rule .

784 SECTION 22. General Authorization. The appropriate county officials, agents
785 and representatives are hereby authorized and directed to do everything necessary for the
786 prompt sale, issuance, execution and delivery of the Bonds, and for the proper use and
787 application of the proceeds of the sale thereof.

788 SECTION 23. Refunding or Defeasance of the Bonds. The county may issue
789 refunding bonds pursuant to the laws of the State of Washington or use money available
790 from any other lawful source to pay when due the principal of and interest on the Bonds,
791 or any portion thereof included in a refunding or defeasance plan, and to redeem and
792 retire, refund or defease all such then-outstanding Bonds and to pay the costs of the
793 refunding or defeasance.

794 In the event that money and/or noncallable Government Obligations maturing at
795 such time or times and bearing interest to be earned thereon in amounts (together with
796 such money, if necessary) sufficient to redeem and retire, refund or defease part or all of
797 the Bonds in accordance with their terms, are set aside in a special account of the county
798 to effect such redemption and retirement, and such money and the principal of and
799 interest on such Government Obligations are irrevocably set aside and pledged for such
800 purpose, then no further payments need be made into the Bond Fund for the payment of
801 the principal of and interest on the Bonds so provided for, and such Bonds shall cease to
802 be entitled to any lien, benefit or security of this ordinance except the right to receive the
803 money so set aside and pledged, and such Bonds shall be deemed not to be outstanding
804 hereunder.

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

809 SECTION 24. Open Market Purchase. The county reserves the right to
810 purchase any or all of the Bonds on the open market at any time and at any price.

811 SECTION 25. Contract; Severability. The covenants contained in this
812 ordinance shall constitute a contract between the county and the owners of each and
813 every Bond. If any one or more of the covenants or agreements provided in this
814 ordinance to be performed on the part of the county shall be declared by any court of
815 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement
816 or agreements, shall be null and void and shall be deemed separable from the remaining

817 covenants and agreements of this ordinance and shall in no way affect the validity of the
818 other provisions of this ordinance or of the Bonds.
819

Ordinance 14583 was introduced on 2/18/2003 and passed by the Metropolitan King
County Council on 3/10/2003, by the following vote:

Yes: 12 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr.
Phillips, Mr. Pelz, Mr. McKenna, Mr. Pullen, Mr. Gossett, Ms. Hague, Mr.
Irons and Ms. Patterson
No: 0
Excused: 1 - Mr. Constantine

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 24 day of March 2003..


Ron Sims, County Executive

2003 MAR 24 AM 11:12
CLERK
KING COUNTY COUNCIL

RECEIVED

Attachments None