



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**May 22, 2007**

**Ordinance 15781**

**Proposed No.** 2007-0194.1

**Sponsors** Ferguson and Phillips

1 AN ORDINANCE relating to contracting indebtedness;  
2 providing for the issuance and sale of one or more series of  
3 taxable limited tax general obligation refunding bonds of  
4 the county (secured also by hotel/motel taxes) in the  
5 aggregate principal amount of not to exceed \$7,000,000 to  
6 refund all or a portion of the county's outstanding Limited  
7 Tax General Obligation Bonds (Taxable), 1997, Series E,  
8 and providing for one or more series of tax-exempt limited  
9 tax general obligation refunding bonds of the county  
10 (secured also by hotel/motel taxes) in the aggregate  
11 principal amount of not to exceed \$54,000,000 to refund all  
12 or a portion of the county's outstanding Limited Tax  
13 General Obligation Refunding Bonds, 1997, Series F;  
14 providing for the form, terms, covenants and other  
15 provisions of such refunding bonds; providing for the sale  
16 of the bonds and the disposition of the proceeds of sale;  
17 establishing funds for the receipt and expenditure of bond

18                   proceeds and for the payment of the bonds; and providing  
19                   for the annual levy of taxes to pay the principal thereof and  
20                   interest thereon.

21  
22                   PREAMBLE:

23                   The county has previously issued its Limited Tax General Obligation  
24                   Bonds (Taxable), 1997 Series E (the "1997E Bonds"), and Limited Tax  
25                   General Obligation Refunding Bonds, 1997, Series F (the "1997F  
26                   Bonds"). The County has an opportunity to refund all or a portion of those  
27                   bonds, thereby realizing savings to its taxpayers.

28                   It is deemed necessary and advisable that the county now authorize the  
29                   issuance and sale of one or more series of its taxable limited tax general  
30                   obligation refunding bonds (the "Taxable Bonds") in an outstanding  
31                   aggregate principal amount not to exceed \$7,000,000 to undertake the  
32                   refunding of the 1997E Bonds and one or more series of its tax-exempt  
33                   limited tax general obligation refunding bonds (the "Tax-Exempt Bonds")  
34                   in an outstanding aggregate principal amount not to exceed \$54,000,000 to  
35                   undertake the refunding of the 1997F Bonds, which bonds will be  
36                   additionally secured by a pledge of motel/motel taxes levied pursuant to  
37                   RCW 67.28.180.

38                   To maximize the savings from such refundings, it is in the best interest of  
39                   the county to delegate to the county's Finance Director (as hereinafter  
40                   defined) authority to provide for the sale of one or more series of the

41 bonds authorized herein by competitive bid or negotiated sale; provided,  
42 however, that the aggregate principal amount of the Taxable Bonds shall  
43 not exceed \$7,000,000 and the aggregate principal amount of the Tax-  
44 Exempt Bonds shall not exceed \$54,000,000. The successful bid or  
45 negotiated purchase contract for each series of bonds shall be subject to  
46 approval by the county council as provided herein.

47 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

51 "Bond Fund" means the bond redemption account authorized to be  
52 established for each series of the Bonds pursuant to Section 10 hereof.

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

55 "Bond Registrar" means the fiscal agent of the State of Washington (as the  
56 same may be designated by the State of Washington from time to time) for the  
57 purposes of registering and authenticating the Bonds, maintaining the Bond  
58 Register, effecting the transfer of ownership of the Bonds and paying interest on  
59 and principal and premium, if any, of the Bonds.

60 "Bonds" means, collectively, the Taxable Bonds and the Tax-Exempt  
61 Bonds.

62 "Code" means the Internal Revenue Code of 1986, as amended, together  
63 with corresponding and applicable final, temporary or proposed regulations and

64 revenue rulings issued or amended with respect thereto by the United States  
65 Treasury Department or the Internal Revenue Service, to the extent applicable to  
66 the Bonds.

67 "Commission" means the Securities and Exchange Commission.

68 "County" means King County, Washington.

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

70 "Escrow Trustee" means the corporate trustee chosen to serve as such  
71 pursuant to Section 14 hereof.

72 "Finance Director" means the director of the county finance and business  
73 operations division of the department of executive services of the county or any  
74 other county officer who succeeds to the duties now delegated to that office, or  
75 the designee of such officer.

76 "Government Obligations" means "government obligations" as defined in  
77 Chapter 39.53 RCW, as now in existence or hereafter amended.

78 "Hotel/Motel Taxes" means taxes levied by the county pursuant to RCW  
79 67.28.180.

80 "Letter of Representations" means the Blanket Issuer Letter of  
81 Representations dated May 1, 1995, by and between the county and DTC.

82 "MSRB" means the Municipal Securities Rulemaking Board or any  
83 successor to its functions.

84 "1997E Bonds" means King County, Washington, Limited Tax General  
85 Obligation Bonds (Taxable), 1997 Series E, issued in an aggregate principal  
86 amount of \$6,595,000 pursuant to Ordinance No. 12909.

87 "1997F Bonds" means King County, Washington, Limited Tax General  
88 Obligation Refunding Bonds, 1997 Series F, issued in an aggregate principal  
89 amount of \$51,525,000 pursuant to Ordinance No. 12909.

90 "NRMSIR" means a nationally recognized municipal securities  
91 information repository.

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

95 "RCW" means the Revised Code of Washington.

96 "Refunded Bonds" means, collectively, the Refunded 1997E Bonds and  
97 the Refunded 1997F Bonds.

98 "Refunded 1997E Bond Redemption Date" means, with respect to each  
99 series of Taxable Bonds, each redemption date for the outstanding 1997E Bonds  
100 to be refunded thereby, as identified or ratified in the Sale Motion therefor.

101 "Refunded 1997E Bonds" means, with respect to each series of Taxable  
102 Bonds, all outstanding 1997E Bonds to be refunded thereby, as identified or  
103 ratified in the Sale Motion therefor.

104 "Refunded 1997F Bond Redemption Date" means, with respect to the  
105 Tax-Exempt Bonds, each redemption date for the outstanding 1997F Bonds to be  
106 refunded thereby, as identified or ratified in the Sale Motion therefor.

107 "Refunded 1997F Bonds" means, with respect to each series of Tax-  
108 Exempt Bonds, all outstanding 1997E Bonds to be refunded thereby, as identified  
109 or ratified in the Sale Motion therefor.

110 "Registered Owner" means any person or entity who shall be the  
111 registered owner of any Bond.

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

114 "Sale Motion" means, with respect to each series of the Bonds, the motion  
115 of the council identifying (if such series of Bonds is sold by competitive bid) or  
116 ratifying (if such series of Bonds is sold by negotiated sale) the Refunded Bonds  
117 to be refunded by such series of Bonds, their respective redemption dates and the  
118 Government Obligations to be purchased to undertake such refunding, ratifying  
119 and confirming the year and series designation, date, principal amounts and  
120 maturity dates, interest rates and interest payment dates, redemption provisions of  
121 the Bonds, and approving the bond purchase contract (if the Bonds are sold by  
122 negotiated sale) or accepting a bid (if the bonds are sold by competitive bid) for  
123 the purchase of the Bonds, all in accordance with Section 16 hereof.

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

126 "State" means the State of Washington.

127 "Taxable Bonds" means the limited tax general obligation refunding bonds  
128 (taxable) of the county in an outstanding aggregate principal amount not to exceed  
129 \$7,000,000 authorized to be issued by this ordinance to refund all or a portion of  
130 the outstanding 1997E Bonds.

131 "Tax-Exempt Bonds" means the limited tax general obligation refunding  
132 bonds of the county in an outstanding aggregate principal amount not to exceed

133 \$54,000,000 authorized to be issued by this ordinance to refund all or a portion of  
134 the outstanding 1997F Bonds.

135 **SECTION 2. Findings.**

136 A. The county may be able to realize significant debt service savings by  
137 refunding all or a portion of the 1997E Bonds and the 1997F Bonds.

138 B. The issuance of the Bonds payable from regular property taxes and  
139 Hotel/Motel Taxes to refund the Refunded Bonds and to pay the costs of issuing  
140 such Bonds is in the best interests of the county and its citizens.

141 **SECTION 3. Purpose, Authorization and Description of Bonds.**

142 A. Purpose and Authorization of Bonds. The county authorizes the  
143 issuance of the Taxable Bonds to refund all or a portion of the 1997E Bonds and  
144 to pay the costs of issuing the Taxable Bonds. The county authorizes the issuance  
145 of the Tax-Exempt Bonds to refund all or a portion of the 1997F Bonds and to pay  
146 the costs of issuing the Tax-Exempt Bonds.

147 B. Description. The Taxable Bonds may be issued in one or more series  
148 in an outstanding aggregate principal amount of not to exceed \$7,000,000, each  
149 series to be designated "King County, Washington, Limited Tax General  
150 Obligation Refunding Bonds (Taxable), [appropriate year and series  
151 designation]." The Tax-Exempt Bonds may be issued in one or more series in an  
152 outstanding aggregate principal amount of not to exceed \$54,000,000, each series  
153 to be designated "King County, Washington, Limited Tax General Obligation  
154 Refunding Bonds, [appropriate year and series designation]."

155           Each series of the Bonds shall be fully registered as to both principal and  
156 interest, shall be in the denomination of \$5,000 or any integral multiple thereof  
157 within a single maturity; shall be numbered separately in such manner and with  
158 any additional designation as the Bond Registrar deems necessary for purposes of  
159 identification; and shall be dated as of such date and shall mature on the dates, in  
160 the years and the amounts established as provided in Section 16 hereof.

161           The Bonds shall bear interest (computed on the basis of a 360-day year of  
162 twelve 30-day months) from their date or from the most recent interest payment  
163 date for which interest has been paid or duly provided for, whichever is later,  
164 payable on semiannual interest payment dates and at the rate or rates to be  
165 established as provided in Section 16 hereof and ratified and confirmed by the  
166 Sale Motion.

167           **SECTION 4. Registration, Exchange and Payments.**

168           A. Bond Registrar/Bond Register. In accordance with KCC 4.84, the county  
169 hereby adopts for the Bonds the system of registration specified and approved by the  
170 Washington State Finance Committee, which utilizes the fiscal agent of the State of  
171 Washington as registrar, authenticating agent, paying agent and transfer agent (the "Bond  
172 Registrar"). The Bond Registrar shall keep, or cause to be kept, at its principal corporate  
173 trust office, sufficient books for the registration and transfer of the Bonds (the "Bond  
174 Register"), which shall be open to inspection by the county at all times. The Bond  
175 Register shall contain the name and mailing address of the owner of each Bond and the  
176 principal amount and number of each of the Bonds held by each owner. The Bond  
177 Registrar is authorized, on behalf of the county, to authenticate and deliver Bonds



178 transferred or exchanged in accordance with the provisions of the Bonds and this  
179 ordinance, to serve as the county's paying agent for the Bonds and to carry out all of the  
180 Bond Registrar's powers and duties under this ordinance.

181           The Bond Registrar shall be responsible for its representations contained in the  
182 Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may  
183 become the Registered Owner of Bonds with the same rights it would have if it were not  
184 the Bond Registrar and, to the extent permitted by law, may act as depository for and  
185 permit any of its officers or directors to act as members of, or in any other capacity with  
186 respect to, any committee formed to protect the rights of Registered Owners.

187           B.     Registered Ownership. The Bonds shall be issued only in registered form  
188 as to both principal and interest and shall be recorded on the Bond Register. The county  
189 and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner  
190 of each Bond as the absolute owner thereof for all purposes, and neither the county nor  
191 the Bond Registrar shall be affected by any notice to the contrary. Payment of any such  
192 Bond shall be made only as described in Section 4.E hereof, but such registration may be  
193 transferred as herein provided. All such payments made as described in Section 4.E shall  
194 be valid and shall satisfy and discharge the liability of the county upon such Bond to the  
195 extent of the amount or amounts so paid.

196           C.     Use of Depository. The Bonds of each series initially shall be registered in the  
197 name of Cede & Co., as the nominee of DTC. The Bonds so registered shall be held in  
198 fully immobilized form by DTC as depository in accordance with the provisions of the  
199 Letter of Representations. Neither the county nor the Bond Registrar shall have any  
200 responsibility or obligation to DTC participants or the persons for whom they act as

201 nominees with respect to the Bonds regarding accuracy of any records maintained by  
202 DTC or DTC participants, the payment by DTC or any DTC participants of any amount  
203 in respect of principal or redemption price of or interest on the Bonds, any notice which  
204 is permitted or required to be given to registered owners hereunder (except such notice as  
205 is required to be given by the Bond Registrar to DTC), the selection by DTC or any DTC  
206 participant of any person to receive payment in the event of a partial redemption of such  
207 Bonds or any consent given or other action taken by DTC as owner of such Bonds .

208 For as long as any series of Bonds are held in fully immobilized form, DTC, its  
209 nominee or its successor depository shall be deemed to be the Registered Owner for all  
210 purposes hereunder and all references to registered owners, bondowners, bondholders or  
211 the like shall mean DTC or its nominee and shall not mean the owners of any beneficial  
212 interests in such Bonds. Registered ownership of such Bonds, or any portions thereof,  
213 may not thereafter be transferred except: (i) to any successor of DTC or its nominee, if  
214 that successor shall be qualified under any applicable laws to provide the services  
215 proposed to be provided by it; (ii) to any substitute depository appointed by the Finance  
216 Director or such substitute depository's successor; or (iii) to any person if the Bonds are  
217 no longer held in immobilized form.

218 Upon the resignation of DTC or its successor (or any substitute depository or its  
219 successor) from its functions as depository, or a determination by the Finance Director  
220 that the county no longer wishes to continue the system of book entry transfers through  
221 DTC or its successor (or any substitute depository or its successor), the Finance Director  
222 may appoint a substitute depository. Any such substitute depository shall be qualified  
223 under any applicable laws to provide the services proposed to be provided by it.

224 If (i) DTC or its successor (or substitute depository or its successor) resigns from  
225 its functions as depository, and no substitute depository can be obtained, or (ii) the county  
226 determines that the Bonds of any series are to be in certificated form, the ownership of  
227 those Bonds may be transferred to any person as provided herein and those Bonds no  
228 longer shall be held in fully immobilized form.

229 D. Registration Covenant. The county covenants that, until all Bonds have been  
230 surrendered and canceled, it will maintain a system for recording the ownership of each  
231 Bond that complies with the provisions of Section 149 of the Code.

232 E. Place and Medium of Payment. Both principal of and interest on the Bonds  
233 shall be payable in lawful money of the United States of America. For so long as the  
234 Bonds of any series are in fully immobilized form, payments of principal and interest  
235 thereon shall be made as provided in accordance with the operational arrangements of  
236 DTC referred to in the Letter of Representations. If the Bonds of any series are no longer  
237 in fully immobilized form, interest on those Bonds shall be paid by checks or drafts of the  
238 Bond Registrar mailed on the interest payment date to the Registered Owners at the  
239 addresses appearing on the Bond Register on the 15th day of the month preceding the  
240 interest payment date or, if requested in writing by a Registered Owner of \$1,000,000 or  
241 more in principal amount of such Bonds prior to the applicable record date, by wire  
242 transfer on the interest payment date. Principal of the Bonds shall be payable upon  
243 presentation and surrender of the Bonds by the Registered Owners to the Bond Registrar.

244 F. Transfer or Exchange of Registered Ownership; Change in Denominations.  
245 The registered ownership of any Bond may be transferred or exchanged, but no transfer  
246 of any Bond shall be valid unless it is surrendered to the Bond Registrar with the

247 assignment form appearing on such Bond duly executed by the Registered Owner or such  
248 Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar.  
249 Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall  
250 authenticate and deliver, without charge to the Registered Owner or transferee therefor, a  
251 new Bond (or Bonds at the option of the new Registered Owner) of the same series, date,  
252 maturity and interest rate and for the same aggregate principal amount in any authorized  
253 denomination, naming as Registered Owner the person or persons listed as the assignee  
254 on the assignment form appearing on the surrendered Bond, in exchange for such  
255 surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar  
256 and exchanged, without charge, for an equal aggregate principal amount of Bonds of the  
257 same series, date, maturity and interest rate, in any authorized denomination. The Bond  
258 Registrar shall not be obligated to exchange or transfer any Bond during the 15 days  
259 preceding any principal payment or redemption date, or, in the case of any proposed  
260 redemption of the Bonds, after the mailing of notice of the call of such Bonds for  
261 redemption.

262        **SECTION 5. Redemption Provisions; Open Market Purchase of Bonds.** The  
263 county may reserve the right to redeem outstanding Bonds of any series prior to their  
264 maturity on the dates and at the prices established by the bond purchase contract or the  
265 official notice of sale therefor, as applicable, and ratified and confirmed by a Sale Motion  
266 in accordance with Section 16 hereof. Portions of the principal amount of any Bond, in  
267 increments of \$5,000 or any integral multiple thereof within a single maturity, may be  
268 redeemed.

269           If less than all of the Bonds of a series subject to optional redemption are called  
270 for redemption, the county shall choose the maturities to be redeemed. If less than a  
271 whole of a maturity is called for redemption, the Bonds to be redeemed shall be chosen  
272 randomly by the Bond Registrar or, so long as the Bonds are registered in the name of  
273 DTC or its nominee, selection of Bonds for redemption shall be in accordance with the  
274 Letter of Representations.

275           If less than all of the principal amount of any Bond is redeemed, upon surrender  
276 of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without  
277 charge therefor, a new Bond (or Bonds, at the option of the Registered Owner) of the  
278 same series, maturity and interest rate in any of the denominations authorized by this  
279 ordinance in the aggregate principal amount remaining unredeemed.

280           The county further reserves the right and option to purchase any or all of the  
281 Bonds in the open market at any time at any price.

282           All Bonds purchased or redeemed under this section shall be canceled.

283           SECTION 6. Notice and Effect of Redemption. Written notice of any  
284 redemption of Bonds shall be given by the Bond Registrar on behalf of the county by  
285 first-class mail, postage prepaid, not less than 30 nor more than 60 days prior to the date  
286 fixed for redemption to the Registered Owner of any Bond to be redeemed at the address  
287 appearing on the Bond Register at the time the Bond Registrar prepares the notice. The  
288 Bond Registrar shall provide additional notice of redemption (at least 30 days) to each  
289 NRMSIR and SID, if any, in accordance with the ongoing disclosure provisions to be  
290 adopted by the Sale Motion. In addition, the redemption notice shall be mailed within the  
291 same period, postage prepaid, to Moody's Investors Service, Inc., Standard & Poor's and

292 Fitch Ratings at their offices in New York, New York, or their successors, and to such  
293 other persons and with such additional information as the Finance Director shall  
294 determine, but these additional mailings shall not be a condition precedent to the  
295 redemption of Bonds. Notwithstanding the foregoing, for as long as the Bonds are  
296 registered in the name of DTC or its nominee, notice of redemption shall be given in  
297 accordance with the Letter of Representations.

298           The requirements of this section shall be deemed to have been fulfilled when  
299 notice has been mailed as so provided, whether or not it is actually received by the owner  
300 of any Bond.

301           Each notice of redemption shall contain the following information: (1) the  
302 redemption date, (2) the redemption price, (3) if less than all outstanding Bonds of the  
303 same series are to be redeemed, the identification (and, in the case of partial redemption,  
304 the principal amounts) of the Bonds to be redeemed, (4) that on the redemption date the  
305 redemption price will become due and payable upon each Bond or portion called for  
306 redemption, and that interest shall cease to accrue from the redemption date, (5) that the  
307 Bonds are to be surrendered for payment at the principal office of the Bond Registrar, (6)  
308 the CUSIP numbers of all Bonds being redeemed, (7) the dated date of the Bonds, (8) the  
309 rate of interest for each Bond being redeemed, (9) the date of the notice, and (10) any  
310 other information needed to identify the Bonds being redeemed.

311           Interest on Bonds called for redemption shall cease to accrue on the date fixed for  
312 redemption unless the Bond or Bonds called are not redeemed when presented pursuant  
313 to the call.



Authorized Signer

337  
338 The authorized signing of a Certificate of Authentication shall be conclusive evidence  
339 that the Bond so authenticated has been duly executed, authenticated and delivered and is  
340 entitled to the benefits of this ordinance.

341 If any officer whose facsimile signature appears on the Bonds ceases to be an  
342 officer of the county authorized to sign bonds before the Bonds bearing his or her  
343 facsimile signature are authenticated or delivered by the Bond Registrar or issued by the  
344 county, those Bonds nevertheless may be authenticated, issued and delivered and, when  
345 authenticated, issued and delivered, shall be as binding on the county as though that  
346 person had continued to be an officer of the county authorized to sign bonds. Any Bond  
347 also may be signed on behalf of the county by any person who, on the actual date of  
348 signing of the Bond, is an officer of the county authorized to sign bonds, although he or  
349 she did not hold the required office on the date of issuance of the Bonds.

350 **SECTION 9. Mutilated, Lost or Destroyed Bonds.** If any Bond shall become  
351 mutilated, the Bond Registrar shall authenticate and deliver a new Bond of like amount,  
352 date, series, interest rate and tenor in exchange and substitution for the Bond so  
353 mutilated, upon the owner's paying the expenses and charges of the county and the Bond  
354 Registrar in connection therewith and upon surrender to the Bond Registrar of the Bond  
355 so mutilated. Every mutilated Bond so surrendered shall be canceled and destroyed by  
356 the Bond Registrar.

357 In case the Bonds or any of them shall be lost, stolen or destroyed, the Bond  
358 Registrar may authenticate and deliver a new Bond or Bonds of like amount, date, series,  
359 interest rate and tenor to the Registered Owner thereof upon the owner's paying the



360 expenses and charges of the county and the Bond Registrar in connection therewith and  
361 upon his/her filing with the Bond Registrar evidence satisfactory to the Bond Registrar  
362 that such Bond or Bonds were actually lost, stolen or destroyed and of his/her ownership  
363 thereof, and upon furnishing the county and the Bond Registrar with indemnity  
364 satisfactory to the Finance Director and the Bond Registrar.

365         SECTION 10. Bond Fund. There has heretofore been created a special fund of  
366 the county to be drawn upon for the purpose of paying the principal of and interest on the  
367 limited tax general obligation bonds of the county. There is hereby authorized to be  
368 created within that fund for each series of the Taxable Bonds a special account of the  
369 county to be known as the "Limited Tax General Obligation Refunding Bond  
370 Redemption Account (Taxable), [Year, Series]," and for each series of the Tax-Exempt  
371 Bonds a special account of the county to be known as the "Limited Tax General  
372 Obligation Refunding Bond Redemption Account, [Year, Series]" (each, a "Bond Fund").

373         The accrued interest on each series of the Bonds shall be deposited in the related  
374 Bond Fund at the time of delivery of such series of the Bonds and shall be applied to the  
375 payment of interest on the Bonds.

376         The taxes hereafter levied for the purpose of paying principal of and interest on  
377 each series of the Bonds and other funds to be used to pay such series of the Bonds shall  
378 be deposited in the related Bond Fund no later than the date such funds are required for  
379 the payment of principal of and interest on such series of the Bonds; provided, however,  
380 that if the payment of principal of and interest on any series of the Bonds is required prior  
381 to the receipt of such levied taxes, the county may make an interfund loan to the related  
382 Bond Fund pending actual receipt of such taxes. The related Bond Fund shall be drawn

383 upon for the purpose of paying the principal of and interest on each series of the Bonds.  
384 Money in each Bond Fund not needed to pay the interest or principal next coming due  
385 may temporarily be deposited in such institutions or invested in such obligations as may  
386 be lawful for the investment of county funds. Each Bond Fund shall be a second tier fund  
387 in accordance with Ordinance No. 7112 and K.C.C. 4.10.

388 **SECTION 11. Pledge of Taxation and Credit; Pledge of Hotel/Motel Taxes.**

389 The county hereby irrevocably covenants and agrees for as long as any of the Bonds are  
390 outstanding and unpaid, that each year it will include in its budget and levy an ad valorem  
391 tax upon all the property within the county subject to taxation in an amount that will be  
392 sufficient, together with all other revenues and money of the county legally available for  
393 such purposes (including the Hotel/Motel Taxes pledged below), to pay the principal of  
394 and interest on the Bonds as the same shall become due. All of such taxes so collected  
395 and any other money to be used for such purposes shall be paid into the applicable Bond  
396 Fund no later than the date such funds are required for the payment of principal of,  
397 premium, if any, and interest on the related Bonds.

398 The county hereby irrevocably pledges that the annual tax provided for herein to  
399 be levied for the payment of such principal and interest shall be within and as a part of  
400 the tax levy permitted to counties without a vote of the people, and that a sufficient  
401 portion of each annual levy to be levied and collected by the county prior to the full  
402 payment of the principal of, premium, if any, and interest on the Bonds will be and is  
403 hereby irrevocably set aside, pledged and appropriated for the payment of the principal  
404 of, premium, if any, and interest on the Bonds.

405           The full faith, credit and resources of the county are hereby irrevocably pledged  
406 for the annual levy and collection of such taxes and for the prompt payment of the  
407 principal of, premium, if any, and interest on the Bonds as the same shall become due.

408           The county hereby further irrevocably covenants and agrees for as long as the  
409 Bonds are outstanding and unpaid, to levy the Hotel/Motel Taxes at not less than the  
410 maximum allowable rate at the time the Bonds are issued and hereby pledges in  
411 accordance with RCW 67.28.150 to apply amounts collected thereunder, subject to their  
412 use for other authorized purposes, to the extent necessary for the payment of the principal  
413 of and interest on the Bonds. Such amounts as are available and necessary for the  
414 payment of principal of and interest on the Bonds will be and are irrevocably set aside,  
415 pledged and appropriated for such purpose.

416           SECTION 12. Covenants and Warranties. The county makes the following  
417 covenants and warranties:

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

421           B. By all necessary official action prior to or concurrently herewith, the county  
422 has duly authorized and approved the execution and delivery of, and the performance by  
423 the county of its obligations contained in, the Bonds and in this ordinance and the  
424 consummation by it of all other transactions necessary to effectuate this ordinance in  
425 connection with the issuance of the Bonds, and such authorizations and approvals are in  
426 full force and effect and have not been amended, modified or supplemented in material  
427 respect.

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

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

431 E. The adoption of this ordinance, and compliance on the county's part with the  
432 provisions contained herein, will not conflict with or constitute a breach of or default  
433 under any constitutional provisions, law, administrative regulation, judgment, decree,  
434 loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement or other  
435 instrument to which the county is a party or to which the county or any of its property or  
436 assets are otherwise subject, nor will any such adoption, execution, delivery, sale,  
437 issuance or compliance result in the creation or imposition of any lien, charge or other  
438 security interest or encumbrance of any nature whatsoever upon any of the property or  
439 assets of the county or under the terms of any such law, regulation or instrument, except  
440 as may be provided by the Bonds and this ordinance.

441 F. The county finds and covenants that the Bonds are issued within all statutory  
442 and constitutional debt limitations applicable to the county.

443 G. None of the proceeds of the Bonds will be used for any purpose other than as  
444 provided in this ordinance, and the county shall not suffer any amendment or supplement  
445 to this ordinance, or any departure from the due performance of the obligations of the  
446 county hereunder, which might materially adversely affect the rights of the owners from  
447 time to time of the Bonds.

448 **SECTION 13. Preservation of Tax Exemption for Interest on Tax-Exempt**  
449 **Bonds.** The county covenants that it will take all actions necessary to prevent interest on  
450 the Tax-Exempt Bonds from being included in gross income for federal income tax

451 purposes, and it will neither take any action nor make or permit any use of proceeds of  
452 the Tax-Exempt Bonds or other funds of the county treated as proceeds of the Tax-  
453 Exempt Bonds at any time during the term of the Tax-Exempt Bonds which will cause  
454 interest on the Tax-Exempt Bonds to be included in gross income for federal income tax  
455 purposes. The county also covenants that it will, to the extent the arbitrage rebate  
456 requirement of Section 148 of the Code is applicable to the Tax-Exempt Bonds, take all  
457 actions necessary to comply (or to be treated as having complied) with that requirement  
458 in connection with the Tax-Exempt Bonds, including the calculation and payment of any  
459 penalties that the county has elected to pay as an alternative to calculating rebatable  
460 arbitrage, and the payment of any other penalties if required under Section 148 of the  
461 Code to prevent interest on the Tax-Exempt Bonds from being included in gross income  
462 for federal income tax purposes.

463         SECTION 14. Application of Proceeds of Bonds. There is hereby authorized to  
464 be created a special account of the county for each series of the Bonds to be maintained  
465 with a corporate trustee chosen by the Finance Director (hereinafter called the "Escrow  
466 Trustee"), each of which will be known as the "King County Limited Tax General  
467 Obligation Refunding Bond Refunding Account," with the same year and series  
468 designation as that corresponding to the related series of the Bonds (each hereinafter  
469 called a "Refunding Account").

470         The net principal proceeds from the sale of each series of the Bonds shall be  
471 credited to the related Refunding Account.

472         Money in each Refunding Account shall be used immediately upon receipt  
473 thereof to provide for the payment of the principal of and interest on the Refunded Bonds

474 to be refunded by the related series of the Bonds as hereinafter set forth in this section, to  
475 pay costs related to the refunding of such Refunded Bonds, and to pay costs of issuing the  
476 related series of the Bonds. The county shall discharge such obligations by the use of  
477 money in the each Refunding Account for each series of the Bonds to purchase certain  
478 noncallable Government Obligations, as identified or ratified in the Sale Motion therefor,  
479 bearing such interest and maturing as to principal and interest in such amounts and at  
480 such times which, together with any necessary initial cash balance, will provide for the  
481 payment of the principal, if any, of and the interest on the specified Refunded 1997E  
482 Bonds that will become due and payable on or before their respective Refunded 1997E  
483 Bond Redemption Date(s) and the redemption price of such Refunded 1997E Bonds  
484 payable on their respective Refunded 1997E Bond Redemption Date(s) and the payment  
485 of the principal, if any, of and the interest on the specified Refunded 1997F Bonds that  
486 will become due and payable on or before their respective Refunded 1997F Bond  
487 Redemption Date(s) and the redemption price of such Refunded 1997F Bonds payable on  
488 their respective Refunded 1997F Bond Redemption Date(s) (collectively, the "Refunded  
489 Bond Payments"). Such Government Obligations shall be purchased at a yield not  
490 greater than the yield permitted by the Code and applicable regulations thereunder  
491 relating to acquired obligations in connection with refunding bond issues.

492       Such Government Obligations and any necessary initial cash balance shall be  
493 irrevocably deposited with the Escrow Trustee. Any Refunded Bond Payments that are  
494 not provided for in full by such initial cash balance and the purchase and deposit of  
495 Government Obligations described in this section shall be provided for by the irrevocable  
496 deposit of the necessary amount out of the proceeds of sale of the related series of the

497 Bonds or any other monies of the county legally available therefor with the Escrow  
498 Trustee. Any proceeds of a series of the Bonds remaining in the related Refunding  
499 Account after acquisition of the Government Obligations and provision for the necessary  
500 initial cash balance may be utilized to pay expenses of the acquisition and safekeeping of  
501 the Government Obligations and expenses of the issuance of such series of the Bonds.

502 The county reserves the right to substitute other noncallable securities for the  
503 Government Obligations in the event it may do so pursuant to Section 148 of the Code,  
504 and applicable regulations thereunder, upon compliance with the following conditions:  
505 (i) such substitution is accomplished pursuant to a motion of the county council, which  
506 may be adopted either prior to or subsequent to the delivery of any series of Bonds; (ii)  
507 the securities to be substituted are noncallable Government Obligations; and (iii) such  
508 securities bear such interest and mature at such times and in such amounts as to fully  
509 replace the Government Obligations for which they are substituted, and to provide,  
510 together with Government Obligations and cash remaining, for the payment of the  
511 Refunded Bond Payments.

512 The county shall irrevocably set aside sufficient funds out of the proceeds of the  
513 Government Obligations purchased from proceeds of each series of the Bonds, together  
514 with any necessary initial cash balance, to pay the related Refunded Bond Payments.

515 The county hereby conditionally calls the Refunded 1997E Bonds for redemption  
516 on the Refunded 1997E Bond Redemption Date(s) and the Refunded 1997F Bonds for  
517 redemption on the Refunded 1997F Bond Redemption Date(s) in accordance with the  
518 provisions of Ordinance No. 12909 and Motion No. 10352, authorizing redemption and  
519 retirement of the 1997E Bonds and the 1997F Bonds prior to their fixed maturities. Such

520 conditional call for redemption of any such Refunded Bonds to be refunded by each  
521 series of the Bonds shall become irrevocable only after the final establishment of the  
522 escrow account therefor and delivery of the Government Obligations to the Escrow  
523 Trustee, except as provided herein for the substitution of securities.

524           The Escrow Trustee is hereby authorized and directed to provide for the giving of  
525 notice of the redemption of the Refunded Bonds in accordance with Ordinance No.  
526 12909. The Finance Director is authorized and requested to provide whatever assistance  
527 is necessary to accomplish such redemption and the giving of notice therefor. The costs  
528 of publication of such notice shall be an expense of the county.

529           The Escrow Trustee is hereby authorized and directed to pay to the county, or, at  
530 the direction of the Finance Director, to the fiscal agent of the State of Washington, sums  
531 sufficient to pay, when due, the Refunded Bond Payments. All such sums shall be paid  
532 from the Government Obligations deposited with the Escrow Trustee pursuant to this  
533 section of this ordinance, and the income therefrom and proceeds thereof. All such sums  
534 so paid shall be credited to the applicable Refunding Account. All monies and  
535 Government Obligations deposited with the Escrow Trustee and any income therefrom  
536 shall be held, invested and applied in accordance with the provisions of this ordinance  
537 and with the laws of the State of Washington for the benefit of the county and holders of  
538 the related Refunded Bonds.

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



542           The proper officers and agents of the county are directed to obtain from the  
543 Escrow Trustee an agreement setting forth the duties, obligations and responsibilities of  
544 the Escrow Trustee in connection with the redemption and retirement of the Refunded  
545 Bonds as provided herein and stating that such provisions for the payment of the fees,  
546 compensation and expenses of such Escrow Trustee are satisfactory to it. In order to  
547 carry out the purposes of this section, the Finance Director is authorized and directed to  
548 execute and deliver to the Escrow Trustee, a copy of such agreement when the provisions  
549 thereof have been fixed and determined.

550           SECTION 15. Application of Bond Proceeds--General. The exact amounts of  
551 net proceeds derived from the sale of each series of the Bonds to be deposited in  
552 accordance with Section 14 hereof shall be determined by the Finance Director upon the  
553 sale thereof.

554           Funds deposited in the funds and accounts established in Section 14 hereof shall  
555 be invested as permitted by law for the sole benefit of the respective funds. Irrespective  
556 of the general provisions of Ordinance No. 7112 and K.C. 4.10, the county current  
557 expense fund shall not receive any earnings attributable to such funds. Money other than  
558 proceeds of the Bonds may be deposited in the funds and accounts established under  
559 Section 14, provided, however, that proceeds of the Tax-Exempt Bonds and earnings  
560 thereon shall be accounted for separately for purposes of the rebate computations  
561 required to be made under Section 13 hereof. For purposes of such computations, Tax-  
562 Exempt Bond proceeds shall be deemed to have been expended first.

563           SECTION 16. Sale of Bonds.

564           A. Determination by Finance Director. The Finance Director shall determine, in  
565 consultation with the county's financial advisors, whether the Bonds shall be sold by  
566 negotiated sale or by competitive bid.

567           B. Procedure for Negotiated Sale. If the Finance Director determines that the any  
568 series of the Bonds shall be sold by negotiated sale, the Finance Director shall, in  
569 accordance with applicable county procurement procedures, solicit one or more  
570 underwriting firms with which to negotiate the sale of those Bonds. The purchase  
571 contract for each series of the Bonds shall establish the year and series designation, date,  
572 principal amount, interest payment dates, interest rates, maturity schedule and redemption  
573 provisions of such series of Bonds, so long as the aggregate principal amount of the  
574 Taxable Bonds to be outstanding following the issuance of such series of Bonds does not  
575 exceed \$7,000,000 and the aggregate principal amount of the Tax-Exempt Bonds to be  
576 outstanding following the issuance of such series of Bonds does not exceed \$54,000,000.  
577 The county council, by Sale Motion, shall ratify and approve the bond purchase contract,  
578 ratify the identification of the Refunded Bonds to be refunded by such series of Bonds,  
579 their respective redemption dates and the Government obligations to be purchased to  
580 undertake such refunding, and ratify the terms of the series of Bonds established thereby.

581           C. Procedure for Sale by Competitive Bid. If the Finance Director determines  
582 that any series of the Bonds shall be sold by competitive bid, bids for the purchase of  
583 each series of the Bonds shall be received at such time or place and by such means as the  
584 Finance Director shall direct. The Finance Director is authorized to prepare an official  
585 notice of bond sale for each series of the Bonds to be sold pursuant to competitive bid,  
586 establishing in such notice the year and series designation, date, principal amount,

587 interest payment dates, maturity schedule and redemption provisions of such Bonds, so  
588 long as the aggregate principal amount of the Taxable Bonds to be outstanding following  
589 the issuance of such series of Bonds does not exceed \$7,000,000 and the aggregate  
590 principal amount of the Tax-Exempt Bonds to be outstanding following the issuance of  
591 such series of Bonds does not exceed \$54,000,000. The official notice of bond sale or an  
592 abridged form thereof shall be published in such newspapers or financial journals as may  
593 be deemed desirable or appropriate by the financial advisors to the county.

594         Upon the date and time established for the receipt of bids for series of the Bonds,  
595 the Finance Director or his designee shall open the bids, shall cause the bids to be  
596 mathematically verified and shall report to the county council regarding the bids  
597 received. Such bids shall then be considered and acted upon by the county council in an  
598 open public meeting. The county council reserves the right to reject any and all bids for  
599 any series of the Bonds. The county council, by the Sale Motion, shall identify the  
600 Refunded Bonds to be refunded by such series of Bonds, their respective redemption  
601 dates and the Government obligations to be purchased to undertake such refunding, and  
602 ratify the year and series designation, date principal amounts and maturity dates, interest  
603 rates and interest payment dates, redemption provisions and delivery date for such series  
604 of the Bonds, and accept the bid for the purchase of such series of Bonds.

605         SECTION 17. Delivery of Bonds. Following the sale of each series of the  
606 Bonds, the county shall cause definitive Bonds of such series to be prepared, executed  
607 and delivered to the purchaser thereof in accordance with the provisions of this  
608 ordinance, with the approving legal opinion of municipal bond counsel regarding the  
609 Bonds.

610           If definitive Bonds of any series are not ready for delivery by the date established  
611 for their delivery to the initial purchaser, then the Finance Director, upon the approval of  
612 the purchaser, may cause to be issued and delivered to the purchaser one or more  
613 temporary Bonds of the same series with appropriate omissions, changes and additions.  
614 Any temporary Bond or Bonds shall be entitled and subject to the same benefits and  
615 provisions of this ordinance with respect to the payment, security and obligation thereof as  
616 definitive Bonds authorized thereby. Such temporary Bond or Bonds shall be  
617 exchangeable without cost to the owners thereof for definitive Bonds of the same series  
618 when the latter are ready for delivery.

619           SECTION 18. Preliminary Official Statement Declaration. The county  
620 authorizes and directs the Finance Director: (i) to review and approve the information  
621 contained in the preliminary official statement (the "Preliminary Official Statement")  
622 prepared in connection with the sale of each series of the Bonds; and (ii) for the sole  
623 purpose of the Bond purchasers' compliance with Section (b)(1) of the Rule, to "deem  
624 final" that Preliminary Official Statement as of its date, except for the omission of  
625 information on offering prices, interest rates, selling compensation, delivery dates, any  
626 other terms or provisions subject to final pricing, ratings, and other terms of the Bonds  
627 dependent on such matters and the identity of the Bond purchasers. After each  
628 Preliminary Official Statement has been reviewed and approved in accordance with the  
629 provisions of this section, the county hereby authorizes distribution of such Preliminary  
630 Official Statement to prospective purchasers of such series of Bonds.

631           SECTION 19. Approval of Official Statement. Following the sale of each  
632 series of the Bonds in accordance with Section 16 of this ordinance, the Finance Director

633 is hereby authorized to review and approve on behalf of the county a final official  
634 statement with respect to such series of Bonds. The county agrees to cooperate with the  
635 purchaser of each series of Bonds to deliver or cause to be delivered, within seven  
636 business days from the date of the Sale Motion (or within such other period as may be  
637 required by applicable law) and in sufficient time to accompany any confirmation that  
638 requests payment from any customer of the purchaser, copies of the final official  
639 statement pertaining to such Bonds in sufficient quantity to comply with paragraph (b)(4)  
640 of the Rule and the rules of the MSRB.

641 **SECTION 20. Undertaking to Provide Ongoing Disclosure.** In the Sale  
642 Motion, the county council will set forth an undertaking for ongoing disclosure with  
643 respect to the Bonds, as required by Section (b)(5) of the Rule.

644 **SECTION 21. General Authorization.** The appropriate county officials, agents  
645 and representatives are hereby authorized and directed to do everything necessary for the  
646 prompt sale, issuance, execution and delivery of the Bonds, and for the proper use and  
647 application of the proceeds of the sale thereof.

648 **SECTION 22. Refunding or Defeasance of the Bonds.** The county may issue  
649 refunding bonds pursuant to the laws of the State of Washington or use money available  
650 from any other lawful source to pay when due the principal of and interest on the Bonds,  
651 or any portion thereof included in a refunding or defeasance plan, and to redeem and  
652 retire, refund or defease all such then-outstanding Bonds (hereinafter collectively called  
653 the "defeased Bonds") and to pay the costs of the refunding or defeasance. If money  
654 and/or Government Obligations maturing at a time or times and bearing interest in  
655 amounts (together with money, if necessary) sufficient to redeem and retire, refund or

656 defease the defeased Bonds in accordance with their terms are set aside in a special trust  
657 fund or escrow account irrevocably pledged to that redemption, retirement or defeasance  
658 of defeased Bonds (hereinafter called the "trust account"), then all right and interest of the  
659 owners of the defeased Bonds in the covenants of this ordinance and in the funds and  
660 accounts obligated to the payment of the defeased Bonds shall cease and become void.  
661 The owners of defeased Bonds shall have the right to receive payment of the principal of  
662 and interest on the defeased Bonds from the trust account. The county shall include in  
663 the refunding or defeasance plan such provisions as the county deems necessary for the  
664 random selection of any defeased Bonds that constitute less than all of a particular  
665 maturity of the Bonds, for notice of the defeasance to be given to the owners of the  
666 defeased Bonds and to such other persons as the county shall determine, and for any  
667 required replacement of Bond certificates for defeased Bonds. The defeased Bonds shall  
668 be deemed no longer outstanding, and the county may apply any money in any other fund  
669 or account established for the payment or redemption of the defeased Bonds to any lawful  
670 purposes as it shall determine.

671           If the Bonds are registered in the name of DTC or its nominee, notice of any  
672 defeasance of Bonds shall be given to DTC in the manner prescribed in the Letter of  
673 Representations for notices of redemption of Bonds.

674           **SECTION 23. Contract; Severability.** The covenants contained in this  
675 ordinance shall constitute a contract between the county and the owners of each and  
676 every Bond. If any one or more of the covenants or agreements provided in this  
677 ordinance to be performed on the part of the county are deemed by any court of  
678 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement

679 or agreements, shall be null and void and shall be deemed separable from the remaining  
680 covenants and agreements of this ordinance and shall in no way affect the validity of the  
681 other provisions of this ordinance or of the Bonds.

682         SECTION 24. Complete Alternative. This ordinance shall be deemed to  
683 provide a complete, additional and alternative method for the performance of those  
684 subjects authorized hereby and shall be regarded as supplemental and additional to  
685 powers conferred by other county ordinances. Whenever Bonds are issued and sold in  
686 conformance with this ordinance, such issuance and sale need not comply with contrary

Ordinance 15781

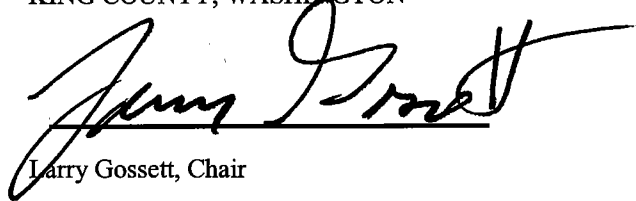
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687 requirements of any other county ordinance applicable to the issuance and sale of bonds  
688 or other obligations.  
689

Ordinance 15781 was introduced on 3/26/2007 and passed by the Metropolitan King County Council on 5/21/2007, by the following vote:

Yes: 7 - Mr. Gossett, Ms. Lambert, Mr. von Reichbauer, Mr. Dunn, Mr. Phillips, Ms. Hague and Mr. Constantine  
No: 0  
Excused: 2 - Ms. Patterson and Mr. Ferguson

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



Larry Gossett, Chair

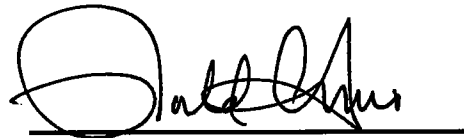
ATTEST:



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Anne Noris, Clerk of the Council

APPROVED this 31 day of May, 2007.



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Ron Sims, County Executive

Attachments None

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KING COUNTY COUNCIL