



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

December 13, 2010

Ordinance 16994

Proposed No. 2010-0525.1

Sponsors Patterson

1 AN ORDINANCE relating to contracting indebtedness;
2 providing for the issuance and sale of one or more series of
3 limited tax general obligation bonds and bond anticipation
4 notes of the county in the aggregate principal amount of not
5 to exceed \$150,000,000 outstanding at any time, for the
6 purpose of financing the Capital Improvement Program for
7 Solid Waste Facilities and the Solid Waste Transfer and
8 Waste Management Plan; providing for the form, terms,
9 covenants and other provisions of the bonds and notes;
10 providing for sale of the bonds and notes and the
11 disposition of the proceeds of sale; establishing funds for
12 the receipt and expenditure of bond and note proceeds and
13 for the payment of the bonds and notes; providing for the
14 annual budgeting and levy of taxes to pay the principal
15 thereof and interest thereon.

16 PREAMBLE:

17 The county has adopted a Capital Improvement Program that includes
18 improvements relating to Solid Waste Facilities, and has also adopted a
19 Solid Waste Transfer and Waste Management Plan. There are costs

20 involved with carrying out both of these capital programs, and the county
21 does not have sufficient funds readily available to accomplish the
22 programs.

23 It is deemed necessary and advisable that the county authorize the
24 issuance and sale of one or more series of its limited tax general obligation
25 bonds in an outstanding aggregate principal amount not to exceed
26 \$150,000,000 outstanding at any time, to provide funds to pay for the cost
27 of carrying out the Capital Improvement Program for Solid Waste
28 Facilities and the Solid Waste Transfer and Waste Management Plan.

29 It is also deemed necessary and advisable that the county authorize the
30 issuance of Bond Anticipation Notes and authorize the Finance Director to
31 negotiate and enter into contracts for the sale of such Notes and other
32 short-term obligations.

33 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

37 “Bond Register” means the registration books maintained by the Bond Registrar
38 for purposes of identifying ownership of the Obligations.

39 “Bond Registrar” means the fiscal agent of the State of Washington (as the same
40 may be designated by the State of Washington from time to time) for the purposes of
41 registering and authenticating the Obligations, maintaining the Bond Register, effecting

42 the transfer of ownership of the Obligations and paying interest on and principal and
43 premium, if any, of the Obligations.

44 “Bonds” means all or a portion of the King County, Washington, Limited Tax
45 General Obligation Bonds, [insert appropriate year and series designation], issued in an
46 aggregate principal amount of not to exceed \$150,000,000 pursuant to this ordinance.

47 “Capital Improvement Program for Solid Waste Facilities” or “Capital
48 Improvement Program” means the solid waste facilities component of the capital
49 improvement program of the county adopted from time to time by ordinance or motion of
50 the council.

51 “Code” means the Internal Revenue Code of 1986, as amended, together with
52 corresponding and applicable final, temporary or proposed regulations and revenue
53 rulings issued or amended with respect thereto by the United States Treasury Department
54 or the Internal Revenue Service, to the extent applicable to the Obligations.

55 “Commission” means the Securities and Exchange Commission.

56 “County” means King County, Washington.

57 “Council” means the Metropolitan King County Council.

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

59 “Finance Director” means the director of the county finance and business
60 operations division of the department of executive services of the county or any other
61 county officer who succeeds to the duties now delegated to that office, or the designee of
62 such officer.

63 “Government Obligations” means “government obligations” as defined in Chapter
64 39.53 RCW, as now in existence or hereafter amended.

65 “Letter of Representations” means the Blanket Issuer Letter of Representations
66 dated May 1, 1995, by and between the county and DTC.

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

69 “Notes” or “Bond Anticipation Notes” means the King County, Washington
70 Limited Tax General Obligation Bond Anticipation Notes [insert appropriate year and
71 Series designation] issued in an aggregate principal amount of not to exceed
72 \$150,000,000 pursuant to this ordinance.

73 “Obligations” means the Bonds and Notes.

74 “Rebate Amount” means the amount, if any, determined to be payable with
75 respect to the Obligations by the county to the United States of America in accordance
76 with Section 148(f) of the Code.

77 “RCW” means the Revised Code of Washington.

78 “Registered Owner” means any person or entity who shall be the registered owner
79 of any Obligation.

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

82 “Sale Motion” means, with respect to each series of the Obligations, the motion of
83 the council approving a bond purchase contract (if the Obligations are sold by negotiated
84 sale) or accepting a bid (if the Obligations are sold by competitive bid) for the purchase
85 of the Obligations and ratifying the sale of the Obligations all in accordance with Section
86 15 of this ordinance.

87 “Solid Waste Construction Fund” means the fund of that name which is further
88 designated as King County Fund Number 00-000-3901.

89 “Solid Waste Transfer Plan” means the Solid Waste Transfer and Waste
90 Management Plan as authorized by Ordinance 15979 of the county, as the same may be
91 amended or supplemented hereafter by ordinance or motion of the council.

92 “Solid Waste Facilities” or the “Facilities” means the solid waste facilities now or
93 hereafter acquired, constructed, used or operated by the county for the purpose of
94 carrying out the Capital Improvement Program.

95 “State” means the State of Washington.

96 “Tax-Advantaged Bonds” means the Bonds of any series to which the county
97 irrevocably elects to have Section 54AA of the Code apply or any other tax credit bond,
98 pursuant to the Code, and which is further designated as a “qualified bond” under Section
99 6431 of the Code, and with respect to which the county is eligible to receive a tax credit
100 subsidy payment.

101 “Tax-Exempt Obligations” means Obligations of any series, the interest on which
102 is intended on the date of issuance to be excluded from gross income for federal income
103 tax purposes.

104 “Term Obligations” means any Obligations identified as such in the Sale Motion
105 authorizing the issuance thereof, which Sale Motion requires that such Obligations be
106 purchased, redeemed, or paid prior to maturity in a schedule established thereby.

107 SECTION 2. Findings:

108 A. The council finds that it is in the best interest of the county and its
109 taxpayers to issue the Obligations, payable out of ad valorem tax revenues during any
110 fiscal period.

111 B. The council further finds that it is in the best interest of the county and its
112 taxpayers to authorize the Finance Director to issue and negotiate Bond Anticipation
113 Notes pending issuance of the Bonds.

114 SECTION 3. Purpose, Authorization and Description of Obligations.

115 A. Purpose and Authorization of the Obligations. The county authorizes the
116 issuance of the Obligations to provide part of the funds with which to carry out the
117 Capital Improvement Program for Solid Waste Facilities and the Solid Waste Transfer
118 Plan, to pay costs of interest during construction and to pay the costs of issuing the
119 Obligations. The Bonds are authorized to be issued in one or more series in an
120 outstanding aggregate principal amount that, together with the Notes outstanding, does
121 not exceed \$150,000,000.

122 B. Purpose and Authorization of Notes. In anticipation of the issuance of
123 Bonds, the county authorizes the issuance of Notes. The Notes may be issued in one or
124 more series in an aggregate principal amount, together with the Bonds outstanding, that
125 does not exceed \$150,000,000 outstanding at any time. The Notes shall be dated as of
126 the date of their issuance and shall not be outstanding, together with any other short-term
127 obligations issued to redeem the same, for longer than the time permitted by Chapter
128 39.50 RCW. The Notes may bear a fixed rate or rates or a variable rate or rates of
129 interest which may be based on a bank prime or the most recent prime rate of interest

130 published in the Wall Street Journal, but in any event shall not exceed a net effective
131 interest rate of twelve percent (12%) per annum.

132 C. Description. Each series of the Obligations shall be fully registered as to
133 both principal and interest, shall be in the denomination of \$5,000 or any integral
134 multiple thereof within a single maturity; shall be numbered separately in such manner
135 and with any additional designation as the Bond Registrar deems necessary for purposes
136 of identification; and shall be dated as of such date and shall mature on the dates, in the
137 years and the amounts established as provided in Section 15 of this ordinance.

138 The Obligations shall bear interest (computed on the basis of a 360-day year of
139 twelve 30-day months) from their date or from the most recent interest payment date for
140 which interest has been paid or duly provided for, whichever is later, payable on interest
141 payment dates and at the rate or rates to be established as provided in Section 15 of this
142 ordinance and ratified and confirmed by a Sale Motion.

143 The Obligations may be issued as Tax-Exempt Obligations, taxable obligations,
144 as Tax-Advantaged Bonds, or any combination thereof, all as set forth in a Sale Motion.

145 The Bonds shall be designated “King County, Washington, Limited Tax General
146 Obligation Bonds, [appropriate year and series designation].” The Notes shall be
147 designated “King County, Washington, Limited Tax General Obligation Bond
148 Anticipation Notes [appropriate year and series designation].”

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

150 A. Bond Registrar/Bond Register. In accordance with KCC 4.84, the county
151 adopts for the Obligations the system of registration specified and approved by the
152 Washington State Finance Committee, which utilizes the fiscal agent of the State of

153 Washington as registrar, authenticating agent, paying agent and transfer agent (the “Bond
154 Registrar”). The Bond Registrar shall keep, or cause to be kept, at its principal corporate
155 trust office, sufficient books for the registration and transfer of the Obligations (the
156 “Bond Register”), which shall be open to inspection by the county at all times. The Bond
157 Register shall contain the name and mailing address of the owner of each Obligation and
158 the principal amount and number of each of the Obligations held by each owner. The
159 Bond Registrar is authorized, on behalf of the county, to authenticate and deliver
160 Obligations transferred or exchanged in accordance with the provisions of the
161 Obligations and this ordinance, to serve as the county’s paying agent for the Obligations
162 and to carry out all of the Bond Registrar’s powers and duties under this ordinance.

163 The Bond Registrar shall be responsible for its representations contained in the
164 Bond Registrar’s Certificate of Authentication on the Obligations. The Bond Registrar
165 may become the Registered Owner of Obligations with the same rights it would have if it
166 were not the Bond Registrar and, to the extent permitted by law, may act as depository
167 for and permit any of its officers or directors to act as members of, or in any other
168 capacity with respect to, any committee formed to protect the rights of Registered
169 Owners.

170 B. Registered Ownership. The Obligations shall be issued only in registered
171 form as to both principal and interest and shall be recorded on the Bond Register. The
172 county and the Bond Registrar, each in its discretion, may deem and treat the Registered
173 Owner of each Obligation as the absolute owner thereof for all purposes, and neither the
174 county nor the Bond Registrar shall be affected by any notice to the contrary. Payment of
175 any such Obligation shall be made as described in Section 4.E. of this ordinance, but such

176 registration may be transferred as provided herein. All such payments made as described
177 in Section 4.E. of this ordinance shall be valid and shall satisfy and discharge the liability
178 of the county upon such Obligation to the extent of the amount or amounts so paid.

179 C. Use of Depository. The Obligations initially shall be registered in the
180 name of Cede & Co., as the nominee of DTC. The Obligations so registered shall be held
181 in fully immobilized form by DTC as depository in accordance with the provisions of the
182 Letter of Representations. Neither the county nor the Bond Registrar shall have any
183 responsibility or obligation to DTC participants or the persons for whom they act as
184 nominees with respect to the Obligations regarding accuracy of any records maintained
185 by DTC or DTC participants, the payment by DTC or any DTC participants of any
186 amount in respect of principal or redemption price of or interest on the Obligations, any
187 notice which is permitted or required to be given to registered owners hereunder (except
188 such notice as is required to be given by the Bond Registrar to DTC).

189 For as long as the Obligations are held in fully immobilized form, DTC, its
190 nominee or its successor depository shall be deemed to be the Registered Owner for all
191 purposes hereunder and all references to registered owners, bondowners, bondholders or
192 the like shall mean DTC or its nominee and, except for the purpose of the county's
193 undertaking herein to provide continuing disclosure, shall not mean the owners of any
194 beneficial interests in such Obligations. Registered ownership of such Obligations, or
195 any portions thereof, may not thereafter be transferred except: (i) to any successor of
196 DTC or its nominee, if that successor shall be qualified under any applicable laws to
197 provide the services proposed to be provided by it; (ii) to any substitute depository

198 appointed by the Finance Director or such substitute depository's successor; or (iii) to
199 any person if the Obligations are no longer held in immobilized form.

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

206 If (i) DTC or its successor (or substitute depository or its successor) resigns from
207 its functions as depository, and no substitute depository can be obtained, or (ii) the county
208 determines that the Obligations of any series are to be in certificated form, the ownership
209 of those Obligations may be transferred to any person as provided herein and those
210 Obligations no longer shall be held in fully immobilized form.

211 D. Registration Covenant. The county covenants that, until all Obligations
212 have been surrendered and canceled, it will maintain a system for recording the
213 ownership of each Obligation that complies with the provisions of Section 149 of the
214 Code.

215 E. Place and Medium of Payment. Both principal of and interest on the
216 Obligations shall be payable in lawful money of the United States of America. For so
217 long as the Obligations of any series are in fully immobilized form, payments of principal
218 and interest thereon shall be made as provided in accordance with the operational
219 arrangements of DTC referred to in the Letter of Representations. If the Obligations of
220 any series are no longer in fully immobilized form, interest on those Obligations shall be

221 paid by checks or drafts of the Bond Registrar mailed on the interest payment date to the
222 Registered Owners at the addresses appearing on the Bond Register on the 15th day of
223 the month preceding the interest payment date or, if requested in writing by a Registered
224 Owner of \$1,000,000 or more in principal amount of such Obligations prior to the
225 applicable record date, by wire transfer on the interest payment date. Principal of the
226 Obligations shall be payable upon presentation and surrender of the Obligations by the
227 Registered Owners to the Bond Registrar.

228 F. Transfer or Exchange of Registered Ownership; Change in
229 Denominations. The registered ownership of any Obligation may be transferred or
230 exchanged, but no transfer of any Obligation shall be valid unless it is surrendered to the
231 Bond Registrar with the assignment form appearing on such Obligation duly executed by
232 the Registered Owner or such Registered Owner's duly authorized agent in a manner
233 satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel
234 the surrendered Obligation and shall authenticate and deliver, without charge to the
235 Registered Owner or transferee therefor, a new Obligation (or Obligations at the option of
236 the new Registered Owner) of the same series, date, maturity and interest rate and for the
237 same aggregate principal amount in any authorized denomination, naming as Registered
238 Owner the person or persons listed as the assignee on the assignment form appearing on
239 the surrendered Obligation, in exchange for such surrendered and cancelled Obligation.
240 Any Obligation may be surrendered to the Bond Registrar and exchanged, without
241 charge, for an equal aggregate principal amount of Obligations of the same series, date,
242 maturity and interest rate, in any authorized denomination. The Bond Registrar shall not
243 be obligated to exchange or transfer any Obligation during the 15 days preceding any

244 principal payment or redemption date, or, in the case of any proposed redemption of the
245 Obligations, after the mailing of notice of the call of such Obligations for redemption.

246 **SECTION 5. Redemption Provisions; Open Market Purchase of Obligations.**

247 **A. Optional Redemption.** All or some of the Obligations may be subject to
248 redemption prior to their stated maturity dates at the option of the county at the times and
249 on the terms set forth in the Sale Motion.

250 **B. Mandatory Redemption.** The county shall redeem any Term Obligations,
251 if not redeemed under the optional redemption provisions set forth in the current Sale
252 Motion or purchased under the provisions set forth herein, randomly (or in such other
253 manner as set forth in the applicable Sale Motion or as the Bond Registrar shall
254 determine) at par plus accrued interest on the dates and in the years and principal
255 amounts as set forth in the Sale Motion.

256 If the county redeems Term Obligations under the optional redemption provisions
257 set forth in the Sale Motion or purchases Term Obligations, the Term Obligations so
258 redeemed or purchased (irrespective of their redemption or purchase prices) shall, unless
259 otherwise provided in the Sale Motion, be credited against one or more scheduled
260 mandatory redemption amounts for those Term Obligations. The county shall determine
261 the manner in which the credit is to be allocated and shall notify the Bond Registrar in
262 writing of its allocation at least 60 days prior to the earliest mandatory redemption date
263 for that maturity of Term Obligations for which notice of redemption has not already
264 been given.

265 **C. Partial Redemption.** Whenever less than all of the Obligations of a single
266 maturity of a series are to be redeemed, the Bond Registrar shall select the Obligations or

267 portions thereof to be redeemed from the Obligations of that maturity randomly, or in
268 such other manner set forth in the current Sale Motion or as the Bond Registrar shall
269 determine, except that, for so long as the Obligations are registered in the name of DTC
270 or its nominee, DTC shall select the Obligations or portions thereof to be redeemed in
271 accordance with the relevant Letter of Representations.

272 Portions of the principal amount of any Obligation, in integral amounts of \$5,000,
273 may be redeemed, unless otherwise provided in the Sale Motion. If less than all of the
274 principal amount of any Obligation is redeemed, upon surrender of that Obligation to the
275 Bond Registrar, there shall be issued to the Registered Owner, without charge therefore, a
276 new Obligation (or Obligations, at the option of the Registered Owner) of the same
277 series, maturity, and interest rate in any of the denominations authorized by the
278 applicable Sale Motion in the aggregate total principal amount remaining unredeemed.

279 Notwithstanding the foregoing, for as long as the Obligations are registered in the
280 name of DTC or its nominee, selection of Obligations for redemption shall be in
281 accordance with the Letter of Representations.

282 D. Purchase. The county reserves the right and option to purchase any or all
283 of the Obligations at any time at any price acceptable to the county plus accrued interest
284 to the date of purchase.

285 E. Obligations to be Canceled. All Obligations purchased or redeemed under
286 this Section shall be canceled.

287 **SECTION 6. Notice and Effect of Redemption.** While the Obligations are held
288 by DTC in book-entry only form, any notice of redemption shall be given at the time, to
289 the entity and in the manner required by DTC in accordance with the Letter of

290 Representations, and the Bond Registrar shall not be required to give any other notice of
291 redemption. If the Obligations cease to be in book-entry only form, the county shall
292 cause notice of any intended redemption of Obligations to be given by the Bond Registrar
293 not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class
294 mail, postage prepaid, to the registered owner of any Obligation to be redeemed at the
295 address appearing on the Bond Register at the time the Bond Registrar prepares the
296 notice, and the requirements of this sentence shall be deemed to have been fulfilled when
297 notice has been mailed as so provided, whether or not it is actually received by the owner
298 of any Obligation.

299 In the case of an optional redemption, the notice may state that the county retains
300 the right to rescind the redemption notice and the related optional redemption of
301 Obligations by giving a notice of rescission to the affected registered owners at any time
302 prior to the scheduled optional redemption date. Any notice of optional redemption that
303 is so rescinded shall be of no effect, and the Obligations for which the notice of optional
304 redemption has been rescinded shall remain outstanding.

305 Interest on the Obligations called for redemption shall cease to accrue on the date
306 fixed for redemption unless the Obligation or Obligations called are not redeemed when
307 presented pursuant to the call. In addition, the redemption notice shall be mailed within
308 the same period, postage prepaid, to the MSRB, to any nationally recognized rating
309 agency which at the time maintains a rating on the Obligations at the request of the
310 county, and to such other persons and with such additional information as the county's
311 Finance Director shall determine, but these additional mailings shall not be a condition
312 precedent to the redemption of Obligations.

336 Authorized Signer

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

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

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

357 In case the Obligations or any of them shall be lost, stolen or destroyed, the Bond
358 Registrar may authenticate and deliver a new Obligation or Obligations of like amount,

359 date, series, interest rate and tenor to the Registered Owner thereof upon the owner's
360 paying the expenses and charges of the county and the Bond Registrar in connection
361 therewith and upon his/her filing with the Bond Registrar evidence satisfactory to the
362 Bond Registrar that such Obligation or Obligations were actually lost, stolen or destroyed
363 and of his/her ownership thereof, and upon furnishing the county and the Bond Registrar
364 with indemnity satisfactory to the Finance Director and the Bond Registrar.

365 **SECTION 10. Bond Fund.**

366 A. **Bond Fund and Accounts Therein.** There previously has been created in
367 the county treasury a fund known as the "Limited Tax General Obligation Bond
368 Redemption Fund." Except as provided in subsection C. of this Section 10, all money
369 credited to the Bond Fund is pledged and ordered to be used for the sole purpose of
370 paying the principal of and interest and any premium on the Obligations. The Finance
371 Director shall have authority to create one or more accounts or sub-funds within the Bond
372 Fund as he or she deems necessary with respect to the obligations.

373 B. **Payments to the Bond Registrar; Investments.** Money on deposit in the
374 Bond Fund shall be transmitted to the Bond Registrar at such times and in such amounts
375 as shall be necessary to pay when due the principal of and interest and premium, if any,
376 on the Obligations. Money in the Bond Fund shall be invested in any legal investments
377 of the county maturing in such amounts and at such times as the Finance Director may
378 determine so that payments required to be made from the Bond Fund may be made when
379 due.

380 C. Using Bond Fund Money to Pay Rebate. Notwithstanding any provisions
381 of this ordinance regarding the use of money deposited in the Bond Fund, such money
382 may be withdrawn from the Bond Fund as necessary to pay the Rebate Amount.

383 **SECTION 11. Pledge of General Taxation and Credit.** For so long as any of
384 the Obligations is outstanding, the county irrevocably pledges to include in its budget and
385 levy taxes annually within the constitutional and statutory tax limitations provided by law
386 without a vote of the electors of the county on all of the taxable property within the
387 county in an amount sufficient, together with other money legally available and to be
388 used therefore, to pay when due the principal of and interest on the Obligations, and the
389 full faith, credit, and resources of the county are pledged irrevocably for the annual levy
390 and collection of those taxes and the prompt payment of that principal and interest.

391 **SECTION 12. Covenants and Warranties.** The county makes the following
392 covenants and warranties:

393 A. The county has full legal right power and authority to adopt this
394 ordinance, to sell, issue and deliver the Obligations as provided herein, and to carry out
395 and consummate all other transactions contemplated by this ordinance.

396 B. By all necessary official action prior to or concurrently herewith, the
397 county has duly authorized and approved the execution and delivery of, and the
398 performance by the county of its obligations contained in, the Obligations and in this
399 ordinance and the consummation by it of all other transactions necessary to effectuate
400 this ordinance in connection with the issuance of the Obligations, and such authorizations
401 and approvals are in full force and effect and have not been amended, modified or
402 supplemented in material respect.

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

405 D. The Obligations, when issued, sold, authenticated and delivered will
406 constitute the legal, valid and binding general obligations of the county.

407 E. The adoption of this ordinance, and compliance on the county's part with
408 the provisions contained herein, will not conflict with or constitute a breach of or default
409 under any constitutional provisions, law, administrative regulation, judgment, decree,
410 loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement or other
411 instrument to which the county is a party or to which the county or any of its property or
412 assets are otherwise subject, nor will any such adoption, execution, delivery, sale,
413 issuance or compliance result in the creation or imposition of any lien, charge or other
414 security interest or encumbrance of any nature whatsoever upon any of the property or
415 assets of the county or under the terms of any such law, regulation or instrument, except
416 as may be provided by the Obligations and this ordinance.

417 F. The county finds and covenants that the Obligations are issued within all
418 statutory and constitutional debt limitations applicable to the county.

419 G. None of the proceeds of the Obligations will be used for any purpose other
420 than as provided in this ordinance, and the county shall not suffer any amendment or
421 supplement to this ordinance, or any departure from the due performance of the
422 obligations of the county hereunder, which might materially adversely affect the rights of
423 the owners from time to time of the Obligations.

424 SECTION 13. Tax Matters. The county covenants that it will take all actions
425 necessary to prevent interest on the Tax-Exempt Obligations from being included in gross

426 income for federal income tax purposes, and it will neither take any action nor make or
427 permit any use of proceeds of the Tax-Exempt Obligations or other funds of the county
428 treated as proceeds of the Tax-Exempt Obligations at any time during the term of the
429 Tax-Exempt Obligations which will cause interest on the Tax-Exempt Obligations to be
430 included in gross income for federal income tax purposes. The county also covenants
431 that it will, to the extent the arbitrage rebate requirement of Section 148 of the Code is
432 applicable to the Tax-Exempt Obligations, take all actions necessary to comply (or to be
433 treated as having complied) with that requirement in connection with the Tax-Exempt
434 Obligations, including the calculation and payment of any penalties that the county has
435 elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any
436 other penalties if required under Section 148 of the Code to prevent interest on the Tax-
437 Exempt Obligations from being included in gross income for federal income tax
438 purposes.

439 Without limiting the generality of the foregoing, the County will comply with the
440 provisions of the Code that if complied with would result in the interest on Tax-
441 Advantaged Bonds that are build America bonds being excluded from gross income for
442 federal tax purposes but for the County's irrevocable election to have Section 54AA of
443 the Code apply to such Bonds.

444 **SECTION 14. Disposition of Proceeds of Obligations.** The proceeds of the
445 Obligations shall be deposited as follows:

446 A. The amount equal to any interest accruing on the Obligations from their
447 dated date to the date of their Closing shall be deposited in the Interest Account in the
448 Bond Fund.

449 B. The amount necessary to redeem outstanding Obligations designated for
450 redemption shall be deposited in the appropriate account or accounts of the Bond Fund
451 (as determined by the Finance Director).

452 C. The balance of the proceeds of the Obligations shall be deposited in the
453 Solid Waste Construction Fund and used to pay all or a portion of the Solid Waste
454 Facilities Comprehensive Plan, including the costs of issuance of the Obligations.

455 **SECTION 15. Sale of Obligations.**

456 A. Determination by Finance Director. The Finance Director shall determine,
457 in consultation with the county's financial advisors, whether the Obligations shall be sold
458 by negotiated sale or by competitive bid. The authority to issue any of the Obligations
459 authorized hereunder shall terminate two years from the effective date of this ordinance.

460 B. Procedure for Negotiated Sale. If the Finance Director determines that
461 any series of the Obligations should be sold by negotiated sale, the Finance Director
462 shall, in accordance with applicable county procurement procedures, solicit one or more
463 underwriting firms with which to negotiate the sale of those Obligations. The purchase
464 contract for each series of the Obligations shall establish the year and series designation,
465 date, principal amount, interest payment dates, interest rates, maturity schedule and
466 redemption provisions of such series of Obligations, so long as the aggregate principal
467 amount of all Obligations outstanding following the issuance of such series of
468 Obligations does not exceed \$150,000,000. The bond purchase contract shall not be
469 ratified and approved unless and until the terms of the series of Obligations established
470 thereby have been ratified and approved by a Sale Motion.

471 C. Procedure for Sale by Competitive Bid. If the Finance Director
472 determines that any series of the Obligations should be sold by competitive bid, bids for
473 the purchase of each series of the Obligations shall be received at such time or place and
474 by such means as the Finance Director shall direct. The Finance Director is authorized to
475 prepare an official notice of bond sale for each series of the Obligations to be sold
476 pursuant to competitive bid, establishing in such notice the year and series designation,
477 date, principal amount, interest payment dates, maturity schedule and redemption
478 provisions of such Obligations, so long as the aggregate principal amount of all
479 Obligations outstanding following the issuance of such series of Obligations does not
480 exceed \$150,000,000. The official notice of bond sale or an abridged form thereof shall
481 be published in such newspapers or financial journals as may be deemed desirable or
482 appropriate by the financial advisors to the county, if any.

483 Upon the date and time established for the receipt of bids for a series of the
484 Obligations, the Finance Director or his designee shall open the bids, shall cause the bids
485 to be mathematically verified and shall report to the county council regarding the bids
486 received. Such bids shall then be considered and acted upon by the county council
487 through a Sale Motion. The county council reserves the right to reject any and all bids
488 for any series of the Obligations.

489 SECTION 16. Delivery of Obligations. Following the sale of each series of the
490 Obligations, the county shall cause definitive Obligations of such series to be prepared,
491 executed and delivered to the purchaser thereof in accordance with the provisions of this
492 ordinance, with the approving legal opinion of municipal bond counsel regarding the
493 Obligations.

494 **SECTION 17. Preliminary Official Statement Declaration.** The county
495 authorizes and directs the Finance Director: (i) to review and approve the information
496 contained in one or more preliminary official statements (the “Preliminary Official
497 Statement”) prepared in connection with the sale of each series of the Obligations; and
498 (ii) for the sole purpose of the Obligation purchasers’ compliance with Section (b)(1) of
499 the Rule, to “deem final” that Preliminary Official Statement as of its date, except for the
500 omission of information on offering prices, interest rates, selling compensation, delivery
501 dates, any other terms or provisions subject to final pricing, ratings, and other terms of
502 the Obligations dependent on such matters. After each Preliminary Official Statement
503 has been reviewed and approved in accordance with the provisions of this section, the
504 county hereby authorizes distribution of such Preliminary Official Statement to
505 prospective purchasers of such series of Obligations.

506 **SECTION 18. Approval of Official Statement.** Following the sale of each
507 series of the Obligations in accordance with Section 15 of this ordinance, the Finance
508 Director is hereby authorized to review and approve on behalf of the county each final
509 official statement with respect to such series of Obligations. The county agrees to
510 cooperate with the purchaser of each series of Obligations to deliver or cause to be
511 delivered, within seven business days from the date of the Sale Motion (or within such
512 other period as may be required by applicable law) and in sufficient time to accompany
513 any confirmation that requests payment from any customer of the purchaser, copies of the
514 final official statement pertaining to such Obligations in sufficient quantity to comply
515 with paragraph (b)(4) of the Rule and the rules of the MSRB.

516 **SECTION 19. Undertaking to Provide Ongoing Disclosure.** In each Sale
517 Motion, the county council will set forth an undertaking for ongoing disclosure with
518 respect to the Obligations, as required by Section (b)(5) of the Rule.

519 **SECTION 20. General Authorization.** The appropriate county officials, agents
520 and representatives are hereby authorized and directed to do everything necessary for the
521 prompt sale, issuance, execution and delivery of the Obligations, and for the proper use
522 and application of the proceeds of the sale thereof.

523 **SECTION 21. Refunding or Defeasance of the Obligations.** The county may
524 issue refunding obligations pursuant to the laws of the State of Washington or use money
525 available from any other lawful source to pay when due the principal of and interest on
526 the Obligations, or any portion thereof included in a refunding or defeasance plan, and to
527 redeem and retire, refund or defease all such then-outstanding Obligations (hereinafter
528 collectively called the “defeased Obligations”) and to pay the costs of the refunding or
529 defeasance. If money and/or Government Obligations maturing at a time or times and
530 bearing interest in amounts (together with money, if necessary) sufficient to redeem and
531 retire, refund or defease the defeased Obligations in accordance with their terms are set
532 aside in a special trust fund or escrow account irrevocably pledged to that redemption,
533 retirement or defeasance of defeased Obligations (hereinafter called the “trust account”),
534 then all right and interest of the owners of the defeased Obligations in the covenants of
535 this ordinance and in the funds and accounts obligated to the payment of the defeased
536 Obligations shall cease and become void. The owners of defeased Obligations shall have
537 the right to receive payment of the principal of and interest on the defeased Obligations
538 from the trust account. The county shall include in the refunding or defeasance plan such

539 provisions as the county deems necessary for the random selection of any defeased
540 Obligations that constitute less than all of a particular maturity of the Obligations, for
541 notice of the defeasance to be given to the owners of the defeased Obligations and to such
542 other persons as the county shall determine, and for any required replacement of Bond or
543 Note certificates for defeased Obligations. The defeased Obligations shall be deemed no
544 longer outstanding, and the county may apply any money in any other fund or account
545 established for the payment or redemption of the defeased Obligations to any lawful
546 purposes as it shall determine.

547 If the Obligations are registered in the name of DTC or its nominee, notice of any
548 defeasance of Obligations shall be given to DTC in the manner prescribed in the Letter of
549 Representations for notices of redemption of Obligations.

550 SECTION 22. Supplemental Ordinances. The county council from time to
551 time and at any time may adopt an ordinance or ordinances supplemental to this
552 ordinance which supplemental ordinance or ordinances thereafter shall become a part of
553 this ordinance, for any one or more of the following purposes:

554 A. To add to the covenants and agreements of the county in this ordinance
555 such other covenants and agreements thereafter to be observed, or to surrender any right
556 or power herein reserved to or conferred upon the county.

557 B. To make such provisions for the purpose of curing any ambiguities or of
558 curing, correcting or supplementing any defective provision contained in this ordinance
559 in regard to matters or questions arising under such ordinances as the county council may
560 deem necessary or desirable and not inconsistent with such ordinances.

561 **SECTION 23. Contract; Severability.** The covenants contained in this
562 ordinance shall constitute a contract between the county and the owners of each and
563 every Obligation. If any one or more of the covenants or agreements provided in this
564 ordinance to be performed on the part of the county are deemed by any court of
565 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement
566 or agreements, shall be null and void and shall be deemed separable from the remaining
567 covenants and agreements of this ordinance and shall in no way affect the validity of the
568 other provisions of this ordinance or of the Obligations.

569 **SECTION 24. Complete Alternative.** This ordinance shall be deemed to
570 provide a complete, additional and alternative method for the performance of those
571 subjects authorized hereby and shall be regarded as supplemental and additional to
572 powers conferred by other county ordinances. Whenever Obligations are issued and sold
573 in conformance with this ordinance, such issuance and sale need not comply with

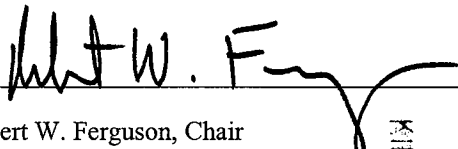
574 contrary requirements of any other county ordinance applicable to the issuance and sale
575 of bonds or other obligations.

576

Ordinance 16994 was introduced on 10/18/2010 and passed by the Metropolitan King County Council on 12/13/2010, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Patterson, Ms. Lambert, Mr. Ferguson, Mr. Dunn and Mr.
McDermott
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Robert W. Ferguson, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 16 day of DEC, 2010.



Dow Constantine, County Executive

Attachments: None

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KING COUNTY COUNCIL