



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**September 27, 2016**

**Ordinance 18376**

**Proposed No. 2016-0268.1**

**Sponsors Upthegrove**

1 AN ORDINANCE relating to contracting indebtedness;  
2 authorizing the issuance and public sale of one or more  
3 series of limited tax general obligation refunding bonds of  
4 the county for the purpose of paying all or part of the cost  
5 of refunding limited tax general obligation bonds of the  
6 county and the costs of issuing the refunding bonds;  
7 providing for the terms, covenants and manner of sale of  
8 the bonds; providing for the disposition of the proceeds of  
9 the sale of the bonds; establishing funds for the receipt and  
10 expenditure of bond proceeds and for the payment of the  
11 bonds; and pledging the annual levy of taxes to pay the  
12 principal thereof and interest thereon.

13 PREAMBLE:

14 The county has issued outstanding limited tax general obligation bonds of  
15 the county.

16 The county may have opportunities to refund all or portions of such  
17 outstanding limited tax general obligation bonds and/or any limited tax  
general obligation bonds issued in the future either to effect a savings to  
county or when necessary or in the best interest of the county to

20 modify debt service requirements, sources of payment, covenants or other  
21 terms of the bonds to be refunded.

22 It is deemed necessary and advisable that the county authorize the  
23 issuance and sale of one or more series of its limited tax general obligation  
24 refunding bonds for such refunding opportunities, as provided in this  
25 ordinance.

26 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

30 "Bond Account" means, with respect to each Series of Bonds, the bond  
31 redemption account established therefor pursuant to section 13 of this ordinance.

32 "Bonds" means the limited tax general obligation bonds of the county authorized  
33 to be issued in one or more Series by this ordinance to refund the Refunded Bonds and to  
34 pay Bond issuance costs. Each Series of Bonds may be issued as Tax-Exempt Bonds or  
35 Taxable Bonds, as provided in this ordinance.

36 "Code" means the federal Internal Revenue Code of 1986, as amended, together  
37 with corresponding and applicable final, temporary or proposed regulations and revenue  
38 rulings issued or amended with respect thereto by the United States Treasury Department  
39 or the Internal Revenue Service.

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

41 "Escrow Agent" means each corporate trustee chosen pursuant to the provisions  
42 of section 14 of this ordinance to serve as escrow agent in connection with the refunding  
43 of the Refunded Bonds upon the issuance of any Series of Bonds.

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

47 "Government Obligations" means "government obligations," as defined in chapter  
48 39.53 RCW, as now in existence or amended from time to time.

49 "Letter of Representations" means the Blanket Issuer Letter of Representations,  
50 dated May 1, 1995, from the county to DTC, as it may be amended from time to time.

51 "Official Notice of Bond Sale" means, with respect to each Series of Bonds sold  
52 by competitive bid, the official notice of sale therefor prepared pursuant to section 9 of  
53 this ordinance.

54 "RCW" means the Revised Code of Washington.

55 "Record Date" for an interest or principal payment date or for a maturity date  
56 means the 15th day of the calendar month next preceding that date.

57 "Refunded Bonds" means, for each Series of Bonds, the Refunding Candidates  
58 that will be refunded from proceeds of that Series of Bonds, as identified in the related  
59 Sale Motion.

60 "Refunding Account" means any account authorized to be created pursuant to  
61 section 14 of this ordinance to provide for the refunding of any Refunded Bonds.

62 "Refunding Candidates" means any limited tax general obligation bonds of the  
63 county, whether currently outstanding or issued after the effective date of this ordinance,  
64 including any Series of Bonds issued under this ordinance.

65 "Register" means the registration books maintained by the Registrar for purposes  
66 of identifying ownership of the Bonds.

67 "Registrar" means the fiscal agent of the State appointed from time to time by the  
68 Washington State Finance Committee pursuant to chapter 43.80 RCW, serving as the  
69 registrar, authenticating agent, paying agent and transfer agent for the Bonds.

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

72 "Sale Motion" means, with respect to each Series of the Bonds, the motion of the  
73 county council accepting a bid (if that Series of Bonds is sold by competitive bid) or  
74 approving a bond purchase contract (if that Series of Bonds is sold by negotiated sale) for  
75 the purchase of the Bonds, establishing the terms for that Series of Bonds, identifying the  
76 related Refunded Bonds and establishing the refunding plan therefor, all in accordance  
77 with section 9 of this ordinance.

78 "Series" or "Series of Bonds" means a series of Bonds issued pursuant to this  
79 ordinance.

80 "State" means the State of Washington.

81 "Taxable Bonds" means the Bonds of any Series determined to be structured on a  
82 taxable basis pursuant to section 9 of this ordinance.

83 "Tax-Exempt Bonds" means the Bonds of any Series determined to be structured  
84 on a tax-exempt basis pursuant to section 9 of this ordinance.

85           SECTION 2. Findings. Because conditions in the capital markets are volatile,  
86 the county council finds that it is in the best interests of the county that the county retain  
87 the flexibility to refund all or a portion of the Refunding Candidates by issuing the Bonds  
88 in one or more Series in order to effect a savings to the county or when necessary or in  
89 the best interest of the county to modify debt service requirements, sources of payment,  
90 covenants or other terms of the Refunded Bonds. To achieve this flexibility, the county  
91 council further finds that it is in the best interests of the county that the sale of Bonds in  
92 one or more Series for such purposes, as Tax-Exempt Bonds or Taxable Bonds, by  
93 competitive bid or negotiated sale, for current or future delivery, and the identification of  
94 the Refunding Candidates proposed to be refunded be determined by the Finance  
95 Director, in consultation with the county's financial advisors. Such terms, the sale of  
96 each Series of Bonds and the related refunding plan shall be approved, ratified and  
97 established by the county council in a Sale Motion.

98           SECTION 3. Purpose, Authorization and Description of Bonds.

99           A. Purpose and Authorization of Bonds. The county authorizes the issuance of  
100 one or more Series of Bonds to refund the Refunded Bonds and to pay Bond issuance  
101 costs.

102           B. Description of Bonds. Each Series of Bonds will be designated "King County,  
103 Washington, Limited Tax General Obligation Refunding Bonds," with the year and any  
104 applicable series designation, all as established by the related Sale Motion. Each Series  
105 of Bonds will be dated as of such date, will mature on the date or dates in each of the  
106 years and in the principal amounts, will bear interest (computed on the basis of a 360-day  
107 year of twelve 30-day months) from their date or the most recent interest payment date to

108 which interest has been paid or duly provided for, whichever is later, at the rates and  
109 payable on such dates, will be subject to redemption and/or purchase prior to maturity in  
110 the amounts, in the manner and at the prices, and will be subject to such other terms and  
111 provisions as the county council will establish by the related Sale Motion. Each Series of  
112 Bonds will be fully registered as to both principal and interest, will be in the  
113 denomination of \$5,000 each or any integral multiple thereof (but no Bond shall represent  
114 more than one maturity within a Series), and will be numbered separately in such manner  
115 and with any additional designation as the Registrar deems necessary for purposes of  
116 identification.

117 C. Initial Immobilization of Bonds; Depository Provisions.

118 1. The Bonds of each Series will initially be held in fully immobilized form by  
119 DTC acting as depository pursuant to the terms and conditions set forth in the Letter of  
120 Representations. Neither the county nor the Registrar will have any responsibility or  
121 obligation to DTC participants or the persons for whom they act as nominees with respect  
122 to such Bonds with respect to the accuracy of any records maintained by DTC or any  
123 DTC participant, the payment by DTC or any DTC participant of any principal or  
124 redemption price of or interest on such Bonds, any notice that is permitted or required to  
125 be given to registered owners under this ordinance (except such notice as is required to be  
126 given by the county to the Registrar or to DTC), the selection by DTC or any DTC  
127 participant of any person to receive payment in the event of a partial redemption of such  
128 Bonds or any consent given or other action taken by DTC as registered owner of such  
129 Bonds.

130           2. The Bonds of each Series will initially be issued in denominations equal to  
131 the aggregate principal amount of each maturity and will initially be registered in the  
132 name of Cede & Co., as the nominee of DTC. Such Bonds so registered will be held in  
133 fully immobilized form by DTC as depository. For so long as any such Bonds are held in  
134 fully immobilized form, DTC, its successor or any substitute depository appointed by the  
135 county, as applicable, will be deemed to be the registered owner for all purposes  
136 hereunder and all references to registered owners, bondowners, bondholders or owners  
137 will mean DTC or its nominees and will not mean the owners of any beneficial interests  
138 in the Bonds. Registered ownership of such Bonds, or any portions thereof, may not  
139 thereafter be transferred except:

140           a. to any successor of DTC or its nominee, if that successor will be qualified  
141 under any applicable laws to provide the services proposed to be provided by it;

142           b. to any substitute depository appointed by the county pursuant to this  
143 subsection or such substitute depository's successor; or

144           c. to any person as herein provided if such Bonds are no longer held in  
145 immobilized form.

146           3. Upon the resignation of DTC or its successor (or any substitute depository or  
147 its successor) from its functions as depository, or a determination by the county that it is  
148 no longer in the best interests of beneficial owners of such Bonds to continue the system  
149 of book entry transfers through DTC or its successor (or any substitute depository or its  
150 successor), the county may appoint a substitute depository. Any such substitute  
151 depository will be qualified under any applicable laws to provide the services proposed to  
152 be provided by it.

153           4. In the case of any transfer pursuant to subsection C.2.a. or b. of this section,  
154 the Registrar, upon receipt of all outstanding Bonds of such Series together with a written  
155 request of the county, will issue a single new Bond certificate for each maturity of Bonds  
156 of such Series then outstanding, registered in the name of such successor or such  
157 substitute depository, or its nominees, as the case may be, all as specified in such written  
158 request of the county.

159           5. In the event that DTC or its successor (or substitute depository or its  
160 successor) resigns from its functions as depository, and no substitute depository can be  
161 obtained; or the county determines that it is in the best interests of the beneficial owners  
162 of the Bonds of any Series that they be able to obtain Bond certificates, the ownership of  
163 such Bonds may be transferred to any person as herein provided, and such Bonds will no  
164 longer be held in fully immobilized form. The county will deliver a written request to the  
165 Registrar, together with a supply of physical Bonds of such Series, to issue Bonds of such  
166 Series as herein provided in any authorized denomination. Upon receipt of all then  
167 outstanding Bonds of any Series by the Registrar, together with a written request of the  
168 county to the Registrar, new Bonds of such Series will be issued in such denominations  
169 and registered in the names of such persons as are requested in such written request.

170           D. Registration, Transfer and Exchange. The county hereby adopts for the Bonds  
171 the system of registration specified and approved by the Washington State Finance  
172 Committee. The Registrar will keep, or cause to be kept, at its principal corporate trust  
173 office, the Register, which will at all times be open to inspection by the county. The  
174 Register will contain the name and mailing address of the owner (or nominee thereof) of  
175 each Bond, and the principal amount and number of Bonds held by each owner or



176 nominee. The Registrar is authorized, on behalf of the county, to authenticate and deliver  
177 Bonds transferred or exchanged for other Bonds in accordance with the provisions  
178 thereof and this ordinance, and to carry out all of the Registrar's powers and duties under  
179 this ordinance.

180         The Registrar will be responsible for its representations contained in the  
181 Certificate of Authentication on the Bonds. The Registrar may become the owner of  
182 Bonds with the same rights it would have if it were not the Registrar, and to the extent  
183 permitted by law may act as depository for and permit any of its officers or directors to  
184 act as a member of, or in any other capacity with respect to, any committee formed to  
185 protect the rights of Bond owners.

186         Upon surrender thereof to the Registrar, the Bonds of each Series are  
187 exchangeable for other Bonds of the same Series, maturity and interest rate and in the  
188 same aggregate principal amount, in any authorized denomination. Bonds may be  
189 transferred only if endorsed in the manner provided thereon and surrendered to the  
190 Registrar. Upon such surrender, the Registrar will cancel the surrendered Bond and will  
191 authenticate and deliver, without charge to the owner or transferee therefor (other than  
192 taxes, if any, payable on account of such transfer), one or more (at the option of the new  
193 registered owner) new Bonds of the same Series, maturity and interest rate and in the  
194 same aggregate principal amount, in any authorized denomination, naming as registered  
195 owner the person or persons listed as the assignee on the assignment form appearing on  
196 the canceled and surrendered Bond, in exchange therefor. The Registrar will not be  
197 obligated to transfer or exchange any Bond during the period beginning at the opening of

198 business on the Record Date for a maturity date and ending at the close of business on  
199 such maturity date.

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

203 E. Place, Manner and Medium of Payment. Both principal of and interest on the  
204 Bonds will be payable in lawful money of the United States of America. For so long as  
205 any outstanding Bonds are registered in the name of Cede & Co., or its registered assigns,  
206 as nominee of DTC, payments of principal of and interest on such Bonds will be made in  
207 immediately available funds on the date such payment is due and payable at the place and  
208 in the manner provided in the operational arrangements of DTC referenced in the Letter  
209 of Representations.

210 In the event that the Bonds of any Series are no longer held in fully immobilized  
211 form by DTC or its successor (or substitute depository or its successor), interest on such  
212 Bonds will be paid by check or draft mailed, or by wire transfer, to the registered owners  
213 of such Bonds at the addresses for such registered owners appearing on the Register on  
214 the Record Date for that interest payment date, or by electronic transfer on the interest  
215 payment date to an account within the United States designated by a registered owner of  
216 at least \$1,000,000 in principal amount of such Bonds. The county shall not be required  
217 to make electronic transfers except to a registered owner of Bonds pursuant to a request  
218 in writing received on or prior to the Record Date for that interest payment date, and any  
219 such electronic transfer shall be at the sole expense of that registered owner. Principal of  
220 the Bonds will be payable at maturity or on such dates as may be fixed for prior

221 redemption upon presentation and surrender of such Bonds by the owners to the  
222 Registrar.

223 F. Form, Execution and Authentication of Bonds. The Bonds will be prepared in  
224 a form consistent with the provisions of this ordinance and State law. The Bonds will be  
225 executed on behalf of the county with the manual or facsimile signatures of the county  
226 executive and the clerk of the county council, and will have the seal of the county or a  
227 facsimile reproduction thereof impressed or printed thereon.

228 In case any officer who has executed the Bonds ceases to be an officer of the  
229 county authorized to sign the Bonds before the Bonds bearing his or her signature are  
230 authenticated or delivered by the Registrar, or issued by the county, those Bonds may  
231 nevertheless be authenticated, issued and delivered and, when authenticated, issued and  
232 delivered, will be as binding upon the county as though that person had continued to be  
233 an officer of the county authorized to sign the Bonds. Any Bond also may be signed on  
234 behalf of the county by any person who, on the actual date of signing of the Bond, is an  
235 officer of the county authorized to sign the Bonds, although he or she did not hold the  
236 required office on the date of issuance of the Bonds.

237 Only such Bonds as shall bear thereon a Certificate of Authentication  
238 substantially in the following form, manually executed by an authorized representative of  
239 the Registrar, will be valid or obligatory for any purpose or entitled to the benefits of this  
240 ordinance: "CERTIFICATE OF AUTHENTICATION. This Bond is one of the King  
241 County, Washington, Limited Tax General Obligation Refunding Bonds, [Year][, Series  
242 \_\_\_], described in the Bond Ordinance." Such Certificate of Authentication will be

243 conclusive evidence that the Bonds so authenticated have been duly executed,  
244 authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

245         SECTION 4. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes  
246 mutilated, the Registrar will authenticate and deliver one or more (at the option of the  
247 registered owner) new Bonds of the same Series, maturity and interest rate and for the  
248 same aggregate principal amount, in any authorized denomination, in exchange and  
249 substitution therefor, upon the owner's paying the expenses and charges of the county and  
250 the Registrar in connection therewith and upon surrender to the Registrar of the mutilated  
251 Bond. Every mutilated Bond so surrendered will be canceled and destroyed by the  
252 Registrar.

253         If any Bond is lost, stolen or destroyed, the Registrar may authenticate and deliver  
254 one or more (at the option of the registered owner) new Bonds of the same Series,  
255 maturity and interest rate and for the same aggregate principal amount, in any authorized  
256 denomination, to the registered owner thereof upon payment of the expenses and charges  
257 of the county and the Registrar in connection therewith by the registered owner and upon  
258 his/her filing with the Registrar evidence satisfactory to the Registrar that such Bond was  
259 actually lost, stolen or destroyed and of his or her ownership thereof, and upon furnishing  
260 the county and the Registrar with indemnity satisfactory to the Finance Director and the  
261 Registrar.

262         SECTION 5. Pledge of Taxation and Credit. The county hereby irrevocably  
263 covenants and agrees that, for as long as any of the Bonds are outstanding and unpaid,  
264 each year it will include in its budget and levy an *ad valorem* tax upon all the property  
265 within the county subject to taxation in an amount that will be sufficient, together with all

266 other revenues and money of the county legally available for such purposes, to pay the  
267 principal of and interest on the Bonds as the same shall become due.

268         The county hereby irrevocably pledges that the annual tax provided for herein to  
269 be levied for the payment of such principal and interest will be within and as a part of the  
270 tax levy permitted to counties without a vote of the people, and that a sufficient portion of  
271 the taxes to be levied and collected annually by the county prior to the full payment of the  
272 principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged  
273 and appropriated for the payment of the principal of and interest on the Bonds.

274         The full faith, credit and resources of the county are hereby irrevocably pledged  
275 for the annual levy and collection of said taxes and for the prompt payment of the  
276 principal of and interest on the Bonds as the same will become due.

277         SECTION 6. General Covenants and Warranties. The county makes the  
278 following covenants with and warranties to the owners of the Bonds:

279         A. The county has full legal right, power and authority to adopt this ordinance, to  
280 sell, issue and deliver each Series of Bonds as provided herein, and to carry out and  
281 consummate all other transactions contemplated by this ordinance.

282         B. By all necessary official action prior to or concurrently herewith, the county  
283 has duly authorized and approved the execution and delivery of, and the performance by  
284 the county of its obligations contained in, the Bonds and this ordinance and the  
285 consummation by it of all other transactions necessary to effectuate this ordinance in  
286 connection with the issuance of each Series of Bonds, and such authorizations and  
287 approvals are in full force and effect and have not been amended, modified or  
288 supplemented in any material respect.

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

290 D. When issued, sold, authenticated and delivered, each Series of Bonds will  
291 constitute legal, valid and binding general obligations of the county.

292 E. The enactment of this ordinance, and compliance on the county's part with the  
293 provisions contained herein, will not conflict with, constitute a breach of, or constitute a  
294 default under, any constitutional provisions, law, administrative regulation, judgment,  
295 decree, loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement  
296 or other instrument to which the county is a party or to which the county or any of its  
297 property or assets are otherwise subject.

298 F. Each Series of Bonds will be issued within all statutory and constitutional debt  
299 limitations applicable to the county.

300 SECTION 7. Federal Tax Law Covenants. The county covenants that it will  
301 take all actions necessary to prevent interest on any Tax-Exempt Bonds from being  
302 included in gross income for federal income tax purposes, and it will neither take any  
303 action nor make or permit any use of proceeds from the sale of such Tax-Exempt Bonds  
304 (or of any other funds that may be deemed to be proceeds of such Tax-Exempt Bonds  
305 pursuant to Section 148 of the Code), at any time during the term thereof, that will cause  
306 interest on such Tax-Exempt Bonds to be included in gross income for federal income tax  
307 purposes. The county also covenants that it will, to the extent the arbitrage rebate  
308 requirement of Section 148 of the Code is applicable to any Tax-Exempt Bonds, take all  
309 actions necessary to comply (or to be treated as having complied) with that requirement  
310 in connection with such Tax-Exempt Bonds, including the calculation and payment of  
311 any penalties that the county has elected to pay as an alternative to calculating rebatable

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312 arbitrage, and the payment of any other penalties if required under Section 148 of the  
313 Code to prevent interest on such Tax-Exempt Bonds from being included in gross income  
314 for federal income tax purposes. The county will maintain or cause to be maintained a  
315 system of registration of all Tax-Exempt Bonds issued under this ordinance that complies  
316 with the applicable provisions of the Code until all of the Tax-Exempt Bonds shall have  
317 been surrendered and canceled.

318         SECTION 8. Refunding or Defeasance of Bonds. The county may issue  
319 refunding obligations pursuant to the laws of the State or use money available from any  
320 other lawful source to pay when due the principal of, premium, if any, and interest on the  
321 Bonds of any Series, or any portion thereof included in a refunding or defeasance plan,  
322 and to redeem, retire, refund and/or defease all or a portion of such then-outstanding  
323 Bonds of such Series (hereinafter collectively called the "defeased Bonds"), and to pay  
324 the costs of the refunding or defeasance.

325         If money and/or noncallable Government Obligations maturing at such time or  
326 times and bearing interest to be earned thereon in amounts sufficient to redeem, retire,  
327 refund and/or defease the defeased Bonds in accordance with their terms, are set aside in  
328 a special trust or escrow fund or account irrevocably pledged to that redemption,  
329 retirement, refunding and/or defeasance of defeased Bonds (hereinafter called the "trust  
330 account"), then the defeased Bonds will be deemed not to be outstanding hereunder, no  
331 further payments need be made into the related Bond Account for the payment of the  
332 principal of and interest on the defeased Bonds, and the Owners of the defeased Bonds  
333 will cease to be entitled to any covenant, pledge, benefit or security of this ordinance.

334 The owners of defeased Bonds will have the right to receive payment of the principal of,  
335 premium, if any, and interest on the defeased Bonds from the trust account.

336 The county will provide or cause to be provided notice of defeasance of such  
337 defeased Bonds to the Municipal Securities Rulemaking Board in accordance with the  
338 undertaking for ongoing disclosure to be adopted pursuant to section 11 of this ordinance.

339 SECTION 9. Sale of Bonds. The county hereby authorizes the public sale of the  
340 Bonds. The Bonds will be sold in one or more Series, any of which may be sold in a  
341 combined offering with other bonds and/or notes of the county, at the option of the  
342 Finance Director. The Finance Director will determine, in consultation with the county's  
343 financial advisors, the principal amount of each Series of the Bonds, the Refunding  
344 Candidates proposed to be refunded, whether each Series of Bonds will be structured as  
345 Tax-Exempt Bonds or Taxable Bonds, whether each Series of Bonds will be sold  
346 separately or combined with one or more other series of the county's bonds, and whether  
347 each Series of Bonds will be sold by negotiated sale or competitive bid and for current or  
348 future delivery.

349 A. Competitive Bid. If the Finance Director determines that any Series of Bonds  
350 will be sold by competitive bid, bids for the purchase of such Series of Bonds will be  
351 received at such time and place and by such means as the Finance Director will direct.  
352 The Finance Director is authorized to prepare an Official Notice of Bond Sale for each  
353 Series of Bonds to be sold pursuant to competitive bid, which notice will be filed with the  
354 clerk of the county council and will be ratified and confirmed by the Sale Motion  
355 therefor. The Official Notice of Bond Sale will specify whether the Bonds of such Series  
356 are being structured as Tax-Exempt Bonds or Taxable Bonds and will identify the year



357 and any applicable Series designation, date, principal amounts and maturity dates, interest  
358 payment dates, redemption and/or purchase provisions and delivery date for such Series  
359 of Bonds.

360           Upon the date and time established for the receipt of bids for such Series of  
361 Bonds, the Finance Director or his/her designee will review the bids, cause the bids to be  
362 mathematically verified and report to the county council regarding the bids received.  
363 Such bids will then be considered and acted upon by the county council in an open public  
364 meeting. The county council reserves the right to reject any and all bids for such Series  
365 of Bonds. Alternatively, the county council will, by Sale Motion, accept the winning bid  
366 for the purchase of such Series of Bonds, ratify and establish the year and any applicable  
367 Series designation, date, principal amounts and maturity dates, interest rates and interest  
368 payment dates, redemption and/or purchase provisions and delivery date for such Series  
369 of Bonds, and identify the related Refunded Bonds and establish the refunding plan  
370 therefor.

371           B. Negotiated Sale. If the Finance Director determines that any Series of Bonds  
372 will be sold by negotiated sale, the Finance Director will, in accordance with applicable  
373 county procurement procedures, solicit one or more underwriting firms with which to  
374 negotiate the sale of such Series of Bonds. The bond purchase contract for such Series of  
375 Bonds will specify whether the Bonds of such Series are being structured as Tax-Exempt  
376 Bonds or Taxable Bonds, identify the year and any applicable Series designation, date,  
377 principal amounts and maturity dates, interest rates and interest payment dates,  
378 redemption and/or purchase provisions and delivery date for such Series of Bonds, and  
379 identify the related Refunded Bonds and establish the refunding plan therefor. The

380 county council, by Sale Motion, will approve the bond purchase contract and ratify and  
381 establish the terms for such Series of Bonds identified in such bond purchase contract.

382         SECTION 10. Preliminary Official Statement and Final Official Statement. The  
383 county hereby authorizes and directs the Finance Director: (i) to review and approve the  
384 information contained in the preliminary official statement (each, a "Preliminary Official  
385 Statement") prepared in connection with the sale of each Series of Bonds; and (ii) for the  
386 sole purpose of compliance by the purchasers of such Series of Bonds with subsection  
387 (b)(1) of Rule 15c2-12, to "deem final" the related Preliminary Official Statement as of  
388 its date, except for such omissions as are permitted under Rule 15c2-12. After each  
389 Preliminary Official Statement has been reviewed and approved in accordance with the  
390 provisions of this section, the county hereby authorizes the distribution of such  
391 Preliminary Official Statement to prospective purchasers of such related Series of Bonds.

392         Following the sale of each Series of Bonds, the Finance Director is hereby  
393 authorized to review and approve on behalf of the county a final official statement with  
394 respect to such Series of Bonds. The county agrees to cooperate with the successful  
395 bidder for each Series of Bonds to deliver or cause to be delivered, within seven business  
396 days from the date of the Sale Motion, and in sufficient time to accompany any  
397 confirmation that requests payment from any customer of such successful bidder, copies  
398 of a final official statement pertaining to such Series of Bonds in sufficient quantity to  
399 comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities  
400 Rulemaking Board.

401           SECTION 11. Undertaking to Provide Ongoing Disclosure. The county will  
402 undertake to provide ongoing disclosure with respect to each Series of Bonds, as required  
403 by subsection (b)(5) of Rule 15c2-12, in the Sale Motion therefor.

404           SECTION 12. Delivery of Bonds. Following the sale of each Series of the Bonds,  
405 the county shall cause definitive Bonds of such Series to be prepared, executed and  
406 delivered to the purchaser thereof in accordance with the provisions of this ordinance.

407           If definitive Bonds of any Series are not ready for delivery by the date established  
408 for their delivery to the initial purchaser, then the Finance Director, upon the approval of  
409 the purchaser, may cause to be issued and delivered to the purchaser one or more  
410 temporary Bonds of the same Series with appropriate omissions, changes and additions.  
411 Any temporary Bond or Bonds shall be entitled and subject to the same benefits and  
412 provisions of this ordinance with respect to the payment, security and obligation thereof  
413 as definitive Bonds authorized thereby. Such temporary Bond or Bonds shall be  
414 exchangeable without cost to the owners thereof for definitive Bonds of the same Series  
415 when the latter are ready for delivery.

416           SECTION 13. Bond Accounts. There has heretofore been created in the office of  
417 the Finance Director a special fund known as the "King County Limited Tax General  
418 Obligation Bond Redemption Fund" to be drawn upon for the purpose of paying the  
419 principal of and interest on the limited tax general obligation bonds of the county. There  
420 is hereby authorized to be created within said fund a special account for each Series of  
421 Bonds to be known as the "Limited Tax General Obligation Bond Redemption Account,  
422 [Year][, Series \_\_]" (each, a "Bond Account").

423 Any accrued interest on any Series of Bonds will be deposited in the related Bond  
424 Account at the time of delivery of such Series of Bonds and will be applied to the  
425 payment of interest thereon.

426 The taxes hereafter levied for the purpose of paying principal of and interest on  
427 each Series of Bonds and other funds to be used to pay such Series of Bonds will be  
428 deposited in the related Bond Account no later than the date such funds are required for  
429 the payment of principal of and interest on such Series of Bonds; provided, however, that  
430 if the payment of principal of and interest on any Series of Bonds is required prior to the  
431 receipt of such levied taxes, the county may make an interfund loan to the related Bond  
432 Account pending actual receipt of such taxes. Each Bond Account will be drawn upon  
433 for the purpose of paying the principal of and interest on the related Series of Bonds.  
434 Each Bond Account will be a second tier fund in accordance with Ordinance 7112 and  
435 K.C.C. chapter 4.10.

436 SECTION 14. Refunding Plans.

437 A. Refunding Accounts. There is hereby authorized to be established one or  
438 more special accounts of the county to be maintained with the Escrow Agent, each to be  
439 known as a "King County Limited Tax General Obligation Bond Refunding Account"  
440 with the same year and Series designation as that corresponding to the related Series of  
441 the Bonds (each, a "Refunding Account"). Each Refunding Account will be drawn upon  
442 only for the purposes of refunding and paying the principal of, premium, if any, and  
443 interest on the applicable Refunded Bonds and of paying issuance costs of the related  
444 Series of Bonds. Proceeds of the sale of any Series of Bonds, together with other county

445 funds that may be designated for those purposes, will be deposited into the related  
446 Refunding Account for such purposes.

447       B. Guidelines for Refunding. The Finance Director is authorized to determine, in  
448 consultation with the county's financial advisors, which of the Refunding Candidates, if  
449 any, are to be refunded and whether such refunding shall be a current refunding (i.e., the  
450 redemption of Refunded Bonds paid for with proceeds of a Series of Bonds issued 90  
451 days or fewer prior to the redemption date of the Refunded Bonds) or an advance  
452 refunding (i.e., the redemption of Refunded Bonds paid for with proceeds of a Series of  
453 Bonds issued more than 90 days prior to the redemption date of the Refunded Bonds). In  
454 determining which of the Refunding Candidates, if any, should be refunded under this  
455 ordinance in order to effect a savings to the county, the county council intends that the  
456 Finance Director adhere to the applicable present value savings targets identified in the  
457 adopted debt management policy of the county in effect at the time of sale. This  
458 requirement does not apply to the refunding of any Refunded Bonds undertaken when  
459 necessary or in the best interest of the county to modify debt service requirements,  
460 sources of payment, covenants or other terms of the Refunded Bonds.

461       C. Refunding Plans. The refunding plan for and call for redemption of any  
462 Refunded Bonds shall be established by the Sale Motion for the related Series of Bonds.  
463 Money in each Refunding Account shall be used immediately upon receipt thereof to pay  
464 or defease the applicable Refunded Bonds and discharge the other obligations of the  
465 county relating thereto under the ordinance that authorized the applicable Refunded  
466 Bonds, by paying or providing for the payment of the principal of, premium, if any, and  
467 interest on the Refunded Bonds as set forth in the refunding plan established by the Sale

468 Motion for the related Series of Bonds. If the Refunded Bonds are to be defeased, the  
469 county will defease such bonds and discharge such obligations by the use of the money in  
470 each Refunding Account to purchase Government Obligations (such obligations so  
471 purchased, "Escrow Securities") bearing interest and maturing as to principal and interest  
472 in such amounts and at such times that, together with any necessary beginning cash  
473 balance, will provide for the payment of such Refunded Bonds, as set forth in the  
474 refunding plan established by the Sale Motion for the related Series of Bonds.

475 In connection with the issuance of any Series of Bonds and in order to carry out  
476 the refunding and payment and/or defeasance of Refunded Bonds, the Finance Director is  
477 hereby authorized to appoint an Escrow Agent qualified by law to perform the duties  
478 described herein. The Escrow Securities and any beginning cash balance will be  
479 irrevocably deposited with the Escrow Agent in an amount sufficient to defease the  
480 Refunded Bonds in accordance with the refunding plan established by the Sale Motion  
481 for the related Series of Bonds.

482 The county will take such actions as are found necessary to see that all necessary  
483 and proper fees, compensation and expenses of the Escrow Agent are paid when due.  
484 The Finance Director is authorized and directed to negotiate, execute and deliver an  
485 agreement with each Escrow Agent setting forth the duties, obligations and  
486 responsibilities of such Escrow Agent in connection with the redemption and retirement  
487 of Refunded Bonds as provided herein, and setting forth provisions for the payment of  
488 the fees, compensation and expenses of such Escrow Agent as are satisfactory to it.

489 D. Required Findings. In each Sale Motion, the county council shall set forth its  
490 finding of either: (1) savings regarding the Refunded Bonds authorized to be refunded

491 from the proceeds of the related Series of Bonds and, if applicable, the defeasance of the  
492 Refunded Bonds; or (2) the best interest of the county from modifying debt service  
493 requirements, sources of payment, covenants or other terms of the Refunded Bonds  
494 authorized to be refunded from the proceeds of the related Series of Bonds.

495       SECTION 15. Investment of and Accounting for Bond Proceeds. Funds  
496 deposited in the funds and accounts described in sections 13 and 14 of this ordinance will  
497 be invested as permitted by law for the sole benefit of such funds and accounts.  
498 Irrespective of the general provisions of Ordinance 7112 and K.C.C. chapter 4.10, the  
499 county current expense fund will not receive any earnings attributable to such funds and  
500 accounts. Money other than proceeds of the Bonds may be deposited in the funds and  
501 accounts described in sections 13 and 14 of this ordinance; provided, however, that  
502 proceeds of each Series of Bonds that are issued as Tax-Exempt Bonds and the earnings  
503 thereon, will be accounted for separately for purposes of the arbitrage rebate  
504 computations required to be made under the Code. For purposes of such computations,  
505 Bond proceeds will be deemed to have been expended first, and then any other funds.

506       SECTION 16. General Authorization. The appropriate county officials, agents  
507 and representatives are hereby authorized and directed to do everything necessary for the  
508 prompt sale, issuance, execution and delivery of each Series of Bonds, and for the proper  
509 use and application of the proceeds of the sale thereof.

510       SECTION 17. Contract; Severability. The covenants applicable to the Bonds  
511 contained in this ordinance will constitute a contract between the county and the owners  
512 of each and every Bond. If any one or more of the covenants or agreements provided in  
513 this ordinance to be performed on the part of the county will be declared by any court of

514 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement  
515 or agreements, will be null and void and will be deemed separable from the remaining  
516 covenants and agreements of this ordinance and will in no way affect the validity of the  
517 other provisions of this ordinance or the Bonds.

518 SECTION 18. Termination of Authority. The county's authority to sell and issue  
519 Bonds under this ordinance will terminate on December 31, 2021.

520

Ordinance 18376 was introduced on 5/31/2016 and passed by the Metropolitan King  
County Council on 9/26/2016, by the following vote:

Yes: 8 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,  
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove and Ms. Kohl-  
Welles  
No: 0  
Excused: 1 - Ms. Balducci

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

J. Joseph McDermott, Chair

ATTEST:

Anne Noris, Clerk of the Council

APPROVED this 7<sup>th</sup> day of October, 2016.

Dow Constantine, County Executive

Attachments: None

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CLERK  
KING COUNTY COUNCIL