



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

September 10, 2002

Ordinance 14462

Proposed No. 2002-0368.1

Sponsors Phillips

1 AN ORDINANCE providing for the issuance of one or
2 more series of limited tax general obligation bonds of the
3 county in an outstanding aggregate principal amount not to
4 exceed \$42,500,000 to finance or reimburse the county for
5 capital acquisition, improvement and major maintenance
6 projects; providing for the public sale of the bonds and the
7 disposition of the proceeds of sale; establishing funds for
8 the receipt and expenditure of bond proceeds and for the
9 payment of the bonds; and providing for the annual levy of
10 taxes to pay the principal thereof and interest thereon.

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ORDINANCE NO. _____

AN ORDINANCE providing for the issuance of one or more series of limited tax general obligation bonds of the county in an outstanding aggregate principal amount not to exceed \$42,500,000 to finance or reimburse the county for capital acquisition, improvement and major maintenance projects; providing for the public sale of the bonds and the disposition of the proceeds of sale; establishing funds for the receipt and expenditure of bond proceeds and for the payment of the bonds; and providing for the annual levy of taxes to pay the principal thereof and interest thereon.

PREAMBLE:

The county council has previously reviewed and approved expenditures for each of the capital acquisition, improvement and major maintenance projects described in Exhibit A hereto.

It is deemed necessary and advisable that the county now issue and sell one or more series of its limited tax general obligation bonds in an

66 outstanding aggregate principal amount not to exceed \$42,500,000 to
67 finance the projects described above.

68

69 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

70

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

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

77 “Bond Fund” means the bond redemption account authorized to be established for
78 each series of the Bonds pursuant to Section 15 hereof.

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

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

85 “Bonds” means the limited tax general obligation bonds of the county in an
86 outstanding aggregate principal amount not to exceed \$42,500,000 authorized to be
87 issued by this ordinance to finance the projects described in Exhibit A to this ordinance,
88 which is incorporated herein by this reference.

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

93 “Commission” means the Securities and Exchange Commission.

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

95 “Finance Manager” means the county manager of finance and business operations
96 or any other county officer who succeeds to the duties now delegated to that office, or the
97 designee thereof.

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

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

102 “NRMSIR” means a nationally recognized municipal securities information
103 repository.

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

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

109 “Sale Motion” means the motion of the council ratifying and confirming the year
110 and series designation, date, principal amounts and maturity dates, interest rates and

111 interest payment dates, redemption provisions and delivery date for the Bonds, and
112 accepting a bid for the purchase of the Bonds, in accordance with Section 18 hereof.

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

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

117 A. The capital acquisition, improvement and major maintenance projects, all
118 as more fully described in Exhibit A hereto, will contribute to the health, safety and
119 welfare of the citizens of the county.

120 B. The issuance of limited tax general obligation bonds payable from regular
121 property taxes to provide funds to pay or reimburse the county for the costs of the
122 projects described in Exhibit A hereto and to pay the costs of issuing such bonds will
123 reduce the overall costs of borrowing such funds and is in the best interests of the county
124 and its citizens.

125 SECTION 3. Authorization of Projects. The county has previously authorized
126 the undertaking of the capital acquisition, improvement and major maintenance projects
127 described in Exhibit A hereto. The costs of such projects shall also include interest on
128 any interim financing for such projects pending receipt of Bond proceeds and costs and
129 expenses incurred in issuing the Bonds.

130 Such projects shall include the costs of sales tax, acquisition and contingency
131 allowances, financing, and any and all surveys, explorations, engineering and
132 architectural studies, drawings, designs and specifications incidental, necessary or
133 convenient to the improvements herein specified. Such projects shall also include the

134 purchase of all materials, supplies, appliances, equipment and facilities, and the permits,
135 franchises, property and property rights and administrative costs, necessary, incidental or
136 convenient to effect the improvements.

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

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

151 A. Purpose and Authorization of Bonds. The county authorizes the issuance
152 of the Bonds to finance or reimburse the county for the capital acquisition, improvement
153 and major maintenance projects and to pay the costs of issuing the Bonds.

154 B. Description. The Bonds may be issued in one or more series in an
155 aggregate principal amount not to exceed \$42,500,000. Each series of the Bonds shall be
156 designated "King County, Washington, Limited Tax General Obligation Bonds (Various

157 Purpose)” with an applicable year and series designation established as provided in
158 Section 18 hereof. Each series of Bonds shall be fully registered as to both principal and
159 interest, shall be in the denomination of \$5,000 each or any integral multiple thereof (but
160 no Bond shall represent more than one maturity), shall be numbered separately in such
161 manner and with any additional designation as the Bond Registrar deems necessary for
162 purposes of identification, and shall be dated as of such date and shall mature on the
163 dates, in the years and the amounts established as provided in Section 18 hereof.

164 The Bonds shall bear interest (computed on the basis of a 360-day year of twelve
165 30-day months) from their date or from the most recent interest payment date for which
166 interest has been paid or duly provided for, whichever is later, payable on semiannual
167 interest payment dates to be established as provided in Section 18 hereof, at the rate or
168 rates bid by the successful bidder at public sale and accepted by motion of the county
169 council, as provided in Section 18 hereof.

170 C. Initial Immobilization of Bonds; Depository Provisions. The Bonds
171 initially shall be held in fully immobilized form by DTC acting as depository pursuant to
172 the terms and conditions set forth in the Blanket Issuer Letter of Representations
173 heretofore executed on behalf of the county. Neither the county nor the Bond Registrar
174 shall have any responsibility or obligation to DTC participants or the persons for whom
175 they act as nominees with respect to the Bonds with respect to the accuracy of any
176 records maintained by DTC or any DTC participant, the payment by DTC or any DTC
177 participant of any amount in respect of principal or redemption price or interest on the
178 Bonds, any notice that is permitted or required to be given to Registered Owners under
179 this ordinance (except such notice as is required to be given by the county to the Bond

180 Registrar or to DTC), the selection by DTC or any DTC participant of any person to
181 receive payment in the event of a partial redemption of the Bonds or any consent given or
182 other action taken by DTC as owner of the Bonds.

183 The Bonds initially shall be issued in denominations equal to the aggregate
184 principal amount of each maturity and initially shall be registered in the name of CEDE
185 & Co., as the nominee of DTC. The Bonds so registered shall be held in fully
186 immobilized form by DTC as depository. For so long as any Bonds are held in fully
187 immobilized form, DTC, its successor or any substitute depository appointed by the
188 county, as applicable, shall be deemed to be the Registered Owner for all purposes
189 hereunder and all references to Registered Owners, bondowners, bondholders, owners or
190 the like shall mean DTC or its nominees and shall not mean the owners of any beneficial
191 interests in the Bonds. Registered ownership of such Bonds, or any portions thereof, may
192 not thereafter be transferred except:

- 193 1. To any successor of DTC or its nominee, if that successor shall be
194 qualified under any applicable laws to provide the services proposed to be provided by it;
- 195 2. To any substitute depository appointed by the county pursuant to
196 this subsection or such substitute depository's successor; or
- 197 3. To any person as herein provided if the Bonds are no longer held
198 in immobilized form.

199 Upon the resignation of DTC or its successor (or any substitute depository or its
200 successor) from its functions as depository, or a determination by the county that it is no
201 longer in the best interests of beneficial owners of the Bonds to continue the system of
202 book entry transfers through DTC or its successor (or any substitute depository or its

203 successor), the county may appoint a substitute depository. Any such substitute
204 depository shall be qualified under any applicable laws to provide the services proposed
205 to be provided by it.

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

212 In the event that DTC or its successor (or substitute depository or its successor)
213 resigns from its functions as depository, and no substitute depository can be obtained; or
214 the county determines that it is in the best interests of the beneficial owners of the Bonds
215 that they be able to obtain Bond certificates, the ownership of Bonds may be transferred
216 to any person as herein provided, and the Bonds shall no longer be held in fully
217 immobilized form. The county shall deliver a written request to the Bond Registrar,
218 together with a supply of definitive Bonds, to issue Bonds as herein provided in any
219 authorized denomination. Upon receipt of all then outstanding Bonds by the Bond
220 Registrar, together with a written request on behalf of the county to the Bond Registrar,
221 new Bonds shall be issued in such denominations and registered in the names of such
222 persons as are requested in such a written request.

223 D. Place, Manner and Medium of Payment. Both principal of and interest on
224 the Bonds shall be payable in lawful money of the United States of America. For so long
225 as outstanding Bonds are registered in the name of CEDE & Co., or its registered assigns,

226 as nominee of DTC, payments of principal of and interest on the Bonds shall be made in
227 next day funds on the date such payment is due and payable at the place and in the
228 manner provided in the Letter of Representations.

229 In the event that Bonds are no longer held in fully immobilized form by DTC or
230 its successor (or substitute depository or its successor); interest on the Bonds shall be paid
231 by checks or drafts mailed, or by wire transfer, to owners of Bonds at the addresses for
232 such owners appearing on the Bond Register on the 15th day of the calendar month
233 preceding the interest payment date. Wire transfer will be made only if so requested in
234 writing and if the owner owns at least \$1,000,000 par value of the Bonds. Principal of
235 the Bonds shall be payable at maturity or on such dates as may be fixed for prior
236 redemption upon presentation and surrender of the Bonds by the owners at either
237 principal office of the Bond Registrar in Seattle, Washington, or New York, New York,
238 at the option of such owners.

239 SECTION 5. Optional Redemption of Bonds. The county may reserve the right
240 to redeem outstanding Bonds of any series prior to their maturity on the dates and at the
241 prices established by the bond purchase contract or the official notice of sale therefor, as
242 applicable, and ratified and confirmed by a Sale Motion in accordance with Section 18
243 hereof. Portions of the principal amount of any Bond, in increments of \$5,000 or any
244 integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of
245 any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond
246 Registrar there shall be issued to the registered owner, without charge therefor, for the
247 then unredeemed balance of the principal amount thereof, a new Bond or Bonds of the

248 same series, at the option of the registered owner, of like maturity and interest rate in any
249 denomination authorized by this ordinance.

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

252 SECTION 6. Notice and Effect of Redemption. Unless waived by the registered
253 owner of Bonds to be redeemed or the nominee of such owner, official notice of any such
254 redemption shall be given by the Bond Registrar on behalf of the county by mailing a
255 copy of an official redemption notice by certified or registered mail, postage prepaid, not
256 less than 30 nor more than 60 days prior to the date fixed for redemption, to the registered
257 owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register
258 or at such other address as is furnished in writing by such registered owner to the Bond
259 Registrar. The Bond Registrar shall provide additional notice of redemption of the Bonds
260 to each NRMSIR and SID, if any, in accordance with the ongoing disclosure provisions
261 to be adopted by a Sale Motion pursuant to Section 22 hereof.

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

- 263 A. the redemption date;
- 264 B. the redemption price;
- 265 C. if less than all outstanding Bonds of the same series are to be redeemed,
266 the identification (and, in the case of partial redemption, the respective principal
267 amounts) of the Bonds to be redeemed;
- 268 D. that on the redemption date the redemption price will become due and
269 payable upon each such Bond or portion thereof called for redemption, and that interest
270 thereon shall cease to accrue from and after said date; and

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

274 Such notice of redemption shall be mailed within the same period, postage
275 prepaid, to Moody's Investors Service, Inc. and Standard & Poor's Public Finance
276 Ratings, at their offices in New York, New York, or their successors, and to such other
277 persons and with such additional information as the Finance Manager shall deem
278 appropriate, but such mailings shall not be a condition precedent to the redemption of the
279 Bonds.

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

283 Official notice of redemption having been given as aforesaid, the Bonds or
284 portions of Bonds so to be redeemed shall, on the redemption date, become due and
285 payable at the redemption price therein specified, and from and after such date (unless the
286 county shall default in the payment of the redemption price upon presentation) such
287 Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds
288 for redemption in accordance with said notice, such Bonds shall be paid by the Bond
289 Registrar at the redemption price. Installments of interest due on or prior to the
290 redemption date shall be payable as herein provided for payment of interest. Upon the
291 payment of the redemption price of Bonds being redeemed, each check or other transfer
292 of funds issued for such purpose shall bear the CUSIP number identifying, by issue and
293 maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

294 Upon surrender for any partial redemption of any Bond, there shall be prepared for the
295 registered owner a new Bond or Bonds of the same series and maturity in the amount of
296 unpaid principal.

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

301 1. Each further notice of redemption given hereunder shall contain the
302 information required above for an official notice of redemption plus: the CUSIP numbers
303 of all Bonds of the same series being redeemed; the date of issue of the series of Bonds as
304 originally issued; the rate of interest borne by each Bond being redeemed; the maturity
305 date of each Bond being redeemed; and any other descriptive information needed to
306 identify accurately the Bonds being redeemed.

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

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

313 SECTION 7. Form of Bonds. The Bonds shall be in substantially the following
314 form:

315 NO.

316 \$ _____

317 _____

318

319 UNITED STATES OF AMERICA

320

321 STATE OF WASHINGTON

322

323 KING COUNTY

324 LIMITED TAX GENERAL OBLIGATION BOND

325 (VARIOUS PURPOSE), [Year, Series]

326

327 INTEREST RATE: MATURITY DATE: CUSIP

328 NO. :

329

330 REGISTERED OWNER:

331

332 PRINCIPAL AMOUNT:

333

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

338 day months) from _____, or the most recent date to which interest has been paid or
339 duly provided for until payment of this bond at the Interest Rate set forth above, payable
340 on _____, and semiannually thereafter on the ____ days of each succeeding
341 _____ and _____.

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

358 This bond is one of an authorized issue of bonds of like date and tenor, except as
359 to number, amount, rate of interest and date of maturity, in the aggregate principal
360 amount of \$42,500,000, and is issued to finance or reimburse the County for capital

361 acquisition, improvement and major maintenance projects and to pay the costs of issuing
362 the Bonds.

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

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

372 [The bonds of this issue maturing on _____, are also subject to redemption
373 prior to maturity through mandatory amortization payments on _____ of the
374 following years and in the following amounts in each case at a redemption price of 100%
375 of the principal amount of bonds to be redeemed, plus accrued interest to the date of
376 redemption.

377 Years Amount

378
379

380 * Maturity]

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

384 this bond at the principal offices of the Bond Registrar there shall be issued to the
385 Registered Owner, without charge therefor, for the then unredeemed balance of the
386 principal sum hereof, at the option of the owner, a bond or bonds of like maturity and
387 interest rate in any of the denominations authorized by the Bond Ordinance.

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

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

401 The County has irrevocably covenanted and agreed in the Bond Ordinance that,
402 for as long as any of the Bonds are outstanding and unpaid, each year it will include in its
403 budget and impose local vehicle license fees in the maximum amount authorized by
404 RCW 82.80.020. The County has further irrevocably covenanted and agreed in the Bond
405 Ordinance that, for as long as any of the Bonds are outstanding and unpaid, each year it
406 will include in its budget and levy an *ad valorem* tax within the constitutional and

407 statutory tax limitations provided by law without a vote of the people upon all the
408 property within the County subject to taxation in an amount that will be sufficient,
409 together with all local vehicle license fee revenues and other revenues, taxes and money
410 of the County legally available for such purposes, to pay the principal of and interest on
411 the Bonds as the same shall become due. The County has irrevocably pledged its full
412 faith, credit and resources for the annual imposition and collection of such local vehicle
413 licensing fees, the annual levy and collection of such taxes, and the prompt payment of
414 the principal of and interest on the Bonds as the same shall become due.

415 The pledge of local vehicle license fee revenues and tax levies for repayment of
416 principal of and interest on the bonds may be discharged prior to maturity of the bonds by
417 making provisions for the payment thereof on the terms and conditions set forth in the
418 Bond Ordinance.

419 This bond shall not be valid or become obligatory for any purpose or be entitled
420 to any security or benefit under King County Ordinance No. _____ (the "Bond
421 Ordinance") until the Certificate of Authentication hereon shall have been manually
422 signed by the Bond Registrar.

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

429 IN WITNESS WHEREOF, the County has caused this bond to be executed by the
430 manual or facsimile signatures of the County Executive and the Clerk of the County
431 Council, and the seal of the County to be impressed or imprinted hereon, as of this
432 [] day of [].

433 KING COUNTY, WASHINGTON

436 By _____

437 _____
438 County Executive

439
440 ATTEST:

441
442
443 _____
444 Clerk of the Council

445
446
447 The Bond Registrar's Certificate of Authentication on the Bonds shall be in
448 substantially the following form:

449 CERTIFICATE OF AUTHENTICATION

450 This bond is one of the bonds described in the within mentioned Bond Ordinance
451 and is of the Limited Tax General Obligation Bonds (Various Purpose), [Year, Series], of
452 King County, Washington, dated [_____].

453 WASHINGTON STATE FISCAL
454 AGENCY, as Bond Registrar

457 By _____

458 _____

459 Authorized Officer

461 ASSIGNMENT

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

464 _____

465 _____

466 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

467 NUMBER OF TRANSFEREE

468 []

469 _____

470 _____

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

472 _____

473 _____

474 the within bond and does hereby irrevocably constitute and appoint _____

475 _____, or its successor, as Bond Registrar to transfer said bond on

476 the books kept for registration thereof with full power of substitution in the premises.

477 DATED: _____, _____.

478 _____

479 _____

480 _____

481 NOTE: The signature on this

482 Assignment must correspond with

483 the name of the registered owner as

484 it appears upon the face of the within

485 bond in every particular, without

486 alteration or enlargement or any

487 change whatever.

488 _____

489 SIGNATURE GUARANTEED:

490 _____

491 _____

492 _____

493 _____

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

497 In case either or both of the officers who shall have executed the Bonds shall
498 cease to be an officer or officers of the county before the Bonds so signed shall have been
499 authenticated or delivered by the Bond Registrar, or issued by the county, such Bonds
500 may nevertheless be authenticated, delivered and issued and upon such authentication,
501 delivery and issuance, shall be as binding upon the county as though those who signed
502 the same had continued to be such officers of the county. Any Bond also may be signed
503 and attested on behalf of the county by such persons as at the actual date of execution of
504 such Bond shall be the proper officers of the county although at the original date of such
505 Bond any such person shall not have been such officer of the county.

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

512 SECTION 9. Bond Registrar. The county hereby adopts for the Bonds the
513 system of registration specified and approved by the Washington State Finance
514 Committee. The Bond Registrar shall keep, or cause to be kept, at its principal corporate
515 trust office, sufficient books for the registration and transfer of the Bonds, which shall at
516 all times be open to inspection by the county. Such Bond Register shall contain the name

517 and mailing address of the owner of each Bond or nominee of such owner and the
518 principal amount and number of Bonds held by each owner or nominee. The Bond
519 Registrar is authorized, on behalf of the county, to authenticate and deliver the Bonds
520 transferred or exchanged in accordance with the provisions of such Bonds and this
521 ordinance and to carry out all of the Bond Registrar's powers and duties under this
522 ordinance.

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

529 Upon surrender thereof to the Bond Registrar; the Bonds are interchangeable for
530 Bonds in any authorized denomination of an equal aggregate principal amount and of the
531 same series, interest rate and maturity. Bonds may be transferred only if endorsed in the
532 manner provided thereon and surrendered to the Bond Registrar. Upon such surrender,
533 the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver,
534 without charge to the owner or transferee therefor (other than taxes, if any, payable on
535 account of such transfer), a new Bond (or Bonds, at the option of the new registered
536 owner) of the same series, maturity and interest rate and for the same aggregate principal
537 amount, in any authorized denomination, naming as registered owner the person or
538 persons listed as the assignee on the assignment form appearing on the surrendered Bond,
539 in exchange for such surrendered and canceled Bond. The Bond Registrar shall not be

540 obligated to transfer or exchange any Bond during a period beginning at the opening of
541 business on the 15th day of the month next preceding any interest payment or principal
542 payment date and ending at the close of business on such payment date.

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

546 SECTION 10. Mutilated, Lost, or Destroyed Bonds. If any Bond shall become
547 mutilated, the Bond Registrar shall authenticate and deliver a new Bond of like amount,
548 date, series, interest rate and tenor in exchange and substitution for the Bond so
549 mutilated, upon the owner's paying the expenses and charges of the county and the Bond
550 Registrar in connection therewith and upon surrender to the Bond Registrar of the Bond
551 so mutilated. Every mutilated Bond so surrendered shall be canceled and destroyed by
552 the Bond Registrar.

553 In case the Bonds or any of them shall be lost, stolen or destroyed, the Bond
554 Registrar may authenticate and deliver a new Bond or Bonds of like amount, date, series
555 and tenor to the registered owner thereof upon the owner's paying the expenses and
556 charges of the county and the Bond Registrar in connection therewith and upon his/her
557 filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond
558 or Bonds were actually lost, stolen or destroyed and of his/her ownership thereof, and
559 upon furnishing the county and Bond Registrar with indemnity satisfactory to the Finance
560 Manager and the Bond Registrar.

561 SECTION 11. Covenants and Warranties. The county makes the following
562 covenants and warranties:

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

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

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

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

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

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

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

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

593 SECTION 12. Deposit of Bond Proceeds . There has heretofore been created
594 the Roads Construction Fund, which is a first tier fund managed by the director of the
595 department of transportation. There shall be deposited approximately \$42,500,000 of
596 Bond proceeds into a subfund to be created in said fund to finance county roads capital
597 improvement projects and to pay costs of issuance of the Bonds.

598 SECTION 13. Application of Bond Proceeds . The exact amounts to be
599 deposited in accordance with Section 12 hereof shall be determined by the Finance
600 Manager upon the sale of each series of the Bonds. The amounts so deposited may be
601 used to repay interim borrowing used to pay the costs of the projects described in
602 Exhibit A hereto.

603 Funds deposited in the funds and accounts established in Section 12 hereof shall
604 be invested as permitted by law for the sole benefit of the respective funds. Irrespective
605 of the general provisions of Ordinance No. 7112 and K.C. 4.10, the county current
606 expense fund shall not receive any earnings attributable to such funds. Money other than
607 proceeds of the Bonds may be deposited in the funds and accounts established under
608 Section 12; provided, however, that proceeds of the Bonds and earnings thereon shall be

609 accounted for separately for purposes of the computations required to be made under
610 Section 17 hereof. For purposes of such computations, Bond proceeds shall be deemed to
611 have been expended first.

612 SECTION 14. Bond Redemption Fund. There has heretofore been created in
613 the office of the Finance Manager a special fund to be drawn upon for the purpose of
614 paying the principal of and interest on the limited tax general obligation bonds of the
615 county. There is hereby authorized to be created within said fund for the Bonds a special
616 account of the county to be known as the “Limited Tax General Obligation Bond
617 Redemption Account, 2002 ” (the “Bond Fund”).

618 The accrued interest on the Bonds shall be deposited in the Bond Fund at the time
619 of delivery of the Bonds and shall be applied to the payment of interest on the Bonds.
620 Any net premium received upon the sale of the Bonds shall be deposited into the Bond
621 Fund and applied to the payment of principal of or interest on the Bonds.

622 The taxes hereafter levied for the purpose of paying principal of and interest on
623 the Bonds and other funds to be used to pay the Bonds shall be deposited in the Bond
624 Fund no later than the date such funds are required for the payment of principal of and
625 interest on such Bonds; provided, however, that if the payment of principal of and interest
626 on any Bonds is required prior to the receipt of such levied taxes, the county may make
627 an interfund loan to the Bond Fund pending actual receipt of such taxes. The Bond Fund
628 shall be drawn upon for the purpose of paying the principal of and interest on each series
629 of the Bonds. Money in the Bond Fund not needed to pay the interest or principal next
630 coming due may temporarily be deposited in such institutions or invested in such

631 obligations as may be lawful for the investment of county funds. The Bond Fund shall be
632 a second tier fund in accordance with Ordinance No. 7112 and K.C. 4.10.

633 SECTION 15. Pledge of Local Vehicle License Fees, Taxation and Credit. The
634 county hereby irrevocably covenants and agrees that, for as long as any of the Bonds are
635 outstanding and unpaid, each year it will include in its budget and impose local vehicle
636 license fees in the maximum amount authorized by RCW 82.80.020. The county hereby
637 further irrevocably covenants and agrees that, for as long as any of the Bonds are
638 outstanding and unpaid, each year it will include in its budget and levy an *ad valorem* tax
639 within the constitutional and statutory tax limitations provided by law without a vote of
640 the people upon all the property within the county subject to taxation in an amount that
641 will be sufficient, together with all local vehicle license fee revenues and other revenues,
642 taxes and money of the county legally available for such purposes, to pay the principal of
643 and interest on the Bonds as the same shall become due.

644 The county hereby irrevocably pledges that the annual tax provided for herein to
645 be levied for the payment of such principal and interest shall be within and as a part of
646 the tax levy to counties without a vote of the people. The county hereby further
647 irrevocably sets aside, pledges and appropriates to the payment of the principal of and
648 interest on the Bonds all of the annual revenues from such local vehicle license fees and a
649 sufficient portion of each annual levy to be levied and collected by the county prior to the
650 full payment of the principal of and interest on the Bonds. All such vehicle license fee
651 revenues, taxes and other money to be used for such purposes shall be paid into the Bond
652 Fund no later than the date such funds are required for the payment of principal of and
653 interest on each series of the Bonds.

654 The full faith, credit and resources of the county are hereby irrevocably pledged
655 for the annual imposition and collection of such local vehicle licensing fees, the annual
656 levy and collection of said taxes, and the prompt payment of the principal of and interest
657 on the Bonds as the same shall become due.

658 SECTION 16. Tax Exemption. The county shall comply with the provisions of
659 this section unless, in the written opinion of nationally recognized bond counsel to the
660 county, such compliance is not required to maintain the exemption of the interest on the
661 Bonds from federal income taxation.

662 The county hereby covenants that it will not make any use of the proceeds from
663 the sale of the Bonds or any other funds of the county that may be deemed to be proceeds
664 of such Bonds pursuant to Section 148 of the Code and the applicable regulations
665 thereunder that will cause the Bonds to be “arbitrage bonds” within the meaning of said
666 Section and said regulations. The county will comply with the applicable requirements of
667 Section 148 of the Code (or any successor provision thereof applicable to the Bonds) and
668 the applicable regulations thereunder throughout the term of the Bonds.

669 The county further covenants that it will not take any action or permit any action
670 to be taken that would cause the Bonds to constitute “private activity bonds” under
671 Section 141 of the Code.

672 SECTION 17. Arbitrage Rebate. The county will compute, if necessary, and
673 pay the Rebate Amount, if any, to the United States of America at the times and in the
674 amounts necessary to meet the requirements of the Code to maintain the federal income
675 tax exemption for interest payments on the Bonds, in accordance with the Arbitrage and
676 Tax Certification.

677 SECTION 18. Sale of Bonds.

678 A. Determination by Finance Manager. The county hereby authorizes the
679 public sale of the Bonds. The Bonds shall be sold in one or more series, at the option of
680 the Finance Manager. The Finance Manager shall determine, in consultation with the
681 county's financial advisors, whether each series of the Bonds shall be sold by negotiated
682 sale or competitive bid.

683 B. Procedure for Negotiated Sale. If the Finance Manager determines that
684 any series of the Bonds shall be sold by negotiated sale, the Finance Manager shall, in
685 accordance with applicable county procurement procedures, solicit one or more
686 underwriting firms with which to negotiate the sale of the Bonds. The purchase contract
687 for each series of the Bonds shall establish the year and series designation, date, principal
688 amounts and maturity dates, interest rates and interest payment dates, redemption
689 provisions and delivery date for such series of the Bonds, so long as the aggregate
690 principal amount of the Bonds to be outstanding following the issuance of such series of
691 Bonds does not exceed \$42,500,000. The county council by Sale Motion shall approve
692 the bond purchase contract and ratify the terms for the series of Bonds established
693 thereby.

694 C. Procedure for Sale by Competitive Bid. If the Finance Manager
695 determines that any series of the Bonds shall be sold by competitive bid, bids for the
696 purchase of each series of the Bonds shall be received at such time and place and by such
697 means as the Finance Manager shall direct. The Finance Manager is hereby authorized to
698 prepare an official notice of bond sale for each series of the Bonds to be sold pursuant to
699 competitive bid, establishing in such notice the year and series designation, date,

700 principal amounts and maturity dates, interest payment dates, redemption provisions and
701 delivery date for such series of Bonds, so long as the aggregate principal amount of the
702 Bonds to be outstanding following the issuance of such series of Bonds does not exceed
703 \$42,500,000. The official notice of bond sale or an abridged form thereof shall be
704 published in such newspapers or financial journals as may be deemed desirable or
705 appropriate by the financial advisors to the county.

706 Upon the date and time established for the receipt of bids for any series of the
707 Bonds, the Finance Manager or his designee shall review the bids, shall cause the bids to
708 be mathematically verified and shall report to the county council regarding the bids
709 received. Such bids shall then be considered and acted upon by the county council in an
710 open public meeting. The county council reserves the right to reject any and all bids for
711 any series of the Bonds. The county council by a Sale Motion shall ratify the year and
712 series designation, date, principal amounts and maturity dates, interest rates and interest
713 payment dates, redemption provisions and delivery date for such series of the Bonds, and
714 accept the bid for the purchase of such series of the Bonds.

715 SECTION 19. Delivery of Bonds. Following the sale of each series of the
716 Bonds, the county shall cause definitive Bonds of such series to be prepared, executed
717 and delivered, which Bonds shall be typewritten, lithographed or printed with engraved
718 or lithographed borders.

719 If definitive Bonds of any series are not ready for delivery by the date established
720 for their delivery to the initial purchasers thereof, then the Finance Manager, upon the
721 approval of the purchasers, may cause to be issued and delivered to the purchasers one or
722 more temporary Bonds of the same series with appropriate omissions, changes and

723 additions. Any such temporary Bond or Bonds shall be entitled and subject to the same
724 benefits and provisions of this ordinance with respect to the payment, security and
725 obligation thereof as definitive Bonds authorized thereby. Such temporary Bond or
726 Bonds shall be exchangeable without cost to the owners thereof for definitive Bonds of
727 the same series when the latter are ready for delivery.

728 SECTION 20. Preliminary Official Statement Declaration. The county hereby
729 authorizes and directs the Finance Manager: (i) to review and approve the information
730 contained in the preliminary official statement (the "Preliminary Official Statement")
731 prepared in connection with the sale of each series of the Bonds; and (ii) for the sole
732 purpose of the Bond purchasers' compliance with Commission Rule 15c2-12(b)(1), to
733 "deem final" that Preliminary Official Statement as of its date, except for the omission of
734 information on offering prices, interest rates, selling compensation, delivery dates, any
735 other terms or provisions required by the county to be specified in a competitive bid,
736 ratings, other terms of the Bonds dependent on such matters and the identity of the Bond
737 purchasers. After each Preliminary Official Statement has been reviewed and approved
738 in accordance with the provisions of this section, the county hereby authorizes the
739 distribution of such Preliminary Official Statement to prospective purchasers of such
740 series of Bonds.

741 SECTION 21. Approval of Official Statement. Following the sale of each
742 series of the Bonds, the Finance Manager is hereby authorized to review and approve on
743 behalf of the county a final official statement with respect to such series of Bonds. The
744 county agrees to cooperate with the successful bidder for each series of the Bonds to
745 deliver or cause to be delivered, within seven business days from the date of the Sale

746 Motion, and in sufficient time to accompany any confirmation that requests payment
747 from any customer of such successful bidder, copies of a final official statement
748 pertaining to such Bonds in sufficient quantity to comply with paragraph (b)(4) of the
749 Rule and the rules of the MSRB.

750 SECTION 22. Undertaking to Provide Ongoing Disclosure. In each Sale
751 Motion, the county council will set forth an undertaking for ongoing disclosure with
752 respect to the Bonds, as required by Section (b)(5) of the Rule.

753 SECTION 23. General Authorization. The appropriate county officials, agents
754 and representatives are hereby authorized and directed to do everything necessary for the
755 prompt sale, issuance, execution and delivery of the Bonds, and for the proper use and
756 application of the proceeds of the sale thereof.

757 SECTION 24. Refunding or Defeasance of the Bonds. The county may issue
758 advance refunding bonds pursuant to the laws of the State of Washington or use money
759 available from any other lawful source to pay when due the principal of and interest on
760 any series of the Bonds, or any portion thereof included in a refunding or defeasance
761 plan, and to redeem and retire, refund or defease all such then-outstanding Bonds and to
762 pay the costs of the refunding or defeasance.

763 In the event that money and/or noncallable Government Obligations maturing at
764 such time or times and bearing interest to be earned thereon in amounts (together with
765 such money, if necessary) sufficient to redeem and retire, refund or defease part or all of
766 the Bonds in accordance with their terms, are set aside in a special account of the county
767 to effect such redemption and retirement, and such money and the principal of and
768 interest on such Government Obligations are irrevocably set aside and pledged for such

769 purpose, then no further payments need be made into the Bond Fund for the payment of
770 the principal of and interest on the Bonds so provided for, and such Bonds shall cease to
771 be entitled to any lien, benefit or security of this ordinance except the right to receive the
772 money so set aside and pledged, and such Bonds shall be deemed not to be outstanding
773 hereunder.

774 Within 30 days of the defeasance of any of the Bonds, the Bond Registrar shall
775 provide notice of defeasance of such Bonds to the registered owners of the Bonds and to
776 each NRMSIR and SID, if any, in accordance with the undertaking for ongoing
777 disclosure to be adopted by a Sale Motion pursuant to Section 22 hereof.

778 SECTION 25. Open Market Purchase. The county reserves the right to
779 purchase any or all of the Bonds on the open market at any time and at any price.

780 SECTION 26. Contract; Severability. The covenants contained in this
781 ordinance shall constitute a contract between the county and the owners of each and
782 every Bond. If any one or more of the covenants or agreements provided in this
783 ordinance to be performed on the part of the county shall be declared by any court of
784 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement
785 or agreements, shall be null and void and shall be deemed separable from the remaining
786 covenants and agreements of this

Ordinance 14462

787 ordinance and shall in no way affect the validity of the other provisions of this ordinance

788 or of the Bonds.

789

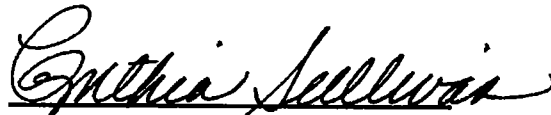
Ordinance 14462 was introduced on 8/19/2002 and passed by the Metropolitan King County Council on 9/9/2002, by the following vote:

Yes: 11 - Ms. Sullivan, Mr. von Reichbauer, Ms. Lambert, Mr. Phillips, Mr. Pelz, Mr. Constantine, Mr. Pullen, Mr. Gossett, Ms. Hague, Mr. Irons and Ms. Patterson

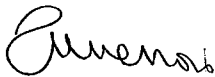
No: 0

Excused: 2 - Ms. Edmonds and Mr. McKenna

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 19 day of September 2002.


Ron Sims, County Executive

RECEIVED
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Attachments A. Exhibit A Project Descriptions

14462

Attachment A
2002 368

EXHIBIT A
PROJECT DESCRIPTIONS

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

1. Roads Capital Improvement Projects \$42,500,000