



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**September 7, 2004**

**Ordinance 14991**

**Proposed No.** 2004-0341.1

**Sponsors** Gossett and Phillips

1 AN ORDINANCE authorizing the issuance and public sale  
2 of one or more series of limited tax general obligation  
3 bonds of the county in an outstanding aggregate principal  
4 amount not to exceed \$30,000,000 to provide long-term  
5 financing for the Juanita Woodlands Open Space  
6 Acquisition Project and the Forestry and Nearshore  
7 Initiative Project; authorizing the issuance and public sale  
8 of one or more series of limited tax general obligation bond  
9 anticipation notes of the county in an outstanding aggregate  
10 principal amount not to exceed \$30,000,000 to provide  
11 interim financing for such projects pending the sale of such  
12 bonds; providing for the disposition of the proceeds of sale  
13 of the notes; establishing funds for the receipt and  
14 expenditure of note proceeds and for the payment of the  
15 notes; and providing for the annual levy of taxes to pay the  
16 principal thereof and interest thereon.

17

18

19 PREAMBLE:

20 The county council has previously reviewed and approved expenditures  
21 for the Juanita Woodlands Open Space Acquisition Project and the  
22 Forestry and Nearshore Initiative Project.

23 It is deemed necessary and advisable that the county now authorize the  
24 issuance of one or more series of its limited tax general obligation bonds  
25 in an outstanding aggregate principal amount not to exceed \$30,000,000 to  
26 provide long-term financing for the projects described above, and that the  
27 county now authorize the issuance and public sale of one or more series of  
28 its limited tax general obligation bond anticipation notes in an outstanding  
29 aggregate principal amount not to exceed \$30,000,000 to provide interim  
30 financing for such projects pending the issuance of the bonds.

31 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

35 "Arbitrage and Tax Certification" means, with respect to each series of the Notes  
36 or the Bonds, the certificate executed by the Finance Director pertaining to the county's  
37 expectations with respect to the use, investment and rebate, if any, of the proceeds thereof  
38 for purposes of Sections 141 and 148 of the Code.

39 "Bond Fund" means, with respect to each series of the Bonds, the bond  
40 redemption account established therefor pursuant to Section 13 hereof.

41 "Bond Sale Motion" means a motion of the council adopted at the time of sale of  
42 each series of the Bonds that establishes, with respect thereto, the following, among other  
43 things: the year and series designation, dates, principal amounts and maturity dates, the  
44 interest rates and interest payment dates, and the redemption provisions therefor.

45 "Bonds" means the limited tax general obligation bonds of the county in an  
46 outstanding aggregate principal amount not to exceed \$30,000,000, authorized to be  
47 issued by this ordinance to provide long-term financing for the Juanita Woodlands Open  
48 Space Acquisition Project and the Forestry and Nearshore Initiative Project.

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

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

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

57 "Forestry and Nearshore Initiative Project" means the project to acquire and  
58 preserve open space, working forests and undeveloped shoreline in King County that  
59 will:

- 60 1. Contain urban sprawl and suburban development;
- 61 2. Provide sustainable forest management that conserves the environment and  
62 retains the local timber industry;

63                   3. Protect the health of the nearshore environment on Vashon and Maury  
64 Islands; and

65                   4. Meet the conservation and open space needs of King County and local  
66 communities.

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

69                   "Juanita Woodlands Open Space Acquisition Project" means the project to  
70 acquire and preserve open space in unincorporated King County, west of the City of  
71 Kirkland.

72                   "Note Fund" means, with respect to each series of the Notes, the note redemption  
73 account established therefor pursuant to Section 13 hereof.

74                   "Note Sale Motion" means a motion of the council adopted at the time of sale of  
75 each series of the Notes that establishes, with respect thereto, the following, among other  
76 things: the year and series designation, dates, principal amounts and maturity dates, the  
77 interest rates and interest payment dates, and the redemption provisions therefor.

78                   "Notes" means the limited tax general obligation bond anticipation notes of the  
79 county in an outstanding aggregate principal amount not to exceed \$30,000,000,  
80 authorized to be issued by this ordinance to provide interim financing for the Juanita  
81 Woodlands Open Space Acquisition Project and the Forestry and Nearshore Initiative  
82 Project.

83                   "Official Notice of Bond Sale" means, with respect to each series of the Bonds  
84 that is sold by competitive bid, the official notice of sale therefor prepared pursuant to  
85 Section 4.E hereof.

86 "Official Notice of Note Sale" means, with respect to each series of the Notes that  
87 is sold by competitive bid, the official notice of sale therefor prepared pursuant to Section  
88 5.E hereof.

89 "Rebate Amount" means the amount, if any, determined to be payable with  
90 respect to the Notes or the Bonds, as applicable, by the county to the United States of  
91 America in accordance with Section 148(f) of the Code.

92 "Register" means the registration books maintained by the Registrar for purposes  
93 of identifying ownership of the Notes and the Bonds.

94 "Registrar" means the fiscal agency of the State of Washington appointed from  
95 time to time by the Washington State Finance Committee pursuant to chapter 43.80  
96 RCW.

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

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

100 A. The Juanita Woodlands Open Space Acquisition Project and the Forestry and  
101 Nearshore Initiative Project will contribute to the health, safety and welfare of the  
102 citizens of the county.

103 B. The issuance of limited tax general obligation bonds of the county to provide  
104 long-term financing for such projects, payable from regular property taxes, and the  
105 issuance and sale of limited tax general obligation bond anticipation notes of the county  
106 to provide interim financing therefor, payable from the proceeds of the sale of such bonds  
107 or other revenues, taxes and money of the county legally available for such purposes, will

108 reduce the overall costs of borrowing such funds and is in the best interests of the county  
109 and its citizens.

110 SECTION 3. Authorization of Projects. The county has previously authorized  
111 the undertaking of the Juanita Woodlands Open Space Acquisition Project and the  
112 Forestry and Nearshore Initiative Project. The costs of such projects shall also include  
113 capitalized interest, interest on the Notes or other interim financing for such projects  
114 pending receipt of Bond proceeds, and costs and expenses incurred in issuing the Notes  
115 and the Bonds.

116 The costs of such projects shall include the costs of sales tax, acquisition and  
117 contingency allowances, financing, and any and all surveys, explorations, engineering  
118 and architectural studies, drawings, designs and specifications incidental, necessary or  
119 convenient to the improvements herein specified. Such projects shall also include the  
120 purchase of all materials, supplies, appliances, equipment and facilities, and the permits,  
121 franchises, property and property rights and administrative costs, necessary, incidental or  
122 convenient to effect the improvements.

123 The authorized projects may be modified where deemed advisable or necessary in  
124 the judgment of the county council, and implementation or completion of any authorized  
125 project shall not be required if the county council determines that it has become  
126 inadvisable or impractical. If all of the projects either have been completed, or their  
127 completion duly provided for, or their completion found to be inadvisable or impractical,  
128 the county may apply any remaining proceeds of the Notes or the Bonds, or any portion  
129 thereof, to the acquisition or improvement of other county facilities as the county council  
130 in its discretion may determine. In the event that the proceeds of the sale of the Notes

131 and the Bonds, plus any other money of the county legally available therefor, are  
132 insufficient to accomplish all of the projects authorized in this section, the county shall  
133 use the available funds for paying the cost of those projects for which the Notes and the  
134 Bonds were authorized deemed by the county council most necessary and in the best  
135 interest of the county.

136 SECTION 4. Purpose, Authorization and Description of Bonds.

137 A. Purpose and Authorization of Bonds. The county authorizes the issuance of  
138 the Bonds to provide long-term financing the Juanita Woodlands Open Space Acquisition  
139 Project and the Forestry and Nearshore Initiative Project, including capitalized interest,  
140 interest on the Notes or other interim financing for such projects pending receipt of Bond  
141 proceeds, and costs and expenses incurred in issuing the Bonds. The long-term financing  
142 provided by the Bonds may be in the form of new money financing for the Juanita  
143 Woodlands Open Space Acquisition Project and the Forestry and Nearshore Initiative  
144 Project, or in the form of a current refunding of outstanding Notes, or any combination  
145 thereof.

146 B. Description of Bonds. The Bonds may be issued in one or more series so long  
147 as the aggregate principal amount of the Bonds to be outstanding on the date of issuance  
148 of each series of the Bonds does not to exceed the remainder of \$30,000,000 less the  
149 aggregate principal amount of any Notes to be outstanding on the date of issuance of such  
150 series of the Bonds. Each series of the Bonds shall be designated "King County,  
151 Washington, Limited Tax General Obligation Bonds," with an applicable year and series  
152 designation established by the related Bond Sale Motion. Each series of the Bonds shall  
153 be dated as of such date, shall mature on the date or dates in each of the years and in the

154 principal amounts, shall bear interest (computed on the basis of a 360-day year of twelve  
155 30-day months) from their date or the most recent interest payment date to which interest  
156 has been paid or duly provided for, whichever is later, at the rates and payable on such  
157 dates, and shall be subject to redemption prior to maturity in the amounts, in the manner  
158 and at the prices, and shall be subject to such other terms and provisions as the county  
159 shall establish by the related Bond Sale Motion. Each series of the Bonds shall be fully  
160 registered as to both principal and interest, shall be in the denomination of \$5,000 each or  
161 any integral multiple thereof (but no Bond shall represent more than one maturity), shall  
162 be numbered separately in such manner and with any additional designation as the  
163 Registrar deems necessary for purposes of identification.

164 C. Initial Immobilization of Bonds; Depository Provisions. The Bonds of each  
165 series shall initially be held in fully immobilized form by DTC acting as depository  
166 pursuant to the terms and conditions set forth in the Blanket Issuer Letter of  
167 Representations heretofore executed on behalf of the county. Neither the county nor the  
168 Registrar shall have any responsibility or obligation to DTC participants or the persons  
169 for whom they act as nominees with respect to such Bonds with respect to the accuracy of  
170 any records maintained by DTC or any DTC participant, the payment by DTC or any  
171 DTC participant of any amount in respect of principal or redemption price or interest on  
172 such Bonds, any notice that is permitted or required to be given to registered owners  
173 under this ordinance (except such notice as is required to be given by the county to the  
174 Registrar or to DTC), the selection by DTC or any DTC participant of any person to  
175 receive payment in the event of a partial redemption of such Bonds or any consent given  
176 or other action taken by DTC as owner of such Bonds.



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

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

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

191           (3) To any person as herein provided if such Bonds are no longer held  
192 in immobilized form.

193           Upon the resignation of DTC or its successor (or any substitute depository or its  
194 successor) from its functions as depository, or a determination by the county that it is no  
195 longer in the best interests of beneficial owners of such Bonds to continue the system of  
196 book entry transfers through DTC or its successor (or any substitute depository or its  
197 successor), the county may appoint a substitute depository. Any such substitute  
198 depository shall be qualified under any applicable laws to provide the services proposed  
199 to be provided by it.

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

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

218 D. Place, Manner and Medium of Payment. Both principal of and interest on the  
219 Bonds shall be payable in lawful money of the United States of America. For so long as  
220 any outstanding Bonds are registered in the name of CEDE & Co., or its registered  
221 assigns, as nominee of DTC, payments of principal of and interest on such Bonds shall be

222 made in next day funds on the date such payment is due and payable at the place and in  
223 the manner provided in the Letter of Representations.

224 In the event that the Bonds of any series are no longer held in fully immobilized  
225 form by DTC or its successor (or substitute depository or its successor), interest on such  
226 Bonds shall be paid by checks or drafts mailed, or by wire transfer, to the owners of such  
227 Bonds at the addresses for such owners appearing on the Register on the 15th day of the  
228 calendar month preceding the interest payment date. Wire transfer will be made only if  
229 so requested in writing and if the owner owns at least \$1,000,000 par value of such  
230 Bonds. Principal of the Bonds shall be payable at maturity or on such dates as may be  
231 fixed for prior redemption upon presentation and surrender of such Bonds by the owners  
232 to the Registrar.

233 E. Sale of Bonds. The county hereby authorizes the public sale of the Bonds.  
234 The Bonds shall be sold in one or more series, any of which may be sold in a combined  
235 offering of other bonds of the county, at the option of the Finance Director. The Finance  
236 Director shall determine, in consultation with the county's financial advisors, whether  
237 each series of the Bonds shall be sold by negotiated sale or competitive bid.

238 If the Finance Director determines that any series of the Bonds shall be sold by  
239 negotiated sale, the Finance Director shall, in accordance with applicable county  
240 procurement procedures, solicit one or more underwriting firms with which to negotiate  
241 the sale of the Bonds. The purchase contract for each series of the Bonds shall establish  
242 the year and series designation, date, principal amounts and maturity dates, interest rates  
243 and interest payment dates, redemption provisions and delivery date for such series of the  
244 Bonds, so long as the aggregate principal amount of the Bonds to be outstanding on the

245 date of issuance of such series of the Bonds does not exceed the remainder of  
246 \$30,000,000 less the aggregate principal amount of any Notes to be outstanding on the  
247 date of issuance of such series of the Bonds. The county council, by Bond Sale Motion,  
248 shall approve the bond purchase contract and ratify the terms for the series of the Bonds  
249 established thereby.

250 If the Finance Director determines that any series of the Bonds shall be sold by  
251 competitive bid, bids for the purchase of each series of the Bonds shall be received at  
252 such time and place and by such means as the Finance Director shall direct.

253 Upon the date and time established for the receipt of bids for each series of the  
254 Bonds, the Finance Director or his designee shall open the bids for the Bonds, shall cause  
255 the bids to be mathematically verified and shall report to the county council regarding the  
256 bids received. Such bids shall then be considered and acted upon by the county council  
257 in an open public meeting. The county council reserves the right to reject any and all  
258 bids for any series of the Bonds. The county council shall, by Bond Sale Motion, ratify  
259 and confirm the year and series designation, date, principal amounts and maturity dates,  
260 interest rates and interest payment dates, redemption provisions and delivery date for  
261 such series of the Bonds, and accept the bid for the purchase of such series of the Bonds.

262 The Finance Director is hereby authorized and directed to prepare an Official  
263 Notice of Bond Sale for each series of the Bonds to be sold pursuant to competitive bid,  
264 which notice shall be filed with the clerk of the council and shall be ratified and  
265 confirmed by the Bond Sale Motion therefor. The Finance Director is hereby authorized  
266 to establish the year and series designation, date, principal amounts and maturity dates,  
267 interest payment dates, redemption provisions and delivery date for such series of the

268 Bonds in such Official Notice of Bond Sale so long as the aggregate principal amount of  
269 the Bonds to be outstanding on the date of issuance of such series of the Bonds does not  
270 exceed the remainder of \$30,000,000 less the aggregate principal amount of any Notes to  
271 be outstanding on the date of issuance of such series of the Bonds. The Official Notice of  
272 Bond Sale or an abridged form thereof shall be published once prior to such sale date in  
273 *The Bond Buyer* and may be published in such other papers or financial journals as may  
274 be deemed desirable or appropriate by the financial advisors to the county.

275 F. Form of Bonds. The Bonds shall be in substantially the following form:

276 NO. \_\_\_\_\_ \$ \_\_\_\_\_

277 UNITED STATES OF AMERICA

278 STATE OF WASHINGTON

279 KING COUNTY

280 LIMITED TAX GENERAL OBLIGATION BOND,

281 [Year, Series]

282 INTEREST RATE: MATURITY DATE: CUSIP NO. :

283 REGISTERED OWNER:

284 PRINCIPAL AMOUNT:

285 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to  
286 owe and for value received promises to pay to the registered owner identified above, or  
287 registered assigns, on the Maturity Date specified above, the Principal Amount specified  
288 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-  
289 day months) from \_\_\_\_\_, or the most recent date to which interest has been  
290 paid or duly provided for until payment of this bond at the Interest Rate set forth above,

291 payable on \_\_\_\_\_, and semiannually thereafter on the \_\_\_\_ days of each  
292 succeeding \_\_\_\_\_ and \_\_\_\_\_.

293 Both principal of and interest on this bond are payable in lawful money of the  
294 United States of America. While bonds are held on immobilized "book entry" system of  
295 registration, the principal of this bond is payable to the order of the registered owner in  
296 same day funds received by the registered owner on the maturity date of this bond, and  
297 the interest on this bond is payable to the order of the registered owner in same day funds  
298 received by the registered owner on each interest payment date. When bonds are no  
299 longer held in an immobilized "book entry" registration system, the principal shall be  
300 paid to the registered owner or nominee of such owner upon presentation and surrender  
301 of this bond to the fiscal agency of the State of Washington (the "Registrar"), and the  
302 interest shall be paid by mailing a check or draft (on the date such interest is due) to the  
303 registered owner or nominee of such owner at the address shown on the registration  
304 books maintained by the Registrar (the "Register") as of the 15th day of the month prior  
305 to the interest payment date; provided, however, that if so requested in writing by the  
306 registered owner of at least \$1,000,000 par value of the bonds, interest will be paid by  
307 wire transfer.

308 This bond is one of an authorized issue of bonds of like date and tenor, except as  
309 to number, amount, rate of interest and date of maturity, in the aggregate principal  
310 amount of \$ \_\_\_\_\_, and is issued to provide long-term financing for the Juanita  
311 Woodlands Open Space Acquisition Project and the Forestry and Nearshore Initiative  
312 Project, including capitalized interest and costs and expenses incurred in issuing the  
313 bonds.

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

317           [The bonds of this issue are subject to redemption prior to maturity as follows:  
318 (information to come from related Bond Sale Motion)].

319           The County has irrevocably covenanted in King County Ordinance \_\_\_\_\_ (the  
320 "Bond Ordinance"), that each year it will include in its budget and levy an *ad valorem* tax  
321 within the constitutional and statutory tax limitations provided by law without a vote of  
322 the people upon all the property within the County subject to taxation in an amount that  
323 will be sufficient, together with all other revenues, taxes and money of the County legally  
324 available for such purposes, to pay the principal of and interest on the bonds as the same  
325 shall become due. The County has irrevocably pledged its full faith, credit and resources  
326 for the annual levy and collection of such taxes and for the prompt payment of the  
327 principal of and interest on the bonds as the same shall become due.

328           The pledge of tax levies for repayment of principal of and interest on the bonds  
329 may be discharged prior to maturity of the bonds by making provisions for the payment  
330 thereof on the terms and conditions set forth in the Bond Ordinance.

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

334           It is hereby certified that all acts, conditions and things required by the  
335 Constitution and statutes of the State of Washington and the Charter and ordinances of  
336 the County to exist, to have happened, been done and performed precedent to and in the

337 issuance of this bond have happened, been done and performed and that the issuance of  
338 this bond and the bonds of this series does not violate any constitutional, statutory or  
339 other limitation upon the amount of bonded indebtedness that the County may incur.

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

344 KING COUNTY, WASHINGTON

345 By \_\_\_\_\_

346 County Executive

347 ATTEST:

348 \_\_\_\_\_

349 Clerk of the Council

350 The Registrar's Certificate of Authentication on the Bonds shall be in substantially  
351 the following form:

352 CERTIFICATE OF AUTHENTICATION

353 This bond is one of the bonds described in the within mentioned Bond Ordinance  
354 and is of the Limited Tax General Obligation Bonds, [Year, Series], of King County,  
355 Washington, dated [ ].

356 WASHINGTON STATE FISCAL

357 AGENCY, as Registrar

358 By \_\_\_\_\_

359 Authorized Officer



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ASSIGNMENT

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

unto

---

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

NUMBER OF TRANSFEREE

[            ]

---

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

---

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

DATED: \_\_\_\_\_, \_\_\_\_\_.

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

SIGNATURE GUARANTEED:

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384           G. Delivery of Bonds. Following the sale of each series of the Bonds, the county  
385 shall cause definitive Bonds of such series to be prepared, executed and delivered, which  
386 Bonds may be wordprocessed, typewritten, lithographed or printed.

387           If definitive Bonds of any series are not ready for delivery by the date established  
388 for their delivery to the initial purchasers thereof, then the Finance Director, upon the  
389 approval of the purchasers, may cause to be issued and delivered to the purchasers one or  
390 more temporary Bonds of the same series with appropriate omissions, changes and  
391 additions. Any such temporary Bond or Bonds shall be entitled and subject to the same  
392 benefits and provisions of this ordinance with respect to the payment, security and  
393 obligation thereof as definitive Bonds authorized thereby. Such temporary Bond or  
394 Bonds shall be exchangeable without cost to the owners thereof for definitive Bonds of  
395 the same series when the latter are ready for delivery.

396           H. Execution of Bonds. The Bonds shall be executed on behalf of the county  
397 with the manual or facsimile signatures of the county executive and the clerk of the  
398 council, and shall have the seal of the county impressed or imprinted thereon.

399           In case either or both of the officers who shall have executed the Bonds shall  
400 cease to be an officer or officers of the county before the Bonds so signed shall have been  
401 authenticated or delivered by the Registrar, or issued by the county, such Bonds may  
402 nevertheless be authenticated, delivered and issued and upon such authentication,  
403 delivery and issuance, shall be as binding upon the county as though those who signed  
404 the same had continued to be such officers of the county. Any Bond also may be signed  
405 and attested on behalf of the county by such persons as at the actual date of execution of

406 such Bond shall be the proper officers of the county although at the original date of such  
407 Bond any such person shall not have been such officer of the county.

408 Only such Bonds as shall bear thereon a Certificate of Authentication in the form  
409 hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for  
410 any purpose or entitled to the benefits of this ordinance. Such Certificate of  
411 Authentication shall be conclusive evidence that the Bonds so authenticated have been  
412 duly executed, authenticated and delivered hereunder and are entitled to the benefits of  
413 this ordinance.

414 SECTION 5. Purpose, Authorization and Description of Notes.

415 A. Purpose and Authorization of Notes. The county authorizes the issuance of  
416 the Notes to provide interim financing for the Juanita Woodlands Open Space  
417 Acquisition Project and the Forestry and Nearshore Initiative Project, including  
418 capitalized interest and costs and expenses incurred in issuing the Notes. The interim  
419 financing provided by the Notes may be in the form of new money financing for the  
420 Juanita Woodlands Open Space Acquisition Project and the Forestry and Nearshore  
421 Initiative Project, or in the form of a current refunding (a "rollover") of outstanding Notes  
422 pending the issuance of Bonds and the receipt of Bond proceeds to provide long-term  
423 financing therefor, or any combination thereof.

424 B. Description of Notes. The Notes may be issued in one or more series so long  
425 as the aggregate principal amount of the Notes to be outstanding on the date of issuance  
426 of each series of the Notes does not to exceed the remainder of \$30,000,000 less the  
427 aggregate principal amount of any Bonds to be outstanding on the date of issuance of  
428 such series of the Notes. Each series of the Notes shall be designated "King County,

429 Washington, Limited Tax General Obligation Bond Anticipation Notes," with an  
430 applicable year and series designation established by the related Note Sale Motion. Each  
431 series of the Notes shall be dated as of such date, shall mature on the date or dates in each  
432 of the years and in the principal amounts, shall bear interest (computed on the basis of a  
433 360-day year of twelve 30-day months) from their date or the most recent interest  
434 payment date to which interest has been paid or duly provided for, whichever is later, at  
435 the rates and payable on such dates, and shall be subject to redemption prior to maturity  
436 in the amounts, in the manner and at the prices, and shall be subject to such other terms  
437 and provisions as the county shall establish by the related Note Sale Motion. Each series  
438 of the Notes shall be fully registered as to both principal and interest, shall be in the  
439 denomination of \$5,000 each or any integral multiple thereof (but no Note shall represent  
440 more than one maturity), shall be numbered separately in such manner and with any  
441 additional designation as the Registrar deems necessary for purposes of identification.

442 C. Initial Immobilization of Notes; Depository Provisions. The Notes of each  
443 series shall initially be held in fully immobilized form by DTC acting as depository  
444 pursuant to the terms and conditions set forth in the Blanket Issuer Letter of  
445 Representations heretofore executed on behalf of the county. Neither the county nor the  
446 Registrar shall have any responsibility or obligation to DTC participants or the persons  
447 for whom they act as nominees with respect to such Notes with respect to the accuracy of  
448 any records maintained by DTC or any DTC participant, the payment by DTC or any  
449 DTC participant of any amount in respect of principal or redemption price or interest on  
450 such Notes, any notice that is permitted or required to be given to registered owners  
451 under this ordinance (except such notice as is required to be given by the county to the

452 Registrar or to DTC), the selection by DTC or any DTC participant of any person to  
453 receive payment in the event of a partial redemption of such Notes or any consent given  
454 or other action taken by DTC as owner of such Notes.

455         The Notes of each series shall initially be issued in denominations equal to the  
456 aggregate principal amount of each maturity and initially shall be registered in the name  
457 of CEDE & Co., as the nominee of DTC. Such Notes so registered shall be held in fully  
458 immobilized form by DTC as depository. For so long as any such Notes are held in fully  
459 immobilized form, DTC, its successor or any substitute depository appointed by the  
460 county, as applicable, shall be deemed to be the registered owner for all purposes  
461 hereunder and all references to registered owners, noteowners, noteholders, owners or the  
462 like shall mean DTC or its nominees and shall not mean the owners of any beneficial  
463 interests in the Notes. Registered ownership of such Notes, or any portions thereof, may  
464 not thereafter be transferred except:

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

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

469             (3) To any person as herein provided if such Notes are no longer held in  
470 immobilized form.

471         Upon the resignation of DTC or its successor (or any substitute depository or its  
472 successor) from its functions as depository, or a determination by the county that it is no  
473 longer in the best interests of beneficial owners of such Notes to continue the system of  
474 book entry transfers through DTC or its successor (or any substitute depository or its

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

478 In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of  
479 this subsection, the Registrar, upon receipt of all outstanding Notes of such series  
480 together with a written request on behalf of the county, shall issue a single new Note  
481 certificate for each maturity of Notes of such series then outstanding, registered in the  
482 name of such successor or such substitute depository, or their nominees, as the case may  
483 be, all as specified in such written request of the county.

484 In the event that DTC or its successor (or substitute depository or its successor)  
485 resigns from its functions as depository, and no substitute depository can be obtained; or  
486 the county determines that it is in the best interests of the beneficial owners of the Notes  
487 of any series that they be able to obtain Note certificates, the ownership of such Notes  
488 may be transferred to any person as herein provided, and such Notes shall no longer be  
489 held in fully immobilized form. The county shall deliver a written request to the  
490 Registrar, together with a supply of definitive Notes of such series, to issue Notes of such  
491 series as herein provided in any authorized denomination. Upon receipt of all then  
492 outstanding Notes of such series by the Registrar, together with a written request on  
493 behalf of the county to the Registrar, new Notes of such series shall be issued in such  
494 denominations and registered in the names of such persons as are requested in such a  
495 written request.

496 D. Place, Manner and Medium of Payment. Both principal of and interest on the  
497 Notes shall be payable in lawful money of the United States of America. For so long as

498 any outstanding Notes are registered in the name of CEDE & Co., or its registered  
499 assigns, as nominee of DTC, payments of principal of and interest on such Notes shall be  
500 made in next day funds on the date such payment is due and payable at the place and in  
501 the manner provided in the Letter of Representations.

502 In the event that the Notes of any series are no longer held in fully immobilized  
503 form by DTC or its successor (or substitute depository or its successor); interest on such  
504 Notes shall be paid by checks or drafts mailed, or by wire transfer, to the owners of such  
505 Notes at the addresses for such owners appearing on the Register on the 15th day of the  
506 calendar month preceding the interest payment date. Wire transfer will be made only if  
507 so requested in writing and if the owner owns at least one million dollars (\$1,000,000)  
508 par value of such Notes. Principal of the Notes shall be payable at maturity or on such  
509 dates as may be fixed for prior redemption upon presentation and surrender of such Notes  
510 by the owners to the Registrar.

511 E. Sale of Notes. The county hereby authorizes the public sale of the Notes. The  
512 Notes shall be sold in one or more series, any of which may be sold in a combined  
513 offering of other notes of the county, at the option of the Finance Director. The Finance  
514 Director shall determine, in consultation with the county's financial advisors, whether  
515 each series of the Notes shall be sold by negotiated sale or competitive bid.

516 If the Finance Director determines that any series of the Notes shall be sold by  
517 negotiated sale, the Finance Director shall, in accordance with applicable county  
518 procurement procedures, solicit one or more underwriting firms with which to negotiate  
519 the sale of the Notes. The purchase contract for each series of the Notes shall establish  
520 the year and series designation, date, principal amounts and maturity dates, interest rates

521 and interest payment dates, redemption provisions and delivery date for such series of the  
522 Notes, so long as the aggregate principal amount of the Notes to be outstanding on the  
523 date of issuance of such series of the Notes does not exceed the remainder of \$30,000,000  
524 less the aggregate principal amount of any Bonds to be outstanding on the date of  
525 issuance of such series of the Notes. The county council, by Note Sale Motion, shall  
526 approve the Note purchase contract and ratify the terms for the series of the Notes  
527 established thereby.

528 If the Finance Director determines that any series of the Notes shall be sold by  
529 competitive bid, bids for the purchase of each series of the Notes shall be received at such  
530 time and place and by such means as the Finance Director shall direct.

531 Upon the date and time established for the receipt of bids for each series of the  
532 Notes, the Finance Director or his designee shall open the bids for the Notes, shall cause  
533 the bids to be mathematically verified and shall report to the county council regarding the  
534 bids received. Such bids shall then be considered and acted upon by the county council  
535 in an open public meeting. The county council reserves the right to reject any and all  
536 bids for any series of the Notes. The county council shall, by Note Sale Motion, ratify  
537 and confirm the year and series designation, date, principal amounts and maturity dates,  
538 interest rates and interest payment dates, redemption provisions and delivery date for  
539 such series of the Notes, and accept the bid for the purchase of such series of the Notes.

540 The Finance Director is hereby authorized and directed to prepare an Official  
541 Notice of Note Sale for each series of the Notes to be sold pursuant to competitive bid,  
542 which notice shall be filed with the clerk of the council and shall be ratified and  
543 confirmed by the Note Sale Motion therefor. The Finance Director is hereby authorized



544 to establish the year and series designation, date, principal amounts and maturity dates,  
545 interest payment dates, redemption provisions and delivery date for such series of the  
546 Notes in such Official Notice of Note Sale so long as the aggregate principal amount of  
547 the Notes to be outstanding on the date of issuance of such series of the Notes does not  
548 exceed the remainder of \$30,000,000 less the aggregate principal amount of any Bonds to  
549 be outstanding on the date of issuance of such series of the Notes. The Official Notice of  
550 Note Sale or an abridged form thereof shall be published once prior to such sale date in  
551 *The Bond Buyer* and may be published in such other papers or financial journals as may  
552 be deemed desirable or appropriate by the financial advisors to the county.

553 F. Form of Notes. The Notes shall be in substantially the following form:

554 NO. \$ \_\_\_\_\_

555 UNITED STATES OF AMERICA

556 STATE OF WASHINGTON

557 KING COUNTY

558 LIMITED TAX GENERAL OBLIGATION

559 BOND ANTICIPATION NOTE, [Year, Series]

560 INTEREST RATE: MATURITY DATE: CUSIP NO. :

561 REGISTERED OWNER:

562 PRINCIPAL AMOUNT:

563 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to  
564 owe and for value received promises to pay to the registered owner identified above, or  
565 registered assigns, on the Maturity Date specified above, the Principal Amount specified  
566 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-

567 day months) from [ \_\_\_\_\_ ], at the Interest Rate set forth above, payable on  
568 \_\_\_\_\_.

569 Both principal of and interest on this note are payable in lawful money of the  
570 United States of America. While notes are held on immobilized "book entry" system of  
571 registration, the principal of this note is payable to the order of the registered owner in  
572 same day funds received by the registered owner on the maturity date of this note, and the  
573 interest on this note is payable to the order of the registered owner in same day funds  
574 received by the registered owner on each interest payment date. When notes are no  
575 longer held in an immobilized "book entry" registration system, the principal shall be  
576 paid to the registered owner or nominee of such owner upon presentation and surrender  
577 of this note at the fiscal agency of the State of Washington (the "Registrar"), and the  
578 interest shall be paid by mailing a check or draft (on the date such interest is due) to the  
579 registered owner or nominee of such owner at the address shown on the registration  
580 books maintained by the Registrar (the "Register") as of the 15th day of the month prior  
581 to the interest payment date; provided, however that if so requested in writing by the  
582 registered owner of at least \$1,000,000 par value of the notes, interest will be paid by  
583 wire transfer.

584 This note is one of an authorized issue of notes of like date and tenor, except as to  
585 number and amount[, rate of interest and date of maturity], in the aggregate principal  
586 amount of \$ \_\_\_\_\_, and is issued to provide interim financing for the Juanita  
587 Woodlands Open Space Acquisition Project and the Forestry and Nearshore Initiative  
588 Project, including capitalized interest and costs and expenses incurred in issuing the  
589 notes.

590           The notes of this issue are issued under and in accordance with the provisions of  
591 the Constitution and applicable statutes of the State of Washington, the County Charter  
592 and applicable ordinances duly adopted by the County.

593           [The notes are subject to redemption prior to their maturity as follows:  
594 (information to come related Note Sale Motion)].

595           The County has irrevocably covenanted in King County Ordinance No.  
596 \_\_\_\_\_ (the "Note Ordinance") that each year it will include in its budget and levy  
597 an *ad valorem* tax within the constitutional and statutory tax limitations provided by law  
598 without a vote of the people upon all the property within the County subject to taxation in  
599 an amount that will be sufficient, together with all other revenues, taxes and money of the  
600 County legally available for such purposes, to pay the principal of and interest on the  
601 Bonds as the same shall become due. The County has irrevocably pledged its full faith,  
602 credit and resources for the annual levy and collection of such taxes and for the prompt  
603 payment of the principal of and interest on the Bonds as the same shall become due.

604           The pledge of tax levies for repayment of principal of and interest on the notes  
605 may be discharged prior to maturity of the notes by making provisions for the payment  
606 thereof on the terms and conditions set forth in the Note Ordinance.

607           This note shall not be valid or become obligatory for any purpose or be entitled to  
608 any security or benefit under the Note Ordinance until the Certificate of Authentication  
609 hereon shall have been manually signed by the Registrar.

610           It is hereby certified that all acts, conditions and things required by the  
611 Constitution and statutes of the State of Washington and the Charter and ordinances of  
612 the County to exist, to have happened, been done and performed precedent to and in the

613 issuance of this note have happened, been done and performed and that the issuance of  
614 this note and the notes of this series does not violate any constitutional, statutory or other  
615 limitation upon the amount of bonded indebtedness that the County may incur.

616 IN WITNESS WHEREOF, the County has caused this note to be executed by the  
617 manual or facsimile signatures of the County Executive and the Clerk of the County  
618 Council, and the seal of the County to be impressed or imprinted hereon, as of this  
619 [ ] day of [ ].

620 KING COUNTY, WASHINGTON

621 By \_\_\_\_\_

622 County Executive

623 ATTEST:

624 \_\_\_\_\_

625 Clerk of the Council

626 The Registrar's Certificate of Authentication on the notes shall be in substantially  
627 the following form:

628 CERTIFICATE OF AUTHENTICATION

629 This note is one of the notes described in the within mentioned Note Ordinance  
630 and is of the Limited Tax General Obligation Bond Anticipation Notes, [Year, Series], of  
631 King County, Washington, dated [ ].

632 WASHINGTON STATE FISCAL

633 AGENCY, as Registrar

634 By \_\_\_\_\_

635 Authorized Officer

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ASSIGNMENT

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

unto

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PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

NUMBER OF TRANSFEREE

[            ]

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

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the within note and does hereby irrevocably constitute and appoint \_\_\_\_\_  
\_\_\_\_\_, or its successor, as Registrar to transfer said note on the books  
kept for registration thereof with full power of substitution in the premises.

DATED: \_\_\_\_\_, \_\_\_\_\_.

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

SIGNATURE GUARANTEED:

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G. Delivery of Notes. Following the sale of each series of the Notes, the county shall cause definitive Notes of such series to be prepared, executed and delivered, which Notes may be wordprocessed, typewritten, lithographed or printed.

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If definitive Notes of any series are not ready for delivery by the date established for their delivery to the initial purchasers thereof, then the Finance Director, upon the approval of the purchasers, may cause to be issued and delivered to the purchasers one or more temporary Notes of the same series with appropriate omissions, changes and additions. Any such temporary Note or Notes shall be entitled and subject to the same benefits and provisions of this ordinance with respect to the payment, security and obligation thereof as definitive Notes authorized thereby. Such temporary Note or Notes shall be exchangeable without cost to the owners thereof for definitive Notes of the same series when the latter are ready for delivery.

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H. Execution of Notes. The Notes shall be executed on behalf of the county with the manual or facsimile signatures of the county executive and the clerk of the council, and shall have the seal of the county impressed or imprinted thereon.

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In case either or both of the officers who shall have executed the Notes shall cease to be an officer or officers of the county before the Notes so signed shall have been authenticated or delivered by the Registrar, or issued by the county, such Notes may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the county as though those who signed the same had continued to be such officers of the county. Any Note also may be signed and attested on behalf of the county by such persons as at the actual date of execution of

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682 such Note shall be the proper officers of the county although at the original date of such  
683 Note any such person shall not have been such officer of the county.

684 Only such Notes as shall bear thereon a Certificate of Authentication in the form  
685 hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for  
686 any purpose or entitled to the benefits of this ordinance. Such Certificate of  
687 Authentication shall be conclusive evidence that the Notes so authenticated have been  
688 duly executed, authenticated and delivered hereunder and are entitled to the benefits of  
689 this ordinance.

690 SECTION 6. Open Market Purchase. The county reserves the right to purchase  
691 any or all of the Notes or the Bonds of any series on the open market at any time and at  
692 any price.

693 SECTION 7. Registration, Transfer and Exchange of Notes and Bonds. The  
694 county hereby adopts for the Notes and the Bonds the system of registration specified and  
695 approved by the Washington State Finance Commission. The Registrar shall keep, or  
696 cause to be kept, at its principal corporate trust office, sufficient books for the registration  
697 and transfer of the Notes and the Bonds, which shall at all times be open to inspection by  
698 the county. Such Register shall contain the name and mailing address of the owner (or  
699 nominee thereof) of each Note and Bond, and the principal amount and number of Notes  
700 held by each owner or nominee. The Registrar is authorized, on behalf of the county, to  
701 authenticate and deliver Notes and Bonds transferred or exchanged for other Notes and  
702 Bonds, respectively, in accordance with the provisions thereof and this ordinance, and to  
703 carry out all of the Registrar's powers and duties under this ordinance.

704           The Registrar shall be responsible for its representations contained in the  
705           Certificate of Authentication on the Notes and the Bonds. The Registrar may become the  
706           owner of Notes or Bonds with the same rights it would have if it were not the Registrar,  
707           and to the extent permitted by law may act as depository for and permit any of its officers  
708           or directors to act as a member of, or in any other capacity with respect to, any committee  
709           formed to protect the rights of Note or Bond owners.

710           Upon surrender thereof to the Registrar; the Notes of each series are exchangeable  
711           for other Notes of the same series, maturity and interest rate and for the same aggregate  
712           principal amount, in any authorized denomination, and the Bonds of each series are  
713           exchangeable for other Bonds of the same series, maturity and interest rate and for the  
714           same aggregate principal amount, in any authorized denomination. Notes and Bonds may  
715           be transferred only if endorsed in the manner provided thereon and surrendered to the  
716           Registrar. Upon such surrender, the Registrar shall cancel the surrendered Note or Bond  
717           and shall authenticate and deliver, without charge to the owner or transferee therefor  
718           (other than taxes, if any, payable on account of such transfer), one or more (at the option  
719           of the new registered owner) new Notes or Bonds, as applicable, of the same series,  
720           maturity and interest rate and for the same aggregate principal amount, in any authorized  
721           denomination, naming as registered owner the person or persons listed as the assignee on  
722           the assignment form appearing on the canceled and surrendered Note or Bond, in  
723           exchange therefor. The Registrar shall not be obligated to transfer or exchange any Note  
724           or Bond during the period beginning at the opening of business on the 15th day of the  
725           month next preceding the maturity date thereof and ending at the close of business on  
726           such maturity date.



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

730           SECTION 8. Mutilated, Lost, Stolen or Destroyed Notes and Bonds. If any Note  
731 or Bond shall become mutilated, the Registrar shall authenticate and deliver one or more  
732 (at the option of the new registered owner) new Notes or Bonds, as applicable, of the  
733 same series, maturity and interest rate and for the same aggregate principal amount, in  
734 any authorized denomination, in exchange and substitution therefor, upon the owner's  
735 paying the expenses and charges of the county and the Registrar in connection therewith  
736 and upon surrender to the Registrar of the mutilated Note or Bond. Every mutilated Note  
737 or Bond so surrendered shall be canceled and destroyed by the Registrar.

738           If any Note or Bond shall be lost, stolen or destroyed, the Registrar may  
739 authenticate and deliver one or more (at the option of the new registered owner) new  
740 Notes or Bonds, as applicable, of the same series, maturity and interest rate and for the  
741 same aggregate principal amount, in any authorized denomination, to the registered  
742 owner thereof upon the owner's paying the expenses and charges of the county and the  
743 Registrar in connection therewith and upon his/her filing with the Registrar evidence  
744 satisfactory to the Registrar that such Note or Bond was actually lost, stolen or destroyed  
745 and of his/her ownership thereof, and upon furnishing the county and the Registrar with  
746 indemnity satisfactory to the Finance Director and the Registrar.

747           SECTION 9. Pledge of Taxation and Credit. The county hereby irrevocably  
748 covenants and agrees for as long as any of the Notes or the Bonds are outstanding and  
749 unpaid, that each year it will include in its budget and levy an *ad valorem* tax within the

750 constitutional and statutory tax limitations provided by law without a vote of the people  
751 upon all the property within the county subject to taxation in an amount that will be  
752 sufficient, together with all other revenues, taxes and money of the county legally  
753 available for such purposes, to pay the principal of and interest on the Notes and the  
754 Bonds as the same shall become due.

755           The county hereby irrevocably pledges that the annual tax provided for herein to  
756 be levied for the payment of such principal and interest shall be within and as a part of  
757 the tax levy to counties without a vote of the people, and that a sufficient portion of each  
758 annual levy to be levied and collected by the county prior to the full payment of the  
759 principal of and interest on the Notes and Bonds will be and is hereby irrevocably set  
760 aside, pledged and appropriated for the payment of the principal of and interest on the  
761 Notes and the Bonds.

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

765           SECTION 10. Tax Exemption. The county shall comply with the provisions of  
766 this section with respect to each series of the Notes and the Bonds unless, in the written  
767 opinion of nationally-recognized bond counsel to the county, such compliance is not  
768 required to maintain the exemption of the interest on such series of the Notes or the  
769 Bonds from federal income taxation.

770           The county hereby covenants that it will not make any use of the proceeds from  
771 the sale of such series of the Notes or the Bonds or any other funds of the county that  
772 may be deemed to be proceeds of such series of the Notes or the Bonds pursuant to

773 Section 148 of the Code and the applicable regulations thereunder that will cause such  
774 series of the Notes or the Bonds to be "arbitrage bonds" within the meaning of said  
775 Section and said regulations. The county will comply with the applicable requirements of  
776 Section 148 of the Code (or any successor provision thereof applicable to such series of  
777 the Notes or the Bonds) and the applicable regulations thereunder throughout the term of  
778 such series of the Notes or the Bonds.

779 The county further covenants that it will not take any action or permit any action  
780 to be taken that would cause any series of the Notes and the Bonds to constitute "private  
781 activity bonds" under Section 141 of the Code.

782 SECTION 11. Arbitrage Rebate. The county will compute, if necessary, and pay  
783 the Rebate Amount, if any, to the United States of America at the times and in the  
784 amounts necessary to meet the requirements of the Code to maintain the federal income  
785 tax exemption for interest payments on each series of the Notes and the Bonds, in  
786 accordance with the related Arbitrage and Tax Certification.

787 SECTION 12. Covenants and Warranties. The county makes the following  
788 covenants and warranties:

789 A. The county has full legal right, power and authority to adopt this ordinance, to  
790 sell, issue and deliver each series of the Notes and the Bonds as provided herein, and to  
791 carry out and consummate all other transactions contemplated by this ordinance.

792 B. By all necessary official action prior to or concurrently herewith, the county  
793 has duly authorized and approved the execution and delivery of, and the performance by  
794 the county of its obligations contained in the Notes, the Bonds and this ordinance and the  
795 consummation by it of all other transactions necessary to effectuate this ordinance in

796 connection with the issuance of each series of the Notes and the Bonds, and such  
797 authorizations and approvals are in full force and effect and have not been amended,  
798 modified or supplemented in any material respect.

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

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

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

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

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

813 SECTION 13. Note and Bond Funds. There has heretofore been created in the  
814 office of the Finance Director a special fund known as the "King County Limited Tax  
815 General Obligation Bond Redemption Fund" to be drawn upon for the purpose of paying  
816 the principal of and interest on the limited tax general obligation bonds of the county.  
817 There is hereby authorized to be created within said fund a special account for each series  
818 of the Notes to be known as the "Limited Tax General Obligation Bond Anticipation

819 Note Redemption Account, [Year, Series]" (each, a "Note Fund"), and a special account  
820 for each series of the Bonds to be known as the "Limited Tax General Obligation Bond  
821 Redemption Account, [Year, Series]" (each, a "Bond Fund").

822 Any accrued interest on any series of the Notes or the Bonds shall be deposited in  
823 the related Note Fund or Bond Fund, as applicable, at the time of delivery of such series  
824 of the Notes or the Bonds and shall be applied to the payment of interest thereon. Any  
825 premium received upon the sale of any series of the Notes or the Bonds shall be deposited  
826 into the related Note Fund or Bond Fund, as applicable, and applied to the payment of  
827 principal thereof or interest thereon.

828 The taxes hereafter levied for the purpose of paying principal of and interest on  
829 each series of the Notes or the Bonds and other funds to be used to pay such series of the  
830 Notes or the Bonds shall be deposited in the related Note Fund or Bond Fund, as  
831 applicable, no later than the date such funds are required for the payment of principal of  
832 and interest on such series of the Notes or the Bonds; provided, however, that if the  
833 payment of principal of and interest on any series of the Notes or the Bonds is required  
834 prior to the receipt of such levied taxes, the county may make an interfund loan to the  
835 related Note Fund or Bond Fund, as applicable, pending actual receipt of such taxes.

836 Each Note Fund and Bond Fund shall be drawn upon for the purpose of paying the  
837 principal of and interest on the related series of the Notes or the Bonds, as applicable.

838 Money in each Note Fund and Bond Fund not needed to pay the interest or principal next  
839 coming due may temporarily be deposited in such institutions or invested in such  
840 obligations as may be lawful for the investment of county funds. Each Note Fund and

841 Bond Fund shall be a second tier fund in accordance with Ordinance No. 7112 and K.C.  
842 4.10.

843 SECTION 14. Application of Note and Bond Proceeds--New Money. There has  
844 heretofore been created the Non-Bond Fund Subfund within the Open Space Project  
845 Acquisition and Improvement Fund. This subfund is a first tier fund managed by the  
846 director of the department of natural resources and parks. The exact amount of proceeds  
847 from the sale of any series of the Notes or the Bonds to be deposited into the Non-Bond  
848 Fund Subfund to provide new money financing for the Juanita Woodlands Open Space  
849 Acquisition Project and the Forestry and Nearshore Initiative Project shall be determined  
850 by the Finance Director upon the sale of such series of the Notes or the Bonds. Any  
851 amounts so deposited may be used to repay interim borrowing used to pay the costs of the  
852 Juanita Woodlands Open Space Acquisition Project and the Forestry and Nearshore  
853 Initiative Project.

854 SECTION 15. Application of Note and Bond Proceeds—Current Refundings.  
855 The exact amount of proceeds from the sale of any series of the Notes or the Bonds to be  
856 deposited into the Note Fund for another series of the Notes and applied to the payment  
857 of the principal of and interest on such other series of the Notes and the costs related to  
858 the current refunding thereof shall be determined by the Finance Director upon the sale of  
859 such series of the Notes or the Bonds.

860 SECTION 16. Application of Note Proceeds--General. Funds deposited in the  
861 funds and accounts established in Sections 14 and 15 hereof shall be invested as  
862 permitted by law for the sole benefit of the respective funds. Irrespective of the general  
863 provisions of Ordinance No. 7112 and K.C. 4.10, the county current expense fund shall

864 not receive any earnings attributable to such funds. Money other than proceeds of the  
865 Notes and Bonds may be deposited in the funds and accounts established under Section  
866 12 hereof; provided, however, that proceeds of each series of the Notes or the Bonds, and  
867 the earnings thereon, shall be accounted for separately for purposes of the arbitrage rebate  
868 computations required to be made under the Code. For purposes of such computations,  
869 Note proceeds shall be deemed to have been expended first, then Bond proceeds, and  
870 then any other funds.

871 SECTION 17. Preliminary Official Statements and Final Official Statements.

872 The county hereby authorizes and directs the Finance Director: (i) to review and approve  
873 the information contained in the preliminary official statement (each, a "Preliminary  
874 Official Statement") prepared in connection with the sale of each series of the Notes or  
875 the Bonds; and (ii) for the sole purpose of compliance by the purchasers of such series of  
876 the Notes or the Bonds with subsection (b)(1) of the Rule, to "deem final" the related  
877 Preliminary Official Statement as of its date, except for the omission of information on  
878 offering prices, interest rates, selling compensation, delivery dates, any other terms or  
879 provisions required by the county to be specified in a competitive bid, ratings, other terms  
880 of such series of the Notes or the Bonds dependent on such matters and the identity of the  
881 purchasers. After each Preliminary Official Statement has been reviewed and approved  
882 in accordance with the provisions of this section, the county hereby authorizes the  
883 distribution of such Preliminary Official Statement to prospective purchasers of such  
884 related series of the Notes or the Bonds.

885 Following the sale of each series of the Notes or the Bonds, the Finance Director  
886 is hereby authorized to review and approve on behalf of the county a final official

887 statement with respect to such series of the Notes or the Bonds. The county agrees to  
888 cooperate with the successful bidder for each series of the Notes or the Bonds to deliver  
889 or cause to be delivered, within seven business days from the date of the Note Sale  
890 Motion or Bond Sale Motion, as appropriate, and in sufficient time to accompany any  
891 confirmation that requests payment from any customer of such successful bidder, copies  
892 of a final official statement pertaining to such Notes or Bonds in sufficient quantity to  
893 comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities  
894 Rulemaking Board.

895         SECTION 18. Undertaking to Provide Ongoing Disclosure. The county council  
896 will set forth an undertaking for ongoing disclosure with respect to each series of the  
897 Notes or the Bonds, as required by subsection (b)(5) of the Rule, in the Note Sale Motion  
898 or the Bond Sale Motion therefor, as appropriate.

899         SECTION 19. General Authorization. The appropriate county officials, agents  
900 and representatives are hereby authorized and directed to do everything necessary for the  
901 prompt sale, issuance, execution and delivery of each series of the Notes and each series  
902 of the Bonds, and for the proper use and application of the proceeds of the sale thereof.

903         SECTION 20. Refunding or Defeasance of Notes and Bonds. The county may  
904 issue refunding obligations pursuant to the laws of the State of Washington or use money  
905 available from any other lawful source to pay when due the principal of and interest on  
906 any series of the Notes or the Bonds, or any portion thereof included in a refunding or  
907 defeasance plan, and to redeem and retire, refund or defease all such then-outstanding  
908 Notes or Bonds, as appropriate, and to pay the costs of the refunding or defeasance.



909           In the event that money and/or noncallable Government Obligations maturing at  
910 such time or times and bearing interest to be earned thereon in amounts (together with  
911 such money, if necessary) sufficient to redeem and retire, refund or defease part or all of  
912 the Notes or Bonds in accordance with their terms, are set aside in a special account of  
913 the county to effect such redemption and retirement, and such money and the principal of  
914 and interest on such Government Obligations are irrevocably set aside and pledged for  
915 such purpose, then no further payments need be made into the Note Fund or any Bond  
916 Fund, as appropriate, for the payment of the principal of and interest on the Notes or  
917 Bonds so provided for, and such Notes or Bonds shall cease to be entitled to any lien,  
918 benefit or security of this ordinance except the right to receive the money so set aside and  
919 pledged, and such Notes or Bonds shall be deemed not to be outstanding hereunder.

920           Within 30 days of the defeasance of any of the Notes or Bonds, the county shall  
921 provide or cause to be provided notice of defeasance of such Notes or Bonds to the  
922 registered owners thereof and to each nationally recognized municipal securities  
923 information repository and the state information depository for the State of Washington  
924 (if one is created), in accordance with the undertaking for ongoing disclosure to be  
925 adopted pursuant to Section 18 hereof.

926           SECTION 21. Contract; Severability. The covenants applicable to the Notes  
927 contained in this ordinance shall constitute a contract between the county and the owners  
928 of each and every Note, and the covenants applicable to the Bonds contained in this  
929 ordinance shall constitute a contract between the county and the owners of each and  
930 every Bond. If any one or more of the covenants or agreements provided in this  
931 ordinance to be performed on the part of the county shall be declared by any court of

Ordinance 14991

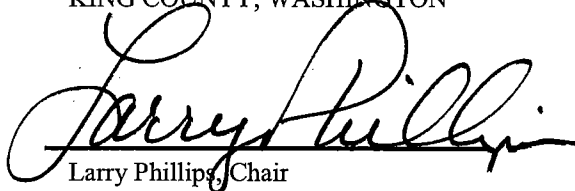
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932 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement  
933 or agreements, shall be null and void and shall be deemed separable from the remaining  
934 covenants and agreements of this ordinance and shall in no way affect the validity of the  
935 other provisions of this ordinance, the Notes or the Bonds.  
936

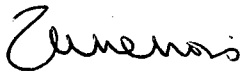
Ordinance 14991 was introduced on 7/19/2004 and passed by the Metropolitan King  
County Council on 9/7/2004, by the following vote:

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

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Larry Phillips, Chair

ATTEST:

  
\_\_\_\_\_

Anne Noris, Clerk of the Council

APPROVED this 10 day of September, 2004.

  
\_\_\_\_\_  
Ron Sims, County Executive

Attachments      None