



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**May 22, 2007**

**Ordinance 15780**

**Proposed No.** 2007-0192.1

**Sponsors** Ferguson and 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 \$75,000,000 to refund all or a portion of the  
5 county's Limited Tax General Obligation and Refunding  
6 Bonds (Various Purpose), 1993 Series B, Limited Tax  
7 General Obligation and Refunding Bonds (Various  
8 Purpose), 1996 Series A, Limited Tax General Obligation  
9 Bonds (Various Purpose), 2001, Limited Tax General  
10 Obligation Bonds (Various Purpose), 2002, Limited Tax  
11 General Obligation Bonds, 2003, Series A and Limited Tax  
12 General Obligation and Refunding Bonds, 2003, Series B;  
13 providing for the public sale of the bonds and the  
14 disposition of the proceeds of sale; establishing funds for  
15 the receipt and expenditure of bond proceeds and for the  
16 payment of the bonds; and providing for the annual levy of  
17 taxes to pay the principal thereof and interest thereon.

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PREAMBLE:

The county has previously issued its Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B, Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1996 Series A, Limited Tax General Obligation Bonds (Various Purpose), 2001, Limited Tax General Obligation Bonds (Various Purpose), 2002, Limited Tax General Obligation Bonds, 2003, Series A and Limited Tax General Obligation and Refunding Bonds, 2003, Series B. The county has an opportunity to refund all or a portion of those bonds, thereby realizing savings to its taxpayers.

It is deemed necessary and advisable that the county now authorize the issuance and sale of one or more series of its limited tax general obligation bonds in an outstanding aggregate principal amount not to exceed \$75,000,000 to undertake such refunding.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

"Arbitrage and Tax Certification" means the certificate executed by the Finance Director pertaining to the county's expectations with respect to the use, investment and rebate, if any, of Bond proceeds for purposes of Sections 141 and 148 of the Code.

40 "Bond Fund" means the bond redemption account authorized to be established for  
41 each series of the Bonds pursuant to Section 13 hereof.

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

44 "Bond Registrar" means the fiscal agency of the State of Washington in either  
45 Seattle, Washington, or New York, New York, for the purposes of registering and  
46 authenticating the Bonds, maintaining the Bond Register, effecting the transfer of  
47 ownership of the Bonds and paying interest on and principal of the Bonds.

48 "Bonds" means the limited tax general obligation bonds of the county in an  
49 outstanding aggregate principal amount not to exceed \$75,000,000 authorized to be  
50 issued by this ordinance to refund all or a portion of 1993B Bonds, the 1996A Bonds, the  
51 2001 Bonds, the 2002 Bonds, the 2003A Bonds and the 2003B Bonds, and to pay the  
52 costs of issuing such bonds.

53 "Code" means the federal Internal Revenue Code of 1986, as amended, together  
54 with corresponding and applicable final, temporary or proposed regulations and revenue  
55 rulings issued or amended with respect thereto by the United States Treasury Department  
56 or the Internal Revenue Service, to the extent applicable to the Bonds.

57 "Commission" means the Securities and Exchange Commission.

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

59 "Escrow Trustee" means the corporate trustee chosen to serve as such pursuant to  
60 Section 11 hereof.

61 "Finance Director" means the director of the county finance and business  
62 operations division of the department of executive services of the county or any other

63 county officer who succeeds to the duties now delegated to that office, or the designee of  
64 such officer.

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

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

69 "1993B Bonds" means the King County, Washington, Limited Tax General  
70 Obligation and Refunding Bonds (Various Purpose), 1993 Series B.

71 "1996A Bonds" means the King County, Washington, Limited Tax General  
72 Obligation and Refunding Bonds (Various Purpose), 1996 Series A.

73 "NRMSIR" means a nationally recognized municipal securities information  
74 repository.

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

78 "Refunded Bonds" means, collectively, the Refunded 1993B Bonds, the Refunded  
79 1996A Bonds, the Refunded 2001 Bonds, the Refunded 2002 Bonds, the Refunded  
80 2003A Bonds and the Refunded 2003B Bonds.

81 "Refunded 1993B Bond Redemption Date" means, with respect to each series of  
82 Bonds, each redemption date for the outstanding 1993B Bonds to be refunded thereby, as  
83 identified or ratified in the Sale Motion therefor.

84 "Refunded 1993B Bonds" means, with respect to each series of Bonds, the portion  
85 of the outstanding 1993B Bonds to be refunded thereby, as identified or ratified in the  
86 Sale Motion therefor.

87 "Refunded 1996A Bond Redemption Date" means, with respect to each series of  
88 Bonds, each redemption date for the outstanding 1996A Bonds to be refunded thereby, as  
89 identified or ratified in the Sale Motion therefor.

90 "Refunded 1996A Bonds" means, with respect to each series of Bonds, the  
91 portion of the outstanding 1996A Bonds to be refunded thereby, as identified or ratified  
92 in the Sale Motion therefor.

93 "Refunded 2001 Bond Redemption Date" means, with respect to each series of  
94 Bonds, each redemption date for the outstanding 2001 Bonds to be refunded thereby, as  
95 identified or ratified in the Sale Motion therefor.

96 "Refunded 2001 Bonds" means, with respect to each series of Bonds, the portion  
97 of the outstanding 2001 Bonds to be refunded thereby, as identified or ratified in the Sale  
98 Motion therefor.

99 "Refunded 2002 Bond Redemption Date" means, with respect to each series of  
100 Bonds, each redemption date for the outstanding 2002 Bonds to be refunded thereby, as  
101 identified or ratified in the Sale Motion therefor.

102 "Refunded 2002 Bonds" means, with respect to each series of Bonds, the portion  
103 of the outstanding 2002 Bonds to be refunded thereby, as identified or ratified in the Sale  
104 Motion therefor.

105 "Refunded 2003A Bond Redemption Date" means, with respect to each series of  
106 Bonds, each redemption date for the outstanding 2003A Bonds to be refunded thereby, as  
107 identified or ratified in the Sale Motion therefor.

108 "Refunded 2003A Bonds" means, with respect to each series of Bonds, the  
109 portion of the outstanding 2003A Bonds to be refunded thereby, as identified or ratified  
110 in the Sale Motion therefor.

111 "Refunded 2003B Bond Redemption Date" means, with respect to each series of  
112 Bonds, each redemption date for the outstanding 2003B Bonds to be refunded thereby, as  
113 identified or ratified in the Sale Motion therefor.

114 "Refunded 2003B Bonds" means, with respect to each series of Bonds, the portion  
115 of the outstanding 2003B Bonds to be refunded thereby, as identified or ratified in the  
116 Sale Motion therefor.

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

119 "Sale Motion" means, with respect to each series of the Bonds, the motion of the  
120 council identifying (if such series of Bonds is sold by competitive bid) or ratifying (if  
121 such series of Bonds is sold by negotiated sale) the Refunded Bonds to be refunded by  
122 such series of Bonds, their respective redemption dates and the Government Obligations  
123 to be purchased to undertake such refunding, ratifying and confirming the year and any  
124 applicable series designation, date, principal amounts and maturity dates, interest rates  
125 and interest payment dates, redemption provisions of the Bonds, and approving the bond  
126 purchase contract (if the Bonds are sold by negotiated sale) or accepting a bid (if the

127 Bonds are sold by competitive bid) for the purchase of the Bonds, all in accordance with  
128 Section 17 hereof.

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

131 "2001 Bonds" means the King County, Washington, Limited Tax General  
132 Obligation Bonds (Various Purpose), 2001.

133 "2002 Bonds" means the King County, Washington, Limited Tax General  
134 Obligation and Refunding Bonds (Various Purpose), 2002.

135 "2003A Bonds" means the King County, Washington, Limited Tax General  
136 Obligation Bonds, 2003, Series A.

137 "2003B Bonds" means the King County, Washington, Limited Tax General  
138 Obligation and Refunding Bonds, 2003, Series B.

139 **SECTION 2. Findings.** The county council hereby makes the following  
140 findings:

141 A. Significant debt service savings can be realized by the county through the  
142 refunding of all or a portion of the 1993B Bonds, the 1996A Bonds, the 2001 Bonds, the  
143 2002 Bonds, the 2003A Bonds and the 2003B Bonds.

144 B. The issuance of limited tax general obligation bonds payable from regular  
145 property taxes to provide funds to refund all or a portion of the 1993B Bonds, the 1996A  
146 Bonds, the 2001 Bonds, the 2002 Bonds, the 2003A Bonds and the 2003B Bonds, and to  
147 pay the costs of issuing such bonds will reduce the overall costs of borrowing such funds  
148 and is in the best interests of the county and its citizens.

149           **SECTION 3. Purpose, Authorization and Description of Bonds; Use of**  
150           **Depository.**

151           A. Purpose and Authorization of Bonds. The county authorizes the issuance of  
152 the Bonds to refund all or a portion of the 1993B Bonds, the 1996A Bonds, the 2001  
153 Bonds, the 2002 Bonds, the 2003A Bonds and the 2003B Bonds, and to pay the costs of  
154 issuing the Bonds.

155           B. Description. The Bonds may be issued in one or more series in an outstanding  
156 aggregate principal amount not to exceed \$75,000,000. Each series of the Bonds shall be  
157 designated "King County, Washington, Limited Tax General Obligation Refunding  
158 Bonds," with a year and any applicable series designation established as provided in  
159 Section 17 hereof. Each series of Bonds shall be fully registered as to both principal and  
160 interest, shall be in the denomination of \$5,000 each or any integral multiple thereof (but  
161 no Bond shall represent more than one maturity), shall be numbered separately in such  
162 manner and with any additional designation as the Bond Registrar deems necessary for  
163 purposes of identification, and shall be dated as of such date and shall mature on the  
164 dates, in the years and the amounts established as provided in Section 17 hereof.

165           The Bonds shall bear interest (computed on the basis of a 360-day year of twelve  
166 30-day months) from their date or from the most recent interest payment date for which  
167 interest has been paid or duly provided for, whichever is later, payable at the rate or rates  
168 and on semiannual interest payment dates to be established as provided in Section 17  
169 hereof.

170           C. Initial Immobilization of Bonds; Depository Provisions. The Bonds of each  
171 series initially shall be held in fully immobilized form by DTC acting as depository



172 pursuant to the terms and conditions set forth in the Blanket Issuer Letter of  
173 Representations heretofore executed on behalf of the county. Neither the county nor the  
174 Bond Registrar shall have any responsibility or obligation to DTC participants or the  
175 persons for whom they act as nominees with respect to such Bonds with respect to the  
176 accuracy of any records maintained by DTC or any DTC participant, the payment by  
177 DTC or any DTC participant of any amount in respect of principal or redemption price or  
178 interest on such Bonds, any notice that is permitted or required to be given to Registered  
179 Owners under this ordinance (except such notice as is required to be given by the county  
180 to the Bond Registrar or to DTC), the selection by DTC or any DTC participant of any  
181 person to receive payment in the event of a partial redemption of such Bonds or any  
182 consent given or other action taken by DTC as owner of such Bonds.

183         The Bonds of each series initially shall be issued in denominations equal to the  
184 aggregate principal amount of each maturity and initially shall be registered in the name  
185 of CEDE & 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 such 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 qualified  
194 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 this  
196 subsection or such substitute depository's successor; or

197           (3) To any person as herein provided if such Bonds are no longer held in  
198 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 such 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 of such series  
208 together with a written request on behalf of the county, shall issue a single new Bond  
209 certificate for each maturity of Bonds of such series then outstanding, registered in the  
210 name of such successor or such substitute depository, or their nominees, as the case may  
211 be, all as specified in such written request 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 of any series that they be able to obtain Bond certificates, the ownership of such Bonds  
216 may be transferred to any person as herein provided, and such Bonds shall no longer be  
217 held in fully immobilized form. The county shall deliver a written request to the Bond

218 Registrar, together with a supply of definitive Bonds of such series, to issue Bonds of  
219 such series as herein provided in any authorized denomination. Upon receipt of all then  
220 outstanding Bonds of such series by the Bond Registrar, together with a written request  
221 on behalf of the county to the Bond Registrar, new Bonds of such series shall be issued in  
222 such denominations and registered in the names of such persons as are requested in such  
223 a written request.

224 D. Place, Manner and Medium of Payment. Both principal of and interest on the  
225 Bonds shall be payable in lawful money of the United States of America. For so long as  
226 outstanding Bonds are registered in the name of CEDE & Co., or its registered assigns, as  
227 nominee of DTC, payments of principal of and interest on such Bonds shall be made in  
228 next day funds on the date such payment is due and payable at the place and in the  
229 manner provided in the Letter of Representations.

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

240            **SECTION 4. Optional Redemption of Bonds.** The county may reserve the right  
241 to redeem outstanding Bonds of any series prior to their maturity on the dates and at the  
242 prices established by the bond purchase contract or the official notice of sale therefor, as  
243 applicable, and ratified and confirmed by a Sale Motion in accordance with Section 17  
244 hereof. Portions of the principal amount of any Bond, in increments of \$5,000 or any  
245 integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of  
246 any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond  
247 Registrar there shall be issued to the registered owner, without charge therefor, for the  
248 then unredeemed balance of the principal amount thereof, a new Bond or Bonds of the  
249 same series, at the option of the registered owner, of like maturity and interest rate in any  
250 denomination authorized by this ordinance.

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

253            **SECTION 5. Notice and Effect of Redemption.** Unless waived by the  
254 registered owner of Bonds to be redeemed or the nominee of such owner, official notice  
255 of any such redemption shall be given by the Bond Registrar on behalf of the county by  
256 mailing a copy of an official redemption notice by certified or registered mail, postage  
257 prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption, to  
258 the registered owner of the Bond or Bonds to be redeemed at the address shown on the  
259 Bond Register or at such other address as is furnished in writing by such registered owner  
260 to the Bond Registrar. The Bond Registrar shall provide additional notice of redemption  
261 of the Bonds to each NRMSIR and SID, if any, in accordance with the ongoing  
262 disclosure provisions to be adopted by a Sale Motion pursuant to Section 21 hereof.

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

264 A. the redemption date;

265 B. the redemption price;

266 C. if less than all outstanding Bonds of the same series are to be redeemed, the

267 identification (and, in the case of partial redemption, the respective principal amounts) of

268 the Bonds to be redeemed;

269 D. that on the redemption date the redemption price will become due and payable

270 upon each such Bond or portion thereof called for redemption, and that interest thereon

271 shall cease to accrue from and after said date; and

272 E. the place where such Bonds are to be surrendered for payment of the

273 redemption price, which place of payment shall be either of the principal offices of the

274 Bond Registrar.

275 Such notice of redemption shall be mailed within the same period, postage

276 prepaid, to FitchRatings, Moody's Investors Service, Inc. and Standard & Poor's Public

277 Finance Ratings, at their offices in New York, New York, or their successors, and to such

278 other persons and with such additional information as the Finance Director shall deem

279 appropriate, but such mailings shall not be a condition precedent to the redemption of the

280 Bonds.

281 Prior to any redemption date, the county shall deposit with the Bond Registrar an

282 amount of money sufficient to pay the redemption price of all the Bonds or portions of

283 Bonds that are to be redeemed on that date.

284 Official notice of redemption having been given as aforesaid, the Bonds or

285 portions of Bonds so to be redeemed shall, on the redemption date, become due and

286 payable at the redemption price therein specified, and from and after such date (unless the  
287 county shall default in the payment of the redemption price upon presentation) such  
288 Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds  
289 for redemption in accordance with said notice, such Bonds shall be paid by the Bond  
290 Registrar at the redemption price. Installments of interest due on or prior to the  
291 redemption date shall be payable as herein provided for payment of interest. Upon the  
292 payment of the redemption price of Bonds being redeemed, each check or other transfer  
293 of funds issued for such purpose shall bear the CUSIP number identifying, by issue and  
294 maturity, the Bonds being redeemed with the proceeds of such check or other transfer.  
295 Upon surrender for any partial redemption of any Bond, there shall be prepared for the  
296 registered owner a new Bond or Bonds of the same series and maturity in the amount of  
297 unpaid principal.

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

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

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

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

314 SECTION 6. Form of Bonds. The Bonds shall be in substantially the following  
315 form:

316 NO. \$ \_\_\_\_\_

317 UNITED STATES OF AMERICA

318 STATE OF WASHINGTON

319 KING COUNTY

320 LIMITED TAX GENERAL OBLIGATION REFUNDING BOND,

321 [Year][, ][Series]

322 INTEREST RATE: MATURITY DATE: CUSIP NO. :

323 REGISTERED OWNER:

324 PRINCIPAL AMOUNT:

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

331 payable on \_\_\_\_\_, and semiannually thereafter on the \_\_\_\_ days of each  
332 succeeding \_\_\_\_\_ and \_\_\_\_\_.

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

349 This bond is one of an authorized issue of bonds of like date and tenor, except as  
350 to number, amount, rate of interest and date of maturity, in the aggregate principal  
351 amount of \$ \_\_\_\_\_, and is issued to refund [all][a portion of] the County's  
352 [Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series  
353 B][, ][ and ][Limited Tax General Obligation and Refunding Bonds (Various Purpose),



354 1996 Series A][, ][ and ][Limited Tax General Obligation Bonds (Various Purpose),  
355 2001][, ][ and ][Limited Tax General Obligation Bonds (Various Purpose), 2002][, ][ and  
356 ][Limited Tax General Obligation Bonds, 2003A][, ][ and ][Limited Tax General  
357 Obligation and Refunding Bonds, 2003B], and to pay the costs of issuing the bonds.

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

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

363 Portions of the principal sum of this bond in installments of \$5,000 or any integral  
364 multiple thereof also may be redeemed in accordance with the provisions set forth above,  
365 and if less than all of the principal sum hereof is to be redeemed, upon the surrender of  
366 this bond at the principal offices of the Bond Registrar there shall be issued to the  
367 Registered Owner, without charge therefor, for the then unredeemed balance of the  
368 principal sum hereof, at the option of the owner, a bond or bonds of like maturity and  
369 interest rate in any of the denominations authorized by King County Ordinance \_\_\_\_\_  
370 (the "Bond Ordinance").

371 Notice of redemption, unless waived, is given by the Bond Registrar by mailing  
372 an official redemption notice by certified or registered mail, postage prepaid, not less  
373 than 30 days and not more than 60 days prior to the date fixed for redemption, to the  
374 Registered Owner of any bond to be redeemed at the address appearing on the Bond  
375 Register. The requirements for such notice shall be deemed to be complied with when

376 notice is mailed as herein provided, regardless of whether or not it is actually received by  
377 the owner of any bond.

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

384 The County has irrevocably covenanted in the Bond Ordinance that each year it  
385 will include in its budget and levy an *ad valorem* tax within the constitutional and  
386 statutory tax limitations provided by law without a vote of the people upon all the  
387 property within the County subject to taxation in an amount that will be sufficient,  
388 together with all other revenues, taxes and money of the County legally available for such  
389 purposes, to pay the principal of and interest on the bonds as the same shall become due.  
390 The County has irrevocably pledged its full faith, credit and resources for the annual levy  
391 and collection of such taxes and for the prompt payment of the principal of and interest  
392 on the bonds as the same shall become due.

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

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

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

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

409 KING COUNTY, WASHINGTON

410 By \_\_\_\_\_

411 County Executive

412 ATTEST:

413 \_\_\_\_\_

414 Clerk of the Council

415 The Bond Registrar's Certificate of Authentication on the Bonds shall be in  
416 substantially the following form:

417 CERTIFICATE OF AUTHENTICATION

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

421 WASHINGTON STATE FISCAL

422 AGENCY, as Bond Registrar  
423 By \_\_\_\_\_  
424 Authorized Officer

425 ASSIGNMENT

426 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers  
427 unto

428 \_\_\_\_\_

429 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION  
430 NUMBER OF TRANSFEREE

431 [ ]

432 \_\_\_\_\_

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

434 \_\_\_\_\_

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

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

439 \_\_\_\_\_

440 NOTE: The signature on this  
441 Assignment must correspond with  
442 the name of the registered owner as  
443 it appears upon the face of the within  
444 bond in every particular, without

445 alteration or enlargement or any  
446 change whatever.

447 SIGNATURE GUARANTEED:

448 \_\_\_\_\_

449 SECTION 7. Execution of Bonds. The Bonds shall be executed on behalf of the  
450 county with the manual or facsimile signatures of the county executive and the clerk of  
451 the council, and shall have the seal of the county impressed or imprinted thereon.

452 In case either or both of the officers who shall have executed the Bonds shall  
453 cease to be an officer or officers of the county before the Bonds so signed shall have been  
454 authenticated or delivered by the Bond Registrar, or issued by the county, such Bonds  
455 may nevertheless be authenticated, delivered and issued and upon such authentication,  
456 delivery and issuance, shall be as binding upon the county as though those who signed  
457 the same had continued to be such officers of the county. Any Bond also may be signed  
458 and attested on behalf of the county by such persons as at the actual date of execution of  
459 such Bond shall be the proper officers of the county although at the original date of such  
460 Bond any such person shall not have been such officer of the county.

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

467            SECTION 8. Bond Registrar. The county hereby adopts for the Bonds the  
468 system of registration specified and approved by the Washington State Finance  
469 Committee. The Bond Registrar shall keep, or cause to be kept, at its principal corporate  
470 trust office, sufficient books for the registration and transfer of the Bonds, which shall at  
471 all times be open to inspection by the county. Such Bond Register shall contain the name  
472 and mailing address of the owner of each Bond or nominee of such owner and the  
473 principal amount and number of Bonds held by each owner or nominee. The Bond  
474 Registrar is authorized, on behalf of the county, to authenticate and deliver the Bonds  
475 transferred or exchanged in accordance with the provisions of such Bonds and this  
476 ordinance and to carry out all of the Bond Registrar's powers and duties under this  
477 ordinance.

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

484            Upon surrender thereof to the Bond Registrar; the Bonds are interchangeable for  
485 Bonds in any authorized denomination of an equal aggregate principal amount and of the  
486 same series, interest rate and maturity. Bonds may be transferred only if endorsed in the  
487 manner provided thereon and surrendered to the Bond Registrar. Upon such surrender,  
488 the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver,  
489 without charge to the owner or transferee therefor (other than taxes, if any, payable on

490 account of such transfer), a new Bond (or Bonds, at the option of the new registered  
491 owner) of the same series, maturity and interest rate and for the same aggregate principal  
492 amount, in any authorized denomination, naming as registered owner the person or  
493 persons listed as the assignee on the assignment form appearing on the surrendered Bond,  
494 in exchange for such surrendered and canceled Bond. The Bond Registrar shall not be  
495 obligated to transfer or exchange any Bond during a period beginning at the opening of  
496 business on the 15th day of the month next preceding any interest payment or principal  
497 payment date and ending at the close of business on such payment date.

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

501           SECTION 9. Mutilated, Lost, or Destroyed Bonds. If any Bond shall become  
502 mutilated, the Bond Registrar shall authenticate and deliver a new Bond of like amount,  
503 date, series, interest rate and tenor in exchange and substitution for the Bond so  
504 mutilated, upon the owner's paying the expenses and charges of the county and the Bond  
505 Registrar in connection therewith and upon surrender to the Bond Registrar of the Bond  
506 so mutilated. Every mutilated Bond so surrendered shall be canceled and destroyed by  
507 the Bond Registrar.

508           In case the Bonds or any of them shall be lost, stolen or destroyed, the Bond  
509 Registrar may authenticate and deliver a new Bond or Bonds of like amount, date, series  
510 and tenor to the registered owner thereof upon the owner's paying the expenses and  
511 charges of the county and the Bond Registrar in connection therewith and upon his/her  
512 filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond

513 or Bonds were actually lost, stolen or destroyed and of his/her ownership thereof, and  
514 upon furnishing the county and Bond Registrar with indemnity satisfactory to the Finance  
515 Director and the Bond Registrar.

516 SECTION 10. Covenants and Warranties. The county makes the following  
517 covenants and warranties:

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

521 B. By all necessary official action prior to or concurrently herewith, the county  
522 has duly authorized and approved the execution and delivery of, and the performance by  
523 the county of its obligations contained in the Bonds and in this ordinance and the  
524 consummation by it of all other transactions necessary to effectuate this ordinance in  
525 connection with the issuance of the Bonds, and such authorizations and approvals are in  
526 full force and effect.

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

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

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

533 F. The adoption of this ordinance, and compliance on the county's part with the  
534 provisions contained herein, will not conflict with, constitute a breach of, or constitute a  
535 default under, any constitutional provisions, law, administrative regulation, judgment,



536 decree, loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement  
537 or other instrument to which the county is a party or to which the county or any of its  
538 property or assets are otherwise subject.

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

541 **SECTION 11. Application of Bond Proceeds.** There is hereby authorized to be  
542 created a special account of the county for each series of the Bonds to be maintained with  
543 a corporate trustee chosen by the Finance Director (hereinafter called the "Escrow  
544 Trustee"), each of which will be known as the "King County Limited Tax General  
545 Obligation Refunding Bond Refunding Account," with the same year and series  
546 designation as that corresponding to the related series of the Bonds (each hereinafter  
547 called a "Refunding Account"). Each Refunding Account is to be drawn upon for the  
548 purpose of paying the principal of and interest on the Refunded Bonds to be refunded by  
549 the related series of the Bonds, paying costs related to the refunding of such Refunded  
550 Bonds, and paying costs of issuing the related series of Bonds.

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

553 Money in each Refunding Account shall be used immediately upon receipt  
554 thereof to provide for the payment of the principal of and interest on the Refunded Bonds  
555 to be refunded by the related series of the Bonds as hereinafter set forth in this section, to  
556 pay costs related to the refunding of such Refunded Bonds, and to pay costs of issuing the  
557 related series of the Bonds. The county shall discharge such obligations by the use of  
558 money in the each Refunding Account for each series of the Bonds to purchase certain

559 noncallable Government Obligations, as identified or ratified in the Sale Motion therefor,  
560 bearing such interest and maturing as to principal and interest in such amounts and at  
561 such times which, together with any necessary initial cash balance will provide for the  
562 payment of the principal, if any, of and the interest on the specified Refunded 1993B  
563 Bonds that will become due and payable on or before their respective Refunded 1993B  
564 Bond Redemption Date(s) and the redemption price of such Refunded 1993B Bonds  
565 payable on their respective Refunded 1993B Bond Redemption Date(s), the principal, if  
566 any, of and the interest on the specified Refunded 1996A Bonds that will become due and  
567 payable on or before their respective Refunded 1996A Bond Redemption Date(s) and the  
568 redemption price of such Refunded 1996A Bonds payable on their respective Refunded  
569 1996A Bond Redemption Date(s), the principal, if any, of and the interest on the  
570 specified Refunded 2001 Bonds that will become due and payable on or before their  
571 respective Refunded 2001 Bond Redemption Date(s) and the redemption price of such  
572 Refunded 2001 Bonds payable on their respective Refunded 2001 Bond Redemption  
573 Date(s), the principal, if any, of and the interest on the specified Refunded 2002 Bonds  
574 that will become due and payable on or before their respective Refunded 2002 Bond  
575 Redemption Date(s) and the redemption price of such Refunded 2002 Bonds payable on  
576 their respective Refunded 2002 Bond Redemption Date(s), the principal, if any, of and  
577 the interest on the specified Refunded 2003A Bonds that will become due and payable on  
578 or before their respective Refunded 2003A Bond Redemption Date(s) and the redemption  
579 price of such Refunded 2003A Bonds payable on their respective Refunded 2003A Bond  
580 Redemption Date(s), and the principal, if any, of and the interest on the specified  
581 Refunded 2003B Bonds that will become due and payable on or before their respective

582 Refunded 2003B Bond Redemption Date(s) and the redemption price of such Refunded  
583 2003B Bonds payable on their respective Refunded 2003B Bond Redemption Date(s),  
584 (collectively, the "Refunded Bond Payments"). Such Government Obligations shall be  
585 purchased at a yield not greater than the yield permitted by the Internal Revenue Code of  
586 1986, as amended, and applicable regulations thereunder relating to acquired obligations  
587 in connection with refunding bond issues.

588           Such Government Obligations and any necessary initial cash balance shall be  
589 irrevocably deposited with the Escrow Trustee. Any Refunded Bond Payments that are  
590 not provided for in full by such initial cash balance and the purchase and deposit of  
591 Government Obligations described in this section shall be provided for by the irrevocable  
592 deposit of the necessary amount out of the proceeds of sale of the related series of the  
593 Bonds or any other monies of the county legally available therefor with the Escrow  
594 Trustee. Any proceeds of a series of the Bonds remaining in the related Refunding  
595 Account after acquisition of the Government Obligations and provision for the necessary  
596 initial cash balance may be utilized to pay expenses of the acquisition and safekeeping of  
597 the Government Obligations and expenses of the issuance of such series of the Bonds.

598           The county reserves the right to substitute other noncallable securities for the  
599 Government Obligations in the event it may do so pursuant to Section 148 of the federal  
600 Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, upon  
601 compliance with the following conditions: (i) such substitution is accomplished pursuant  
602 to a motion of the county council, which may be adopted either prior to or subsequent to  
603 the delivery of any series of Bonds; (ii) the securities to be substituted are noncallable  
604 Government Obligations; and (iii) such securities bear such interest and mature at such

605 times and in such amounts as to fully replace the Government Obligations for which they  
606 are substituted, and to provide, together with Government Obligations and cash  
607 remaining, for the payment of the Refunded Bond Payments.

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

611         The county hereby conditionally calls the Refunded 1993B Bonds for redemption  
612 on the Refunded 1993B Bond Redemption Date(s) in accordance with the provisions of  
613 Ordinance 11121 and Motion No. 9178, authorizing redemption and retirement of the  
614 1996A Bonds prior to their fixed maturities. The county hereby conditionally calls the  
615 Refunded 1996A Bonds for redemption on the Refunded 1996A Bond Redemption  
616 Date(s) in accordance with the provisions of Ordinance 12070 and Motion 9756,  
617 authorizing redemption and retirement of the 1996A Bonds prior to their fixed maturities.

618         The county hereby conditionally calls the Refunded 2001 Bonds for redemption on the  
619 Refunded 2001 Bond Redemption Date(s) in accordance with the provisions of  
620 Ordinance 14189 and Motion 11324, authorizing redemption and retirement of the 2001  
621 Bonds prior to their fixed maturities. The county hereby conditionally calls the Refunded  
622 2002 Bonds for redemption on the Refunded 2002 Bond Redemption Date(s) in  
623 accordance with the provisions of Ordinance 14462 and Motion 11546, authorizing  
624 redemption and retirement of the 2002 Bonds prior to their fixed maturities. The county  
625 hereby conditionally calls the Refunded 2003A Bonds for redemption on the Refunded  
626 2003A Bond Redemption Date(s) in accordance with the provisions of Ordinance 14167,  
627 as amended by Ordinances 14463, 14745, 14992, 15285 and 15604, and Motion 11823,

628 authorizing redemption and retirement of the 2003A Bonds prior to their fixed maturities.  
629 The county hereby conditionally calls the Refunded 2003B Bonds for redemption on the  
630 Refunded 2003B Bond Redemption Date(s) in accordance with the provisions of  
631 Ordinance 14766 and Motion 11823, authorizing redemption and retirement of the 2003B  
632 Bonds prior to their fixed maturities. Such conditional call for redemption of any such  
633 Refunded Bonds to be refunded by each series of the Bonds shall become irrevocable  
634 only after the final establishment of the escrow account therefor and delivery of the  
635 Government Obligations to the Escrow Trustee, except as provided herein for the  
636 substitution of securities.

637         The Escrow Trustee is hereby authorized and directed to provide for the giving of  
638 notice of the redemption of the Refunded Bonds in accordance with Ordinance 11121  
639 (with respect to any Refunded 1993B Bonds), Ordinance 12070 (with respect to any  
640 Refunded 1996A Bonds), Ordinance 14189 (with respect to any Refunded 2001 Bonds),  
641 Ordinance 14462 (with respect to any Refunded 2002 Bonds), Ordinance 14167, as  
642 amended by Ordinances 14463, 14745, 14992, 15285 and 15604, (with respect to any  
643 Refunded 2003A Bonds) and Ordinance 14766 (with respect to any Refunded 2003B  
644 Bonds). The Finance Director is authorized and requested to provide whatever assistance  
645 is necessary to accomplish such redemption and the giving of notice therefor. The costs  
646 of publication of such notice shall be an expense of the county.

647         The Escrow Trustee is hereby authorized and directed to pay to the county, or, at  
648 the direction of the Finance Director, to the fiscal agency or agencies of the State of  
649 Washington, sums sufficient to pay, when due, the Refunded Bond Payments. All such  
650 sums shall be paid from the Government Obligations deposited with said Escrow Trustee

651 pursuant to this section of this ordinance, and the income therefrom and proceeds thereof.  
652 All such sums so paid shall be credited to the applicable Refunding Account. All monies  
653 and Government Obligations deposited with the Escrow Trustee and any income  
654 therefrom shall be held, invested and applied in accordance with the provisions of this  
655 ordinance and with the laws of the State of Washington for the benefit of the county and  
656 holders of the related Refunded Bonds.

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

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

668 SECTION 12. Application of Bond Proceeds--General. The exact amounts of  
669 net proceeds derived from the sale of each series of the Bonds to be deposited in  
670 accordance with Section 11 hereof shall be determined by the Finance Director upon the  
671 sale thereof.

672 Funds deposited in the funds and accounts established in Section 11 hereof shall  
673 be invested as permitted by law for the sole benefit of the respective funds. Irrespective

674 of the general provisions of Ordinance No. 7112 and K.C.C. 4.10, the county current  
675 expense fund shall not receive any earnings attributable to such funds. Money other than  
676 proceeds of the Bonds may be deposited in the funds and accounts established under  
677 Section 11 provided, however, that proceeds of the Bonds and earnings thereon shall be  
678 accounted for separately for purposes of the computations required to be made under  
679 Section 16 hereof. For purposes of such computations, Bond proceeds shall be deemed to  
680 have been expended first.

681         SECTION 13. Bond Redemption Fund. There has heretofore been created a  
682 special fund of the county to be drawn upon for the purpose of paying the principal of  
683 and interest on the limited tax general obligation bonds of the county. There is hereby  
684 authorized to be created within said fund for each series of the Bonds a special account of  
685 the county to be known as the "Limited Tax General Obligation Refunding Bond  
686 Redemption Account, [Year][, ][Series]" (each, a "Bond Fund").

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

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

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

702 **SECTION 14. Pledge of Taxation and Credit.** The county hereby irrevocably  
703 covenants and agrees for as long as any of the Bonds are outstanding and unpaid, that  
704 each year it will include in its budget and levy an *ad valorem* tax within the constitutional  
705 and statutory tax limitations provided by law without a vote of the people upon all the  
706 property within the county subject to taxation in an amount that will be sufficient,  
707 together with all other revenues, taxes and money of the county legally available for such  
708 purposes, to pay the principal of and interest on the Bonds as the same shall become due.  
709 All such taxes so collected and any other money to be used for such purposes shall be  
710 paid into the applicable Bond Fund no later than the date such funds are required for the  
711 payment of principal of and interest on each series of the Bonds.

712 The county hereby irrevocably pledges that the annual tax provided for herein to  
713 be levied for the payment of such principal and interest shall be within and as a part of  
714 the tax levy to counties without a vote of the people, and that a sufficient portion of each  
715 annual levy to be levied and collected by the county prior to the full payment of the  
716 principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged  
717 and appropriated for the payment of the principal of and interest on the Bonds.



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

721           SECTION 15. Tax Exemption. The county shall comply with the provisions of  
722 this section unless, in the written opinion of nationally recognized bond counsel to the  
723 county, such compliance is not required to maintain the exemption of the interest on the  
724 Bonds from federal income taxation.

725           The county hereby covenants that it will not make any use of the proceeds from  
726 the sale of the Bonds or any other funds of the county that may be deemed to be proceeds  
727 of such Bonds pursuant to Section 148 of the Code and the applicable regulations  
728 thereunder that will cause the Bonds to be "arbitrage bonds" within the meaning of said  
729 Section and said regulations. The county will comply with the applicable requirements of  
730 Section 148 of the Code (or any successor provision thereof applicable to the Bonds) and  
731 the applicable regulations thereunder throughout the term of the Bonds.

732           The county further covenants that it will not take any action or permit any action  
733 to be taken that would cause the Bonds to constitute "private activity bonds" under  
734 Section 141 of the Code.

735           SECTION 16. Arbitrage Rebate. The county will compute, if necessary, and  
736 pay the Rebate Amount, if any, to the United States of America at the times and in the  
737 amounts necessary to meet the requirements of the Code to maintain the federal income  
738 tax exemption for interest payments on the Bonds, in accordance with the Arbitrage and  
739 Tax Certification.

740           SECTION 17. Sale of Bonds.

741           A. Determination by Finance Director. The county hereby authorizes the public  
742 sale of the Bonds. The Bonds shall be sold in one or more series, any of which may be  
743 sold in a combined offering of other bonds of the county, at the option of the Finance  
744 Director. The Finance Director shall determine, in consultation with the county's  
745 financial advisors, whether each series of the Bonds shall be sold by negotiated sale or  
746 competitive bid.

747           B. Procedure for Negotiated Sale. If the Finance Director determines that any  
748 series of the Bonds shall be sold by negotiated sale, the Finance Director shall, in  
749 accordance with applicable county procurement procedures, solicit one or more  
750 underwriting firms with which to negotiate the sale of the Bonds. The purchase contract  
751 for each series of the Bonds shall establish the year and any applicable series designation,  
752 date, principal amounts and maturity dates, interest rates and interest payment dates,  
753 redemption provisions and delivery date for such series of the Bonds, so long as the  
754 aggregate principal amount of the Bonds to be outstanding following the issuance of such  
755 series of Bonds does not exceed \$75,000,000. The county council, by Sale Motion, shall  
756 approve the bond purchase contract, ratify the identification of the Refunded Bonds to be  
757 refunded by such series of Bonds, their respective redemption dates and the Government  
758 Obligations to be purchased to undertake such refunding, and ratify the terms for the  
759 series of Bonds established thereby.

760           C. Procedure for Sale by Competitive Bid. If the Finance Director determines  
761 that any series of the Bonds shall be sold by competitive bid, bids for the purchase of  
762 each series of the Bonds shall be received at such time and place and by such means as  
763 the Finance Director shall direct. The Finance Director is hereby authorized to prepare

764 an official notice of bond sale for each series of the Bonds to be sold pursuant to  
765 competitive bid, establishing in such notice the year and any applicable series  
766 designation, date, principal amounts and maturity dates, interest payment dates,  
767 redemption provisions and delivery date for such series of Bonds, so long as the  
768 aggregate principal amount of the Bonds to be outstanding following the issuance of such  
769 series of Bonds does not exceed \$75,000,000. The official notice of bond sale or an  
770 abridged form thereof shall be published in such newspapers or financial journals as may  
771 be deemed desirable or appropriate by the financial advisors to the county.

772           Upon the date and time established for the receipt of bids for any series of the  
773 Bonds, the Finance Director or his designee shall review the bids, shall cause the bids to  
774 be mathematically verified and shall report to the county council regarding the bids  
775 received. Such bids shall then be considered and acted upon by the county council in an  
776 open public meeting. The county council reserves the right to reject any and all bids for  
777 any series of the Bonds. The county council, by a Sale Motion, shall identify the  
778 Refunded Bonds to be refunded by such series of Bonds, their respective redemption  
779 dates and the Government Obligations to be purchased to undertake such refunding,  
780 ratify the year and any applicable series designation, date, principal amounts and maturity  
781 dates, interest rates and interest payment dates, redemption provisions and delivery date  
782 for such series of the Bonds, and accept the bid for the purchase of such series of the  
783 Bonds.

784           SECTION 18. Delivery of Bonds. Following the sale of each series of the  
785 Bonds, the county shall cause definitive Bonds of such series to be prepared, executed

786 and delivered, which Bonds shall be typewritten, lithographed or printed with engraved  
787 or lithographed borders.

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

797 **SECTION 19. Preliminary Official Statement Declaration.** The county hereby  
798 authorizes and directs the Finance Director: (i) to review and approve the information  
799 contained in the preliminary official statement (the "Preliminary Official Statement")  
800 prepared in connection with the sale of each series of the Bonds; and (ii) for the sole  
801 purpose of the Bond purchasers' compliance with Securities and Exchange Commission  
802 Rule 15c2-12(b)(1), to "deem final" that Preliminary Official Statement as of its date,  
803 except for the omission of information on offering prices, interest rates, selling  
804 compensation, delivery dates, any other terms or provisions required by the county to be  
805 specified in a competitive bid, ratings, other terms of the Bonds dependent on such  
806 matters and the identity of the Bond purchasers. After each Preliminary Official  
807 Statement has been reviewed and approved in accordance with the provisions of this

808 section, the county hereby authorizes the distribution of such Preliminary Official  
809 Statement to prospective purchasers of such series of Bonds.

810           SECTION 20. Approval of Official Statement. Following the sale of each  
811 series of the Bonds, the Finance Director is hereby authorized to review and approve on  
812 behalf of the county a final official statement with respect to such series of Bonds. The  
813 county agrees to cooperate with the purchaser of each series of the Bonds to deliver or  
814 cause to be delivered, within seven business days from the date of the Sale Motion, and in  
815 sufficient time to accompany any confirmation that requests payment from any customer  
816 of such successful bidder, copies of a final official statement pertaining to such Bonds in  
817 sufficient quantity to comply with paragraph (b)(4) of the Rule and the rules of the  
818 MSRB.

819           SECTION 21. Undertaking to Provide Ongoing Disclosure. In each Sale  
820 Motion, the county council will set forth an undertaking for ongoing disclosure with  
821 respect to the Bonds, as required by Section (b)(5) of the Rule.

822           SECTION 22. General Authorization. The appropriate county officials, agents  
823 and representatives are hereby authorized and directed to do everything necessary for the  
824 prompt sale, issuance, execution and delivery of the Bonds, and for the proper use and  
825 application of the proceeds of the sale thereof.

826           SECTION 23. Refunding or Defeasance of Bonds. The county may issue  
827 refunding bonds pursuant to the laws of the State of Washington or use money available  
828 from any other lawful source to pay when due the principal of and interest on any series  
829 of the Bonds, or any portion thereof included in a refunding or defeasance plan, and to

830 redeem and retire, refund or defease all such then-outstanding Bonds and to pay the costs  
831 of the refunding or defeasance.

832 In the event that money and/or noncallable Government Obligations maturing at  
833 such time or times and bearing interest to be earned thereon in amounts (together with  
834 such money, if necessary) sufficient to redeem and retire, refund or defease part or all of  
835 the Bonds in accordance with their terms, are set aside in a special account of the county  
836 to effect such redemption and retirement, and such money and the principal of and  
837 interest on such Government Obligations are irrevocably set aside and pledged for such  
838 purpose, then no further payments need be made into the Bond Fund for the payment of  
839 the principal of and interest on the Bonds so provided for, and such Bonds shall cease to  
840 be entitled to any lien, benefit or security of this ordinance except the right to receive the  
841 money so set aside and pledged, and such Bonds shall be deemed not to be outstanding  
842 hereunder.

843 Within 30 days of the defeasance of any of the Bonds, the Bond Registrar shall  
844 provide notice of defeasance of such Bonds to the registered owners of the Bonds and to  
845 each NRMSIR and SID, if any, in accordance with the undertaking for ongoing  
846 disclosure to be adopted by a Sale Motion pursuant to Section 21 hereof.

847 SECTION 24. Open Market Purchase. The county reserves the right to  
848 purchase any or all of the Bonds on the open market at any time and at any price.

849 SECTION 25. Contract; Severability. The covenants contained in this  
850 ordinance shall constitute a contract between the county and the owners of each and  
851 every Bond. If any one or more of the covenants or agreements provided in this  
852 ordinance to be performed on the part of the county shall be declared by any court of

853 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement  
854 or agreements, shall be null and void and shall be deemed separable from the remaining  
855 covenants and agreements of this ordinance and shall in no way affect the validity of the  
856 other provisions of this ordinance or of the Bonds.

857           SECTION 26. Complete Alternative. This ordinance shall be deemed to  
858 provide a complete, additional and alternative method for the performance of those  
859 subjects authorized hereby and shall be regarded as supplemental and additional to  
860 powers conferred by other county ordinances. Whenever Bonds are issued and sold in  
861 conformance with this ordinance, such issuance and sale need not comply with contrary

Ordinance 15780

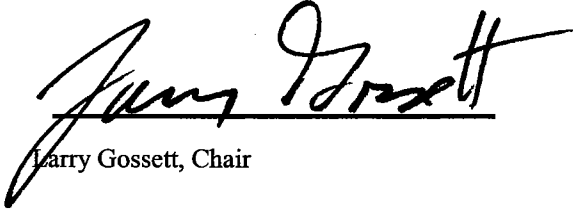
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862 requirements of any other county ordinance applicable to the issuance and sale of bonds  
863 or other obligations.  
864


Ordinance 15780 was introduced on 3/26/2007 and passed by the Metropolitan King County Council on 5/21/2007, by the following vote:

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

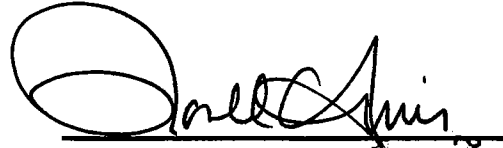
KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Larry Gossett, Chair

ATTEST:

  
Anne Noris, Clerk of the Council

APPROVED this 31 day of May, 2007.

  
Ron Sims, County Executive

Attachments None

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KING COUNTY COUNCIL