



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**March 30, 2010**

**Ordinance 16785**

**Proposed No. 2010-0080.2**

**Sponsors Patterson**

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 \$95,000,000 to provide long-term  
5 financing for the capital costs of the Accountable Business  
6 Transformation Program; authorizing the issuance and  
7 public sale of one or more series of limited tax general  
8 obligation bond anticipation notes of the county in an  
9 outstanding aggregate principal amount not to exceed  
10 \$95,000,000 to provide interim financing for such capital  
11 costs pending the sale of such bonds; providing for the  
12 disposition of the proceeds of sale of the notes; establishing  
13 funds for the receipt and expenditure of note proceeds and  
14 for the payment of the notes; and providing for the annual  
15 levy of taxes to pay the principal thereof and interest  
16 thereon.

17 **PREAMBLE:**

18 The county council has previously reviewed and approved expenditures  
19 for the Accountable Business Transformation Program.

20 It is deemed necessary and advisable that the county now authorize the  
21 issuance of one or more series of its limited tax general obligation bonds  
22 in an outstanding aggregate principal amount not to exceed \$95,000,000 to  
23 provide long-term financing for the capital costs of the Accountable  
24 Business Transformation Program, and that the county now authorize the  
25 issuance and public sale of one or more series of its limited tax general  
26 obligation bond anticipation notes in an outstanding aggregate principal  
27 amount not to exceed \$95,000,000 to provide interim financing for such  
28 capital costs pending the issuance of the bonds.

29 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

33 "ABT Project" means the capital costs of implementing the Accountable Business  
34 Transformation Program.

35 "Accountable Business Transformation Program" means the program to replace  
36 the disparate budget, finance, human resources, payroll and employee benefits systems  
37 used in the county with a unified set of systems in efforts to increase efficiency and  
38 efficacy of services.

39 "BABs" means "Build America Bonds" authorized under the federal American  
40 Recovery and Reinvestment Act of 2009.

41 "Bond Fund" means, with respect to each series of the Bonds, the bond  
42 redemption account established therefor pursuant to Section 12 of this ordinance.

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

48 "Bonds" means the limited tax general obligation bonds of the county in an  
49 outstanding aggregate principal amount not to exceed \$95,000,000, authorized to be  
50 issued in one or more series by this ordinance to provide long-term financing for the ABT  
51 Project. Each series of Bonds may be issued as either Tax-Exempt Obligations or  
52 Taxable Obligations, as provided in Section 4.E of this ordinance.

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.

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

58 "Federal Tax Certification" means, with respect to each series of Notes or Bonds,  
59 the certificate executed by the Finance Director pertaining to the county's expectations in  
60 connection with the federal tax treatment of interest on such series of Notes or Bonds.

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

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

66 "Note Fund" means, with respect to each series of the Notes, the note redemption  
67 account established therefor pursuant to Section 12 of this ordinance.

68 "Note Sale Motion" means a motion of the council adopted at the time of sale of  
69 each series of the Notes that establishes, with respect thereto, the following, among other  
70 things: the year and, if applicable, a series designation, dates, principal amounts and  
71 maturity dates, the interest rates and interest payment dates, and the redemption  
72 provisions therefor.

73 "Notes" means the limited tax general obligation bond anticipation notes of the  
74 county in an outstanding aggregate principal amount not to exceed \$95,000,000,  
75 authorized to be issued in one or more series by this ordinance to provide interim  
76 financing for the ABT Project. Each series of Notes may be issued as either Tax-Exempt  
77 Obligations or Taxable Obligations, as provided in Section 5.E of this ordinance.

78 "Official Notice of Bond Sale" means, with respect to each series of the Bonds  
79 that is sold by competitive bid, the official notice of sale therefor prepared pursuant to  
80 Section 4.E of this ordinance.

81 "Official Notice of Note Sale" means, with respect to each series of the Notes that  
82 is sold by competitive bid, the official notice of sale therefor prepared pursuant to Section  
83 5.E of this ordinance.

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

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

89 "Registrar" means the fiscal agency of the State of Washington appointed from  
90 time to time by the Washington State Finance Committee pursuant to chapter 43.80  
91 RCW.

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

94 "Taxable Obligations" means the Notes or Bonds, as applicable, of any series  
95 determined to be issued on a taxable basis (including, but not limited to, any BABs)  
96 pursuant to Section 5.E or Section 4.E of this ordinance, as applicable.

97 "Tax-Exempt Obligations" means the Notes or Bonds, as applicable, of any series  
98 determined to be issued on a tax-exempt basis pursuant to Section 5.E or Section 4.E of  
99 this ordinance, as applicable.

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

101 A. The Accountable Business Transformation Program will contribute to the  
102 health, safety and welfare of the citizens of the county.

103 B. The issuance of limited tax general obligation bonds of the county to  
104 provide long-term financing for the ABT Project, payable from regular property taxes,  
105 and the issuance and sale of limited tax general obligation bond anticipation notes of the  
106 county to provide interim financing therefor, payable from the proceeds of the sale of  
107 such bonds or other revenues, taxes and money of the county legally available for such  
108 purposes, will reduce the overall costs of borrowing such funds and is in the best interests  
109 of the county and its citizens.

110 SECTION 3. Authorization of ABT Project. The county has previously  
111 authorized the undertaking of the Accountable Business Transformation Program. The

112 capital costs of implementing the Accountable Business Transformation Program to be  
113 funded by the ABT Project shall also include (a) capitalized interest, interest on the Notes  
114 or other interim financing for such projects pending receipt of Bond proceeds, and costs  
115 and expenses incurred in issuing the Notes and the Bonds; (b) the capitalizable costs of  
116 sales tax, acquisition and contingency allowances, financing, and any and all surveys,  
117 explorations, engineering and architectural studies, drawings, designs and specifications  
118 incidental, necessary or convenient to the implementation of the Accountable Business  
119 Transformation Program; and (c) the purchase of all materials, supplies, appliances,  
120 equipment and facilities, and the permits, franchises, property and property rights and  
121 capitalizable administrative costs, necessary, incidental or convenient to the  
122 implementation of the Accountable Business Transformation Program.

123         The ABT Project may be modified where deemed advisable or necessary in the  
124 judgment of the county council, and implementation or completion of any authorized  
125 component thereof shall not be required if the county council determines that it has  
126 become inadvisable or impractical. If all of the ABT Project has been completed, or its  
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 capital projects as the county  
130 council in its discretion may determine. In the event that the proceeds of the sale of the  
131 Notes and the Bonds, plus any other money of the county legally available therefor, are  
132 insufficient to accomplish all of the ABT Project, the county shall use the available funds  
133 for paying the cost of those components of the ABT Project deemed by the county  
134 council most necessary and in the best interest of the county.

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

136            A.     Purpose and Authorization of Bonds. The county authorizes the issuance  
137 of the Bonds to provide long-term financing the ABT Project. The long-term financing  
138 provided by the Bonds may be in the form of new money financing for the ABT Project,  
139 or in the form of a current refunding of outstanding Notes, or any combination thereof.

140            B.     Description of Bonds. The Bonds may be issued in one or more series so  
141 long as the aggregate principal amount of the Bonds to be outstanding on the date of  
142 issuance of each series of the Bonds does not to exceed the remainder of \$95,000,000 less  
143 the aggregate principal amount of any Notes to be outstanding on the date of issuance of  
144 such series of the Bonds. Each series of the Bonds shall be designated "King County,  
145 Washington, Limited Tax General Obligation Bonds," with the year and any applicable  
146 series designation and with the additional designation of "Taxable" for any series of  
147 Bonds issued as Taxable Obligations, all as established by the related Bond Sale Motion.  
148 Each series of the Bonds shall be dated as of such date, shall mature on the date or dates  
149 in each of the years and in the principal amounts, shall bear interest (computed on the  
150 basis of a 360-day year of twelve 30-day months) from their date or the most recent  
151 interest payment date to which interest has been paid or duly provided for, whichever is  
152 later, at the rates and payable on such dates, and shall be subject to redemption prior to  
153 maturity in the amounts, in the manner and at the prices, and shall be subject to such  
154 other terms and provisions as the county shall establish by the related Bond Sale Motion.  
155 Each series of the Bonds shall be fully registered as to both principal and interest, shall be  
156 in the denomination of \$5,000 each or any integral multiple thereof (but no Bond shall  
157 represent more than one maturity), shall be numbered separately in such manner and with

158 any additional designation as the Registrar deems necessary for purposes of  
159 identification.

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

173 The Bonds of each series shall initially be issued in denominations equal to the  
174 aggregate principal amount of each maturity and initially shall be registered in the name  
175 of CEDE & Co., as the nominee of DTC. Such Bonds so registered shall be held in fully  
176 immobilized form by DTC as depository. For so long as any such Bonds are held in fully  
177 immobilized form, DTC, its successor or any substitute depository appointed by the  
178 county, as applicable, shall be deemed to be the registered owner for all purposes  
179 hereunder and all references to registered owners, bondowners, bondholders, owners or  
180 the like shall mean DTC or its nominees and shall not mean the owners of any beneficial



181 interests in the Bonds. Registered ownership of such Bonds, or any portions thereof, may  
182 not thereafter be transferred except:

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

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

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

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

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

202 In the event that DTC or its successor (or substitute depository or its successor)  
203 resigns from its functions as depository, and no substitute depository can be obtained; or

204 the county determines that it is in the best interests of the beneficial owners of the Bonds  
205 of any series that they be able to obtain Bond certificates, the ownership of such Bonds  
206 may be transferred to any person as herein provided, and such Bonds shall no longer be  
207 held in fully immobilized form. The county shall deliver a written request to the  
208 Registrar, together with a supply of definitive Bonds of such series, to issue Bonds of  
209 such series as herein provided in any authorized denomination. Upon receipt of all then  
210 outstanding Bonds of any series by the Registrar, together with a written request on  
211 behalf of the county to the Registrar, new Bonds of such series shall be issued in such  
212 denominations and registered in the names of such persons as are requested in such a  
213 written request.

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

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

227 fixed for prior redemption upon presentation and surrender of such Bonds by the owners  
228 to the Registrar.

229 E. Sale of Bonds. The county hereby authorizes the public sale of the Bonds.  
230 The Bonds shall be sold in one or more series, any of which may be sold in a combined  
231 offering with other bonds and/or notes of the county, at the option of the Finance  
232 Director. The Finance Director shall determine, in consultation with the county's  
233 financial advisors, whether each series of the Bonds shall be sold by negotiated sale or  
234 competitive bid, and whether such series of Bonds shall be issued and sold as Tax-  
235 Exempt Obligations or Taxable Obligations.

236 If the Finance Director determines that any series of the Bonds shall be sold by  
237 negotiated sale, the Finance Director shall, in accordance with applicable county  
238 procurement procedures, solicit one or more underwriting firms with which to negotiate  
239 the sale of the Bonds. The purchase contract for each series of the Bonds shall specify  
240 whether the Bonds of such series are being issued and sold as Tax-Exempt Obligations or  
241 Taxable Obligations, and shall also establish the year and any applicable series  
242 designation, date, principal amounts and maturity dates, interest rates and interest  
243 payment dates, redemption provisions and delivery date for such series of the Bonds, so  
244 long as the aggregate principal amount of the Bonds to be outstanding on the date of  
245 issuance of such series of the Bonds does not exceed the remainder of \$95,000,000 less  
246 the aggregate principal amount of any Notes to be outstanding on the date of issuance of  
247 such series of the Bonds. The county council, by Bond Sale Motion, shall approve the  
248 bond purchase contract and ratify whether the Bonds of such series are being issued and

249 sold as Tax-Exempt Obligations or Taxable Obligations and the other terms for the series  
250 of the Bonds established thereby.

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

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

265 The Finance Director is hereby authorized and directed to prepare an Official  
266 Notice of Bond Sale for each series of the Bonds to be sold pursuant to competitive bid,  
267 which notice shall be filed with the clerk of the council and shall be ratified and  
268 confirmed by the Bond Sale Motion therefor. The Finance Director is hereby authorized  
269 to specify whether the Bonds of such series are being issued and sold as Tax-Exempt  
270 Obligations or Taxable Obligations and also to establish the year and any applicable  
271 series designation, date, principal amounts and maturity dates, interest payment dates,

272 redemption provisions and delivery date for such series of the Bonds in such Official  
273 Notice of Bond Sale so long as the aggregate principal amount of the Bonds to be  
274 outstanding on the date of issuance of such series of the Bonds does not exceed the  
275 remainder of \$95,000,000 less the aggregate principal amount of any Notes to be  
276 outstanding on the date of issuance of such series of the Bonds.

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

278 NO. \$ \_\_\_\_\_

279 UNITED STATES OF AMERICA

280 STATE OF WASHINGTON

281 KING COUNTY

282 LIMITED TAX GENERAL OBLIGATION BOND,

283 [Year][, Series][TAXABLE]

284 INTEREST RATE: MATURITY DATE: CUSIP NO. :

285 REGISTERED OWNER:

286 PRINCIPAL AMOUNT:

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

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

310 This Bond is one of an authorized issue of Bonds of like date and tenor, except as  
311 to number, amount, rate of interest and date of maturity[, and redemption provisions],in  
312 the aggregate principal amount of \$\_\_\_\_\_, and is issued to provide long-term  
313 financing for the ABT Project defined and described in King County Ordinance \_\_\_\_\_  
314 (the "Bond Ordinance"). Capitalized words and phrases used but not defined herein shall  
315 have the meanings set forth in the Bond Ordinance.

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

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

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

331           The pledge of tax levies for repayment of principal of and interest on the Bonds  
332 may be discharged prior to maturity of the Bonds by making provisions for the payment  
333 thereof on the terms and conditions set forth in the Bond Ordinance.

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

337           It is hereby certified that all acts, conditions and things required by the  
338 Constitution and statutes of the State of Washington and the Charter and ordinances of

339 the County to exist, to have happened, been done and performed precedent to and in the  
340 issuance of this Bond have happened, been done and performed and that the issuance of  
341 this Bond and the Bonds of this series does not violate any constitutional, statutory or  
342 other limitation upon the amount of bonded indebtedness that the County may incur.

343 [Add so long as Bonds are held in fully immobilized form by DTC: Unless this  
344 certificate is presented by an authorized representative of The Depository Trust  
345 Company, a New York corporation ("DTC"), to the Registrar for registration of transfer,  
346 exchange or payment, and any certificate issued is registered in the name of Cede & Co.  
347 or in such other name as is requested by an authorized representative of DTC (and any  
348 payment is made to Cede & Co. or to such other entity as is requested by an authorized  
349 representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR  
350 VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as  
351 the registered owner hereof, Cede & Co., has an interest herein.]

352 IN WITNESS WHEREOF, the County has caused this Bond to be executed by  
353 the manual or facsimile signatures of the County Executive and the Clerk of the County  
354 Council, and the seal of the County to be impressed or imprinted hereon, as of this  
355 [ ] day of [ ].

356 KING COUNTY, WASHINGTON

357 By \_\_\_\_\_

358 County Executive

359 ATTEST:

360 \_\_\_\_\_

361 Clerk of the Council



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

364 CERTIFICATE OF AUTHENTICATION

365 This Bond is one of the King County, Washington, Limited Tax General  
366 Obligation Bonds, [Year][, Series][TAXABLE], described in the within mentioned Bond  
367 Ordinance.

WASHINGTON STATE FISCAL  
AGENCY, as Registrar

By \_\_\_\_\_

Authorized Officer

372 ASSIGNMENT

373 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers  
374 unto

375 \_\_\_\_\_

376 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

377 NUMBER OF TRANSFEREE

378 [         ] \_\_\_\_\_

379 \_\_\_\_\_

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

381 \_\_\_\_\_

382 the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_

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

384 \_\_\_\_\_

---

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

392 SIGNATURE GUARANTEED:

393 \_\_\_\_\_

394 NOTE: Signature must be guaranteed by an eligible guarantor.

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

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

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

410           In case either or both of the officers who shall have executed the Bonds shall  
411 cease to be an officer or officers of the county before the Bonds so signed shall have been  
412 authenticated or delivered by the Registrar, or issued by the county, such Bonds may  
413 nevertheless be authenticated, delivered and issued and upon such authentication,  
414 delivery and issuance, shall be as binding upon the county as though those who signed  
415 the same had continued to be such officers of the county. Any Bond also may be signed  
416 and attested on behalf of the county by such persons as at the actual date of execution of  
417 such Bond shall be the proper officers of the county although at the original date of such  
418 Bond any such person shall not have been such officer of the county.

419           Only such Bonds as shall bear thereon a Certificate of Authentication in the form  
420 hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for  
421 any purpose or entitled to the benefits of this ordinance. Such Certificate of  
422 Authentication shall be conclusive evidence that the Bonds so authenticated have been  
423 duly executed, authenticated and delivered hereunder and are entitled to the benefits of  
424 this ordinance.

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

426           A.     Purpose and Authorization of Notes. The county authorizes the issuance  
427 of the Notes to provide interim financing for the ABT Project. The interim financing  
428 provided by the Notes may be in the form of new money financing for the ABT Project,  
429 or in the form of a current refunding (a "rollover") of outstanding Notes pending the

430 issuance of Bonds and the receipt of Bond proceeds to provide long-term financing  
431 therefor, or any combination thereof.

432       B.     Description of Notes. The Notes may be issued in one or more series so  
433 long as the aggregate principal amount of the Notes to be outstanding on the date of  
434 issuance of each series of the Notes does not to exceed the remainder of \$95,000,000 less  
435 the aggregate principal amount of any Bonds to be outstanding on the date of issuance of  
436 such series of the Notes. Each series of the Notes shall be designated "King County,  
437 Washington, Limited Tax General Obligation Bond Anticipation Notes," with the year  
438 and any applicable series designation and with the additional designation of "Taxable" for  
439 any series of Notes issued as Taxable Obligations, all as established by the related Note  
440 Sale Motion. Each series of the Notes shall be dated as of such date, shall mature on the  
441 date or dates in each of the years and in the principal amounts, shall bear interest  
442 (computed on the basis of a 360-day year of twelve 30-day months) from their date or the  
443 most recent interest payment date to which interest has been paid or duly provided for,  
444 whichever is later, at the rates and payable on such dates, and shall be subject to  
445 redemption prior to maturity in the amounts, in the manner and at the prices, and shall be  
446 subject to such other terms and provisions as the county shall establish by the related  
447 Note Sale Motion. Each series of the Notes shall be fully registered as to both principal  
448 and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof  
449 (but no Note shall represent more than one maturity), shall be numbered separately in  
450 such manner and with any additional designation as the Registrar deems necessary for  
451 purposes of identification.

452 C. Initial Immobilization of Notes; Depository Provisions. The Notes of each  
453 series shall initially be held in fully immobilized form by DTC acting as depository  
454 pursuant to the terms and conditions set forth in the Blanket Issuer Letter of  
455 Representations heretofore executed on behalf of the county. Neither the county nor the  
456 Registrar shall have any responsibility or obligation to DTC participants or the persons  
457 for whom they act as nominees with respect to such Notes with respect to the accuracy of  
458 any records maintained by DTC or any DTC participant, the payment by DTC or any  
459 DTC participant of any amount in respect of principal or redemption price or interest on  
460 such Notes, any notice that is permitted or required to be given to registered owners  
461 under this ordinance (except such notice as is required to be given by the county to the  
462 Registrar or to DTC), the selection by DTC or any DTC participant of any person to  
463 receive payment in the event of a partial redemption of such Notes or any consent given  
464 or other action taken by DTC as owner of such Notes.

465 The Notes of each series shall initially be issued in denominations equal to the  
466 aggregate principal amount of each maturity and initially shall be registered in the name  
467 of CEDE & Co., as the nominee of DTC. Such Notes so registered shall be held in fully  
468 immobilized form by DTC as depository. For so long as any such Notes are held in fully  
469 immobilized form, DTC, its successor or any substitute depository appointed by the  
470 county, as applicable, shall be deemed to be the registered owner for all purposes  
471 hereunder and all references to registered owners, noteowners, noteholders, owners or the  
472 like shall mean DTC or its nominees and shall not mean the owners of any beneficial  
473 interests in the Notes. Registered ownership of such Notes, or any portions thereof, may  
474 not thereafter be transferred except:

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

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

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

481                   Upon the resignation of DTC or its successor (or any substitute depository or its  
482 successor) from its functions as depository, or a determination by the county that it is no  
483 longer in the best interests of beneficial owners of such Notes to continue the system of  
484 book entry transfers through DTC or its successor (or any substitute depository or its  
485 successor), the county may appoint a substitute depository. Any such substitute  
486 depository shall be qualified under any applicable laws to provide the services proposed  
487 to be provided by it.

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

494                   In the event that DTC or its successor (or substitute depository or its successor)  
495 resigns from its functions as depository, and no substitute depository can be obtained; or  
496 the county determines that it is in the best interests of the beneficial owners of the Notes  
497 of any series that they be able to obtain Note certificates, the ownership of such Notes

498 may be transferred to any person as herein provided, and such Notes shall no longer be  
499 held in fully immobilized form. The county shall deliver a written request to the  
500 Registrar, together with a supply of definitive Notes of such series, to issue Notes of such  
501 series as herein provided in any authorized denomination. Upon receipt of all then  
502 outstanding Notes of such series by the Registrar, together with a written request on  
503 behalf of the county to the Registrar, new Notes of such series shall be issued in such  
504 denominations and registered in the names of such persons as are requested in such a  
505 written request.

506       D.     Place, Manner and Medium of Payment. Both principal of and interest on  
507 the Notes shall be payable in lawful money of the United States of America. For so long  
508 as any outstanding Notes are registered in the name of CEDE & Co., or its registered  
509 assigns, as nominee of DTC, payments of principal of and interest on such Notes shall be  
510 made in next day funds on the date such payment is due and payable at the place and in  
511 the manner provided in the Letter of Representations.

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

521           E.     Sale of Notes. The county hereby authorizes the public sale of the Notes.  
522     The Notes shall be sold in one or more series, any of which may be sold in a combined  
523     offering with other bonds and/or notes of the county, at the option of the Finance  
524     Director. The Finance Director shall determine, in consultation with the county's  
525     financial advisors, whether each series of the Notes shall be sold by negotiated sale or  
526     competitive bid, and whether such series of Notes shall be issued and sold as Tax-Exempt  
527     Obligations or Taxable Obligations.

528           If the Finance Director determines that any series of the Notes shall be sold by  
529     negotiated sale, the Finance Director shall, in accordance with applicable county  
530     procurement procedures, solicit one or more underwriting firms with which to negotiate  
531     the sale of the Notes. The purchase contract for each series of the Notes shall specify  
532     whether the Notes of such series are being issued and sold as Tax-Exempt Obligations or  
533     Taxable Obligations, and shall also establish the year and any applicable series  
534     designation, date, principal amounts and maturity dates, interest rates and interest  
535     payment dates, redemption provisions and delivery date for such series of the Notes, so  
536     long as the aggregate principal amount of the Notes to be outstanding on the date of  
537     issuance of such series of the Notes does not exceed the remainder of \$95,000,000 less  
538     the aggregate principal amount of any Bonds to be outstanding on the date of issuance of  
539     such series of the Notes. The county council, by Note Sale Motion, shall approve the  
540     Note purchase contract and ratify whether the Notes of such series are being issued and  
541     sold as Tax-Exempt Obligations or Taxable Obligations and the other terms for such  
542     series of the Notes established thereby.



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

546           Upon the date and time established for the receipt of bids for each series of the  
547 Notes, the Finance Director or his designee shall open the bids for the Notes, shall cause  
548 the bids to be mathematically verified and shall report to the county council regarding the  
549 bids received. Such bids shall then be considered and acted upon by the county council  
550 in an open public meeting. The county council reserves the right to reject any and all  
551 bids for any series of the Notes. The county council shall, by Note Sale Motion, ratify  
552 and confirm whether the Notes of such series are being issued and sold as Tax-Exempt  
553 Obligations or Taxable Obligations, and shall also ratify and confirm the year and any  
554 applicable series designation, date, principal amounts and maturity dates, interest rates  
555 and interest payment dates, redemption provisions and delivery date for such series of the  
556 Notes, and accept the bid for the purchase of such series of the Notes.

557           The Finance Director is hereby authorized and directed to prepare an Official  
558 Notice of Note Sale for each series of the Notes to be sold pursuant to competitive bid,  
559 which notice shall be filed with the clerk of the council and shall be ratified and  
560 confirmed by the Note Sale Motion therefor. The Finance Director is hereby authorized  
561 to specify whether the Notes of such series are being issued and sold as Tax-Exempt  
562 Obligations or Taxable Obligations and also to establish the year and any applicable  
563 series designation, date, principal amounts and maturity dates, interest payment dates,  
564 redemption provisions and delivery date for such series of the Notes in such Official  
565 Notice of Note Sale so long as the aggregate principal amount of the Notes to be

566 outstanding on the date of issuance of such series of the Notes does not exceed the  
567 remainder of \$95,000,000 less the aggregate principal amount of any Bonds to be  
568 outstanding on the date of issuance of such series of the Notes.

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

570 NO. \_\_\_\_\_ \$ \_\_\_\_\_

571 UNITED STATES OF AMERICA

572 STATE OF WASHINGTON

573 KING COUNTY

574 LIMITED TAX GENERAL OBLIGATION

575 BOND ANTICIPATION NOTE, [Year][, Series][TAXABLE]

576 INTEREST RATE: \_\_\_\_\_ MATURITY DATE: \_\_\_\_\_ CUSIP NO. : \_\_\_\_\_

577 REGISTERED OWNER: \_\_\_\_\_

578 PRINCIPAL AMOUNT: \_\_\_\_\_

579 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to  
580 owe and for value received promises to pay to the registered owner identified above, or  
581 registered assigns, on the Maturity Date specified above, the Principal Amount specified  
582 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-  
583 day months) from [\_\_\_\_\_], at the Interest Rate set forth above, payable on  
584 \_\_\_\_\_.

585 Both principal of and interest on this Note are payable in lawful money of the  
586 United States of America. While Notes are held on immobilized "book entry" system of  
587 registration, the principal of this Note is payable to the order of the registered owner in  
588 same day funds received by the registered owner on the maturity date of this Note, and

589 the interest on this Note is payable to the order of the registered owner in same day funds  
590 received by the registered owner on each interest payment date. When Notes are no  
591 longer held in an immobilized "book entry" registration system, the principal shall be  
592 paid to the registered owner or nominee of such owner upon presentation and surrender  
593 of this Note at the fiscal agency of the State of Washington (the "Registrar"), and the  
594 interest shall be paid by mailing a check or draft (on the date such interest is due) to the  
595 registered owner or nominee of such owner at the address shown on the registration  
596 books maintained by the Registrar (the "Register") as of the 15th day of the month prior  
597 to the interest payment date; provided, however that if so requested in writing by the  
598 registered owner of at least \$1,000,000 par value of the Notes, interest will be paid by  
599 wire transfer.

600 This Note is one of an authorized issue of Notes of like date and tenor, except as  
601 to number and amount[, rate of interest and date of maturity], in the aggregate principal  
602 amount of \$ \_\_\_\_\_, and is issued to provide interim financing for the ABT  
603 Project defined and described in King County Ordinance \_\_\_\_\_ (the "Note Ordinance").  
604 Capitalized words and phrases used but not defined herein shall have the meanings set  
605 forth in the Note Ordinance.

606 The Notes of this issue are issued under and in accordance with the provisions of  
607 the Constitution and applicable statutes of the State of Washington, the County Charter  
608 and applicable ordinances duly adopted by the County.

609 [The Notes are subject to redemption prior to their maturity as follows:  
610 (information to come related Note Sale Motion)].

611           The County has irrevocably covenanted in the Note Ordinance that, for as long as  
612 the Notes are outstanding and unpaid, each year it will include in its budget and levy an  
613 *ad valorem* tax within the constitutional and statutory tax limitations provided by law  
614 without a vote of the people upon all the property within the County subject to taxation in  
615 an amount that will be sufficient, together with all other revenues, taxes and money of the  
616 County legally available for such purposes, to pay the principal of and interest on the  
617 Notes as the same shall become due. The County has irrevocably pledged its full faith,  
618 credit and resources for the annual levy and collection of such taxes and for the prompt  
619 payment of the principal of and interest on the Notes as the same shall become due.

620           The pledge of tax levies for repayment of principal of and interest on the Notes  
621 may be discharged prior to maturity of the Notes by making provisions for the payment  
622 thereof on the terms and conditions set forth in the Note Ordinance.

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

626           It is hereby certified that all acts, conditions and things required by the  
627 Constitution and statutes of the State of Washington and the Charter and ordinances of  
628 the County to exist, to have happened, been done and performed precedent to and in the  
629 issuance of this Note have happened, been done and performed and that the issuance of  
630 this Note and the Notes of this series does not violate any constitutional, statutory or  
631 other limitation upon the amount of bonded indebtedness that the County may incur.

632           [Add so long as Notes are held in fully immobilized form by DTC: Unless this  
633 certificate is presented by an authorized representative of The Depository Trust

634 Company, a New York corporation ("DTC"), to the Registrar for registration of transfer,  
635 exchange or payment, and any certificate issued is registered in the name of Cede & Co.  
636 or in such other name as is requested by an authorized representative of DTC (and any  
637 payment is made to Cede & Co. or to such other entity as is requested by an authorized  
638 representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR  
639 VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as  
640 the registered owner hereof, Cede & Co., has an interest herein.]

641 IN WITNESS WHEREOF, the County has caused this Note to be executed by the  
642 manual or facsimile signatures of the County Executive and the Clerk of the County  
643 Council, and the seal of the County to be impressed or imprinted hereon, as of this  
644 [ ] day of [ ].

645 KING COUNTY, WASHINGTON

646 By \_\_\_\_\_

647 County Executive

648 ATTEST:

649 \_\_\_\_\_

650 Clerk of the Council

651 The Registrar's Certificate of Authentication on the Notes shall be in substantially  
652 the following form:

653 CERTIFICATE OF AUTHENTICATION

654 This Note is one of King County, Washington, Limited Tax General Obligation  
655 Bond Anticipation Notes, [Year][, Series][TAXABLE] described in the within mentioned  
656 Note Ordinance.

657 WASHINGTON STATE FISCAL  
658 AGENCY, as Registrar

659 By \_\_\_\_\_  
660 Authorized Officer

661 ASSIGNMENT

662 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers  
663 unto

664 \_\_\_\_\_

665 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

666 NUMBER OF TRANSFEREE

667 [        ]

668 \_\_\_\_\_

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

670 \_\_\_\_\_

671 the within Note and does hereby irrevocably constitute and appoint \_\_\_\_\_

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

673 \_\_\_\_\_

674 NOTE: The signature on this  
675 Assignment must correspond with  
676 the name of the registered owner as  
677 it appears upon the face of the within  
678 Note in every particular, without

679 alteration or enlargement or any  
680 change whatever.

681 SIGNATURE GUARANTEED:

682 \_\_\_\_\_

683 NOTE: Signature must be guaranteed by an eligible guarantor.

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

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

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

699 In case either or both of the officers who shall have executed the Notes shall cease  
700 to be an officer or officers of the county before the Notes so signed shall have been  
701 authenticated or delivered by the Registrar, or issued by the county, such Notes may

702 nevertheless be authenticated, delivered and issued and upon such authentication,  
703 delivery and issuance, shall be as binding upon the county as though those who signed  
704 the same had continued to be such officers of the county. Any Note also may be signed  
705 and attested on behalf of the county by such persons as at the actual date of execution of  
706 such Note shall be the proper officers of the county although at the original date of such  
707 Note any such person shall not have been such officer of the county.

708         Only such Notes as shall bear thereon a Certificate of Authentication in the form  
709 hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for  
710 any purpose or entitled to the benefits of this ordinance. Such Certificate of  
711 Authentication shall be conclusive evidence that the Notes so authenticated have been  
712 duly executed, authenticated and delivered hereunder and are entitled to the benefits of  
713 this ordinance.

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

717         SECTION 7. Registration, Transfer and Exchange of Notes and Bonds. The  
718 county hereby adopts for the Notes and the Bonds the system of registration specified and  
719 approved by the Washington State Finance Commission. The Registrar shall keep, or  
720 cause to be kept, at its principal corporate trust office, sufficient books for the registration  
721 and transfer of the Notes and the Bonds, which shall at all times be open to inspection by  
722 the county. Such Register shall contain the name and mailing address of the owner (or  
723 nominee thereof) of each Note and Bond, and the principal amount and number of Notes  
724 held by each owner or nominee. The Registrar is authorized, on behalf of the county, to



725 authenticate and deliver Notes and Bonds transferred or exchanged for other Notes and  
726 Bonds, respectively, in accordance with the provisions thereof and this ordinance, and to  
727 carry out all of the Registrar's powers and duties under this ordinance.

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

734         Upon surrender thereof to the Registrar; the Notes of each series are exchangeable  
735 for other Notes of the same series, maturity and interest rate and for the same aggregate  
736 principal amount, in any authorized denomination, and the Bonds of each series are  
737 exchangeable for other Bonds of the same series, maturity and interest rate and for the  
738 same aggregate principal amount, in any authorized denomination. Notes and Bonds may  
739 be transferred only if endorsed in the manner provided thereon and surrendered to the  
740 Registrar. Upon such surrender, the Registrar shall cancel the surrendered Note or Bond  
741 and shall authenticate and deliver, without charge to the owner or transferee therefor  
742 (other than taxes, if any, payable on account of such transfer), one or more (at the option  
743 of the new registered owner) new Notes or Bonds, as applicable, of the same series,  
744 maturity and interest rate and for the same aggregate principal amount, in any authorized  
745 denomination, naming as registered owner the person or persons listed as the assignee on  
746 the assignment form appearing on the canceled and surrendered Note or Bond, in  
747 exchange therefor. The Registrar shall not be obligated to transfer or exchange any Note

748 or Bond during the period beginning at the opening of business on the 15th day of the  
749 month next preceding the maturity date thereof and ending at the close of business on  
750 such maturity date.

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

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

762 If any Note or Bond shall be lost, stolen or destroyed, the Registrar may  
763 authenticate and deliver one or more (at the option of the new registered owner) new  
764 Notes or Bonds, as applicable, of the same series, maturity and interest rate and for the  
765 same aggregate principal amount, in any authorized denomination, to the registered  
766 owner thereof upon the owner's paying the expenses and charges of the county and the  
767 Registrar in connection therewith and upon his/her filing with the Registrar evidence  
768 satisfactory to the Registrar that such Note or Bond was actually lost, stolen or destroyed  
769 and of his/her ownership thereof, and upon furnishing the county and the Registrar with  
770 indemnity satisfactory to the Finance Director and the Registrar.

771           SECTION 9. Pledge of Taxation and Credit. The county hereby irrevocably  
772 covenants and agrees for as long as any of the Notes or the Bonds are outstanding and  
773 unpaid, that each year it will include in its budget and levy an ad valorem tax within the  
774 constitutional and statutory tax limitations provided by law without a vote of the people  
775 upon all the property within the county subject to taxation in an amount that will be  
776 sufficient, together with all other revenues, taxes and money of the county legally  
777 available for such purposes, to pay the principal of and interest on the Notes and the  
778 Bonds as the same shall become due.

779           The county hereby irrevocably pledges that the annual tax provided for herein to  
780 be levied for the payment of such principal and interest shall be within and as a part of  
781 the tax levy to counties without a vote of the people, and that a sufficient portion of each  
782 annual levy to be levied and collected by the county prior to the full payment of the  
783 principal of and interest on the Notes and Bonds will be and is hereby irrevocably set  
784 aside, pledged and appropriated for the payment of the principal of and interest on the  
785 Notes and the Bonds.

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

789           SECTION 10. Federal Tax Law Covenants. The county shall comply with the  
790 provisions of this section with respect to each series of the Notes and the Bonds that are  
791 issued as Tax-Exempt Obligations or BABs unless, in the written opinion of nationally-  
792 recognized bond counsel to the county, such compliance is not required.

793           The county hereby covenants that it will not make any use of the proceeds from  
794 the sale of such series of the Notes or the Bonds that are issued as Tax-Exempt  
795 Obligations or BABs or any other funds of the county that may be deemed to be proceeds  
796 of such series of the Notes or the Bonds pursuant to Section 148 of the Code and the  
797 applicable regulations thereunder that will cause such series of the Notes or the Bonds to  
798 be "arbitrage bonds" within the meaning of said Section and said regulations. The county  
799 will comply with the applicable requirements of Section 148 of the Code (or any  
800 successor provision thereof applicable to such series of the Notes or the Bonds) and the  
801 applicable regulations thereunder throughout the term of such series of the Notes or the  
802 Bonds. In particular, the county will compute, if necessary, and pay the Rebate Amount,  
803 if any, to the United States of America at the times and in the amounts necessary to meet  
804 the requirements of the Code, as set forth in the related Federal Tax Certification for such  
805 series of the Notes or the Bonds.

806           The county further covenants that it will not take any action or permit any action  
807 to be taken that would cause any series of the Notes or the Bonds that are issued as Tax-  
808 Exempt Obligations or BABs to constitute "private activity bonds" under Section 141 of  
809 the Code.

810           SECTION 11. Other Covenants and Warranties. The county makes the following  
811 additional covenants and warranties:

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

816           B.     By all necessary official action prior to or concurrently herewith, the  
817 county has duly authorized and approved the execution and delivery of, and the  
818 performance by the county of its obligations contained in the Notes, the Bonds and this  
819 ordinance and the consummation by it of all other transactions necessary to effectuate  
820 this ordinance in connection with the issuance of each series of the Notes and the Bonds,  
821 and such authorizations and approvals are in full force and effect and have not been  
822 amended, modified or supplemented in any material respect.

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

825           D.     When issued, sold, authenticated and delivered, each series of the Notes  
826 and the Bonds will constitute legal, valid and binding general obligations of the county.

827           E.     Until all Notes and Bonds of a series shall have been surrendered and  
828 canceled, the county will maintain or cause to be maintained a system of registration of  
829 the Notes and the Bonds of such series that complies with the applicable provisions of the  
830 Code.

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

837 G. The county finds and covenants that the Notes and the Bonds of each  
838 series are issued within all statutory and constitutional debt limitations applicable to the  
839 county.

840 SECTION 12. Note and Bond Funds. There has heretofore been created in the  
841 office of the Finance Director a special fund known as the "King County Limited Tax  
842 General Obligation Bond Redemption Fund" to be drawn upon for the purpose of paying  
843 the principal of and interest on the limited tax general obligation bonds of the county.  
844 There is hereby authorized to be created within said fund a special account for each series  
845 of the Notes to be known as the "Limited Tax General Obligation Bond Anticipation  
846 Note Redemption Account, [Year][, Series][Taxable]" (each, a "Note Fund"), and a  
847 special account for each series of the Bonds to be known as the "Limited Tax General  
848 Obligation Bond Redemption Account, [Year][, Series][Taxable]" (each, a "Bond Fund").

849 Any accrued interest on any series of the Notes or the Bonds shall be deposited in  
850 the related Note Fund or Bond Fund, as applicable, at the time of delivery of such series  
851 of the Notes or the Bonds and shall be applied to the payment of interest thereon.

852 The taxes hereafter levied for the purpose of paying principal of and interest on  
853 each series of the Notes or the Bonds and other funds to be used to pay such series of the  
854 Notes or the Bonds shall be deposited in the related Note Fund or Bond Fund, as  
855 applicable, no later than the date such funds are required for the payment of principal of  
856 and interest on such series of the Notes or the Bonds; provided, however, that if the  
857 payment of principal of and interest on any series of the Notes or the Bonds is required  
858 prior to the receipt of such levied taxes, the county may make an interfund loan to the  
859 related Note Fund or Bond Fund, as applicable, pending actual receipt of such taxes.

860 Each Note Fund and Bond Fund shall be drawn upon for the purpose of paying the  
861 principal of and interest on the related series of the Notes or the Bonds, as applicable.  
862 Money in each Note Fund and Bond Fund not needed to pay the interest or principal next  
863 coming due may temporarily be deposited in such institutions or invested in such  
864 obligations as may be lawful for the investment of county funds. Each Note Fund and  
865 Bond Fund shall be a second tier fund in accordance with Ordinance 7112 and K.C.C.  
866 chapter 4.10.

867       SECTION 13. Application of Note and Bond Proceeds-New Money. There has  
868 heretofore been created the ABT BAN Subfund within the OIRM Capital Projects Fund.  
869 This subfund is a first tier fund managed by the county's chief information officer. The  
870 exact amount of proceeds from the sale of any series of the Notes or the Bonds to be  
871 deposited into the ABT BAN Subfund to provide new money financing for the ABT  
872 Project shall be determined by the Finance Director upon the sale of such series of the  
873 Notes or the Bonds. Any amounts so deposited may be used to repay interim borrowing  
874 (other than the Notes) used to pay the costs of the ABT Project.

875       SECTION 14. Application of Note and Bond Proceeds-Current Refundings. The  
876 exact amount of proceeds from the sale of any series of the Notes or the Bonds to be  
877 deposited into the Note Fund for another series of the Notes and applied to the payment  
878 of the principal of and interest on such other series of the Notes and the costs related to  
879 the current refunding thereof shall be determined by the Finance Director upon the sale of  
880 such series of the Notes or the Bonds.

881       SECTION 15. Application of Note Proceeds-General. Funds deposited in the  
882 funds and accounts described in Sections 12 and 13 of this ordinance shall be invested as

883 permitted by law for the sole benefit of such funds and accounts. Irrespective of the  
884 general provisions of Ordinance 7112 and K.C.C. chapter 4.10, the county current  
885 expense fund shall not receive any earnings attributable to such funds and accounts.  
886 Money other than proceeds of the Notes and Bonds may be deposited in the funds and  
887 accounts described in Sections 12 and 13 of this ordinance; provided, however, that  
888 proceeds of each series of the Notes or the Bonds that are issued as Tax-Exempt  
889 Obligations or BABs, and the earnings thereon, shall be accounted for separately for  
890 purposes of the arbitrage rebate computations required to be made under the Code. For  
891 purposes of such computations, Note proceeds shall be deemed to have been expended  
892 first, then Bond proceeds, and then any other funds.

893 SECTION 16. Preliminary Official Statements and Final Official Statements.

894 The county hereby authorizes and directs the Finance Director: (i) to review and approve  
895 the information contained in the preliminary official statement (each, a "Preliminary  
896 Official Statement") prepared in connection with the sale of each series of the Notes or  
897 the Bonds; and (ii) for the sole purpose of compliance by the purchasers of such series of  
898 the Notes or the Bonds with subsection (b)(1) of the Rule, to "deem final" the related  
899 Preliminary Official Statement as of its date, except for the omission of information on  
900 offering prices, interest rates, selling compensation, delivery dates, any other terms or  
901 provisions required by the county to be specified in a competitive bid, ratings, other terms  
902 of such series of the Notes or the Bonds dependent on such matters and the identity of the  
903 purchasers. After each Preliminary Official Statement has been reviewed and approved  
904 in accordance with the provisions of this section, the county hereby authorizes the



905 distribution of such Preliminary Official Statement to prospective purchasers of such  
906 related series of the Notes or the Bonds.

907         Following the sale of each series of the Notes or the Bonds, the Finance Director  
908 is hereby authorized to review and approve on behalf of the county a final official  
909 statement with respect to such series of the Notes or the Bonds. The county agrees to  
910 cooperate with the successful bidder for each series of the Notes or the Bonds to deliver  
911 or cause to be delivered, within seven business days from the date of the Note Sale  
912 Motion or Bond Sale Motion, as appropriate, and in sufficient time to accompany any  
913 confirmation that requests payment from any customer of such successful bidder, copies  
914 of a final official statement pertaining to such Notes or Bonds in sufficient quantity to  
915 comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities  
916 Rulemaking Board.

917         SECTION 17. Undertaking to Provide Ongoing Disclosure. The county council  
918 will set forth an undertaking for ongoing disclosure with respect to each series of the  
919 Notes or the Bonds, as required by subsection (b)(5) of the Rule, in the Note Sale Motion  
920 or the Bond Sale Motion therefor, as appropriate.

921         SECTION 18. General Authorization. The appropriate county officials, agents  
922 and representatives are hereby authorized and directed to do everything necessary for the  
923 prompt sale, issuance, execution and delivery of each series of the Notes and each series  
924 of the Bonds, and for the proper use and application of the proceeds of the sale thereof.

925         SECTION 19. Refunding or Defeasance of Notes and Bonds. The county may  
926 issue refunding obligations pursuant to the laws of the State of Washington or use money  
927 available from any other lawful source to pay when due the principal of and interest on

928 any series of the Notes or the Bonds, or any portion thereof included in a refunding or  
929 defeasance plan, and to redeem and retire, refund or defease all such then-outstanding  
930 Notes or Bonds, as appropriate, and to pay the costs of the refunding or defeasance.

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

942 Within 30 days of the defeasance of any of the Notes or Bonds, the county shall  
943 provide or cause to be provided notice of defeasance of such Notes or Bonds to the  
944 registered owners thereof and to the Municipal Securities Rulemaking Board, in  
945 accordance with the undertaking for ongoing disclosure to be adopted pursuant to Section  
946 17 of this ordinance.

947 SECTION 20. Contract; Severability. The covenants applicable to the Notes  
948 contained in this ordinance shall constitute a contract between the county and the owners  
949 of each and every Note, and the covenants applicable to the Bonds contained in this  
950 ordinance shall constitute a contract between the county and the owners of each and

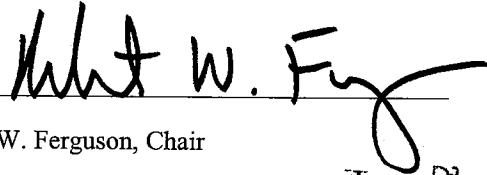
951 every Bond. If any one or more of the covenants or agreements provided in this  
952 ordinance to be performed on the part of the county shall be declared by any court of  
953 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement  
954 or agreements, shall be null and void and shall be deemed separable from the remaining

955 covenants and agreements of this ordinance and shall in no way affect the validity of the  
956 other provisions of this ordinance, the Notes or the Bonds.  
957

Ordinance 16785 was introduced on 2/16/2010 and passed by the Metropolitan King  
County Council on 3/29/2010, by the following vote:

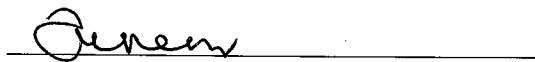
Yes: 6 - Mr. Phillips, Mr. Gossett, Ms. Patterson, Ms. Lambert, Mr.  
Ferguson and Mr. Dunn  
No: 0  
Excused: 3 - Ms. Drago, Mr. von Reichbauer and Ms. Hague

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



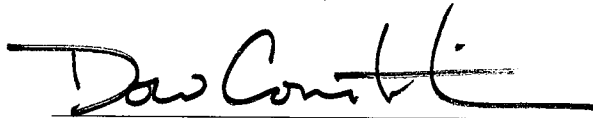
Robert W. Ferguson, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 31<sup>st</sup> day of March, 2010.



Dow Constantine, County Executive

Attachments: None

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CLERK  
KING COUNTY COUNCIL