



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

April 29, 2014

Ordinance 17794

Proposed No. 2014-0101.2

Sponsors McDermott and Phillips

1 AN ORDINANCE authorizing the issuance and public sale of
2 one or more series of limited tax general obligation bonds of the
3 county in an outstanding aggregate principal amount not to
4 exceed \$17,750,000 to provide long-term financing for all or part
5 of the capital costs of the Surface Water Management Projects
6 and the Tall Chief Acquisition Project; providing for the
7 disposition of the proceeds of sale of the bonds; establishing
8 funds for the receipt and expenditure of bond proceeds and for
9 the payment of the bonds; and providing for the annual levy of
10 taxes to pay the principal thereof and interest thereon.

11 PREAMBLE:

12 The county council has previously reviewed and approved expenditures
13 for the Surface Water Management Projects and the Tall Chief Acquisition
14 Project.

15 It is deemed necessary and advisable that the county now authorize the
16 issuance and sale of one or more series of its limited tax general obligation
17 bonds in an outstanding aggregate principal amount not to exceed
18 \$17,750,000 to provide long-term financing for all or part of the capital

19 costs of the Surface Water Management Projects and the Tall Chief
20 Acquisition Project.

21 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

25 "Bond Fund" means, with respect to each series of the Bonds, the bond
26 redemption account established therefor pursuant to section 11 of this ordinance.

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

32 "Bonds" means the limited tax general obligation bonds of the county in an
33 outstanding aggregate principal amount not to exceed \$17,750,000, authorized to be
34 issued in one or more series by this ordinance to provide long-term financing for all or
35 part of the capital costs of the Surface Water Management Projects and the Tall Chief
36 Acquisition Project. Each series of Bonds may be issued as Tax-Exempt Obligations or
37 Taxable Obligations, as provided in section 4.E. of this ordinance.

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

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

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

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

49 "Government Obligations" means "government obligations," as defined in chapter
50 39.53 RCW, as now in existence or hereafter amended.

51 "Letter of Representations" means the Blanket Issuer Letter of Representations,
52 dated May 1, 1995, from the county to DTC.

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

56 "Projects" means, collectively, the Surface Water Management Projects and the
57 Tall Chief Acquisition Project.

58 "Rebate Amount" means the amount, if any, determined to be payable by the
59 county to the United States of America with respect to a specified series of Bonds in
60 accordance with Section 148(f) of the Code.

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

63 "Registrar" means the fiscal agency of the State of Washington appointed from
64 time to time by the Washington State Finance Committee pursuant to chapter 43.80
65 RCW.

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

68 "Surface Water Management Projects" means, collectively, the series of projects
69 under the Surface Water Management Capital Improvement Program and the Roads
70 Capital Improvement Program to address critical surface water issues, including, without
71 limitation, improved drainage conveyance, water quality and public safety.

72 "Tall Chief Acquisition Project" means the project to acquire the Tall Chief Golf
73 Course totaling approximately 191 acres located in Carnation, Washington, for ecological
74 protection and agricultural production.

75 "Taxable Obligations" means the Bonds of any series determined to be issued on
76 a taxable basis pursuant to section 4.E. of this ordinance.

77 "Tax-Exempt Obligations" means the Bonds of any series determined to be issued
78 on a tax-exempt basis pursuant to section 4.E. of this ordinance.

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

81 A. The Projects will contribute to the health, safety and welfare of the
82 citizens of the county.

83 B. The issuance of limited tax general obligation bonds of the county to
84 provide long-term financing for all or part of the capital costs of the Projects, payable
85 from regular property taxes or other revenues, taxes and money of the county legally

86 available for such purposes, will reduce the overall costs of borrowing such funds and is
87 in the best interests of the county and its citizens.

88 SECTION 3. Authorization of Projects. The county has previously authorized
89 the undertaking of the Projects. The Projects shall also include (a) capitalized interest,
90 interest on interim financing for such projects pending receipt of Bond proceeds, and
91 costs and expenses incurred in issuing the Bonds; (b) the capitalizable costs of sales tax,
92 acquisition and contingency allowances, financing, and any and all surveys, explorations,
93 engineering and architectural studies, drawings, designs and specifications incidental,
94 necessary or convenient to the implementation of the Projects; and (c) the purchase of all
95 materials, supplies, appliances, equipment and facilities, and the permits, franchises,
96 property and property rights and capitalizable administrative costs, necessary, incidental
97 or convenient to the implementation of the Projects.

98 Any of the Projects may be modified where deemed advisable or necessary in the
99 judgment of the county council, and implementation or completion of any authorized
100 component thereof shall not be required if the county council determines that it has
101 become inadvisable or impractical. If the Projects have all been completed, or their
102 completion has been duly provided for, or the completion of all or any of them is found to
103 be inadvisable or impractical, the county may apply any remaining proceeds of the
104 Bonds, or any portion thereof, to the acquisition or improvement of other county capital
105 projects as the county council in its discretion may determine. In the event that the
106 proceeds of the sale of the Bonds, plus any other money of the county legally available
107 therefor, are insufficient to accomplish all of the Projects, the county shall use the

108 available funds for paying the cost of those components of the Projects deemed by the
109 county council most necessary and in the best interest of the county.

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

111 A. Purpose and Authorization of Bonds. The county authorizes the issuance
112 of the Bonds to provide long-term financing for all or part of the capital costs of the
113 Projects.

114 B. Description of Bonds. The Bonds may be issued in one or more series so
115 long as the aggregate principal amount of the Bonds to be outstanding on the date of
116 issuance of each series of the Bonds does not exceed \$17,750,000. Each series of the
117 Bonds shall be designated "King County, Washington, Limited Tax General Obligation
118 Bonds," with the year and any applicable series designation and with the additional
119 designations of "(Federally Tax-Exempt)" for any series of Bonds issued as Tax-Exempt
120 Obligations or "(Federally Taxable)" for any series of Bonds issued as Taxable
121 Obligations, as applicable, all as established by the related Bond Sale Motion. Each
122 series of the Bonds shall be dated as of such date, shall mature on the date or dates in
123 each of the years and in the principal amounts, shall bear interest (computed on the basis
124 of a 360-day year of twelve 30-day months) from their date or the most recent interest
125 payment date to which interest has been paid or duly provided for, whichever is later, at
126 the rates and payable on such dates, and shall be subject to redemption prior to maturity
127 in the amounts, in the manner and at the prices, shall provide long-term financing for all
128 or such part of the capital costs of the Projects, and shall be subject to such other terms
129 and provisions as the county shall establish by the related Bond Sale Motion. Each series
130 of the Bonds shall be fully registered as to both principal and interest, shall be in the

131 denomination of \$5,000 each or any integral multiple thereof (but no Bond shall represent
132 more than one maturity), and shall be numbered separately in such manner and with any
133 additional designation as the Registrar deems necessary for purposes of identification.

134 C. Initial Immobilization of Bonds; Depository Provisions. The Bonds of
135 each series shall initially be held in fully immobilized form by DTC acting as depository
136 pursuant to the terms and conditions set forth in the Letter of Representations. Neither
137 the county nor the Registrar shall have any responsibility or obligation to DTC
138 participants or the persons for whom they act as nominees with respect to such Bonds
139 with respect to the accuracy of any records maintained by DTC or any DTC participant,
140 the payment by DTC or any DTC participant of any amount in respect of principal or
141 redemption price or interest on such Bonds, any notice that is permitted or required to be
142 given to registered owners under this ordinance (except such notice as is required to be
143 given by the county to the Registrar or to DTC), the selection by DTC or any DTC
144 participant of any person to receive payment in the event of a partial redemption of such
145 Bonds or any consent given or other action taken by DTC as owner of such Bonds.

146 The Bonds of each series shall initially be issued in denominations equal to the
147 aggregate principal amount of each maturity and shall initially be registered in the name
148 of Cede & Co., as the nominee of DTC. Such Bonds so registered shall be held in fully
149 immobilized form by DTC as depository. For so long as any such Bonds are held in fully
150 immobilized form, DTC, its successor or any substitute depository appointed by the
151 county, as applicable, shall be deemed to be the registered owner for all purposes
152 hereunder and all references to registered owners, bondowners, bondholders, owners or
153 the like shall mean DTC or its nominees and shall not mean the owners of any beneficial

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

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

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

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

162 Upon the resignation of DTC or its successor (or any substitute depository or its
163 successor) from its functions as depository, or a determination by the county that it is no
164 longer in the best interests of beneficial owners of such Bonds to continue the system of
165 book entry transfers through DTC or its successor (or any substitute depository or its
166 successor), the county may appoint a substitute depository. Any such substitute
167 depository shall be qualified under any applicable laws to provide the services proposed
168 to be provided by it.

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

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

177 the county determines that it is in the best interests of the beneficial owners of the Bonds
178 of any series that they be able to obtain Bond certificates, the ownership of such Bonds
179 may be transferred to any person as herein provided, and such Bonds shall no longer be
180 held in fully immobilized form. The county shall deliver a written request to the
181 Registrar, together with a supply of definitive Bonds of such series, to issue Bonds of
182 such series as herein provided in any authorized denomination. Upon receipt of all then
183 outstanding Bonds of any series by the Registrar, together with a written request on
184 behalf of the county to the Registrar, new Bonds of such series shall be issued in such
185 denominations and registered in the names of such persons as are requested in such a
186 written request.

187 D. Place, Manner and Medium of Payment. Both principal of and interest on
188 the Bonds shall be payable in lawful money of the United States of America. For so long
189 as any outstanding Bonds are registered in the name of Cede & Co., or its registered
190 assigns, as nominee of DTC, payments of principal of and interest on such Bonds shall be
191 made in immediately available funds on the date such payment is due and payable at the
192 place and in the manner provided in the Letter of Representations.

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

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

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

209 If the Finance Director determines that any series of the Bonds shall be sold by
210 negotiated sale, the Finance Director shall, in accordance with applicable county
211 procurement procedures, solicit one or more underwriting firms with which to negotiate
212 the sale of such Bonds. The bond purchase contract for each series of the Bonds shall
213 identify which projects will be financed in whole or in part from such series of the Bonds
214 and shall specify whether the Bonds of such series are being issued and sold as Tax-
215 Exempt Obligations or Taxable Obligations. The bond purchase contract for each series
216 of the Bonds shall also establish the year and any applicable series designation, date,
217 principal amounts and maturity dates, interest rates and interest payment dates,
218 redemption provisions and delivery date for such series of the Bonds, so long as the
219 aggregate principal amount of all Bonds to be outstanding on the date of issuance of such
220 series of the Bonds does not exceed \$17,750,000. The county council, by Bond Sale
221 Motion, shall approve the bond purchase contract and ratify whether the Bonds of such

222 series are being issued and sold as Tax-Exempt Obligations or Taxable Obligations, and
223 the other terms for the series of the Bonds established thereby.

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

227 Upon the date and time established for the receipt of bids for each series of the
228 Bonds, the Finance Director or his designee shall open the bids for the Bonds, shall cause
229 the bids to be mathematically verified and shall report to the county council regarding the
230 bids received. Such bids shall then be considered and acted upon by the county council
231 in an open public meeting. The county council reserves the right to reject any and all
232 bids for any series of the Bonds. The county council shall, by Bond Sale Motion, ratify
233 and confirm the projects to be financed in whole or in part from such series of the Bonds
234 and whether the Bonds of such series are being issued and sold as Tax-Exempt
235 Obligations or Taxable Obligations, and shall also ratify and confirm the year and any
236 applicable series designation, date, principal amounts and maturity dates, interest rates
237 and interest payment dates, redemption provisions and delivery date for such series of the
238 Bonds, and accept the bid for the purchase of such series of the Bonds.

239 The Finance Director is hereby authorized and directed to prepare an Official
240 Notice of Bond Sale for each series of the Bonds to be sold pursuant to competitive bid,
241 which notice shall be filed with the clerk of the council and shall be ratified and
242 confirmed by the Bond Sale Motion therefor. The Finance Director is hereby authorized
243 to identify which projects will be financed in whole or in part from such series of the
244 Bonds and to specify whether the Bonds of such series are being issued and sold as Tax-

245 Exempt Obligations or Taxable Obligations. The Finance Director is also hereby
246 authorized to establish the year and any applicable series designation, date, principal
247 amounts and maturity dates, interest payment dates, redemption provisions and delivery
248 date for such series of the Bonds in such Official Notice of Bond Sale so long as the
249 aggregate principal amount of all Bonds to be outstanding on the date of issuance of such
250 series of the Bonds does not exceed \$17,750,000.

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

252 NO. \$ _____

253 UNITED STATES OF AMERICA

254 STATE OF WASHINGTON

255 KING COUNTY

256 LIMITED TAX GENERAL OBLIGATION BOND,

257 [Year][, SERIES __]

258 [(FEDERALLY TAX-EXEMPT)]

259 [(FEDERALLY TAXABLE)]

260 INTEREST RATE: MATURITY DATE: CUSIP NO. :

261 REGISTERED OWNER:

262 PRINCIPAL AMOUNT:

263 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to
264 owe and for value received promises to pay to the registered owner identified above, or
265 registered assigns, on the Maturity Date specified above, the Principal Amount specified
266 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-
267 day months) from _____, or the most recent date to which interest has been

268 paid or duly provided for until payment of this Bond at the Interest Rate set forth above,
269 payable on _____, and semiannually thereafter on the ____ day of each succeeding
270 _____ and _____ to the maturity or prior redemption of this Bond.

271 Both principal of and interest on this Bond are payable in lawful money of the
272 United States of America. While Bonds are held on immobilized "book entry" system of
273 registration, the principal of this Bond is payable to the order of the registered owner in
274 immediately available funds received by the registered owner on the maturity date of this
275 Bond, and the interest on this Bond is payable to the order of the registered owner in
276 immediately available funds received by the registered owner on each interest payment
277 date. When Bonds are no longer held in an immobilized "book entry" registration
278 system, the principal shall be paid to the registered owner or nominee of such owner upon
279 presentation and surrender of this Bond to the fiscal agency of the State of Washington
280 (the "Registrar"), and the interest shall be paid by mailing a check or draft (on the date
281 such interest is due) to the registered owner or nominee of such owner at the address
282 shown on the registration books maintained by the Registrar (the "Register") as of the
283 15th day of the month prior to the interest payment date; provided, however, that if so
284 requested in writing by the registered owner of at least \$1,000,000 par value of the
285 Bonds, interest will be paid by wire transfer.

286 This Bond is one of an authorized issue of Bonds of like date and tenor, except as
287 to number, amount, rate of interest and date of maturity[, and redemption provisions], in
288 the aggregate principal amount of \$ _____, and is issued to provide long-term
289 financing for all or part of the capital costs of [the Surface Water Management Projects][
290 and][the Tall Chief Acquisition Project] defined and described in King County

291 Ordinance _____ (the "Bond Ordinance"). Capitalized words and phrases used but not
292 defined herein shall have the meanings set forth in the Bond Ordinance.

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

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

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

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

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

314 It is hereby certified that all acts, conditions and things required by the
315 Constitution and statutes of the State of Washington and the Charter and ordinances of
316 the County to exist, to have happened, been done and performed precedent to and in the
317 issuance of this Bond have happened, been done and performed and that the issuance of
318 this Bond and the Bonds of this series does not violate any constitutional, statutory or
319 other limitation upon the amount of bonded indebtedness that the County may incur.

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

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

333 KING COUNTY, WASHINGTON

334 By _____

335 County Executive

336 ATTEST:

337

338 Clerk of the Council

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

341

CERTIFICATE OF AUTHENTICATION

342

This Bond is one of the King County, Washington, Limited Tax General

343

Obligation Bonds, [Year][, Series __][[(Federally Tax-Exempt)][[(Federally Taxable)],

344

described in the within mentioned Bond Ordinance.

345

WASHINGTON STATE FISCAL

346

AGENCY, as Registrar

347

By _____

348

Authorized Officer

349

ASSIGNMENT

350

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

351

unto

352

353

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

354

NUMBER OF TRANSFEREE

355

[]

356

357

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

358

359

the within Bond and does hereby irrevocably constitute and appoint _____

360 DATED: _____, _____.

361 _____

362 NOTE: The signature on this
363 Assignment must correspond with
364 the name of the registered owner as
365 it appears upon the face of the within
366 bond in every particular, without
367 alteration or enlargement or any
368 change whatever.

369 SIGNATURE GUARANTEED:

370 _____

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

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

375 If definitive Bonds of any series are not ready for delivery by the date established
376 for their delivery to the initial purchasers thereof, then the Finance Director, upon the
377 approval of the purchasers, may cause to be issued and delivered to the purchasers one or
378 more temporary Bonds of the same series with appropriate omissions, changes and
379 additions. Any such temporary Bond or Bonds shall be entitled and subject to the same
380 benefits and provisions of this ordinance with respect to the payment, security and
381 obligation thereof as definitive Bonds authorized thereby. Such temporary Bond or

382 Bonds shall be exchangeable without cost to the owners thereof for definitive Bonds of
383 the same series when the latter are ready for delivery.

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

387 In case either or both of the officers who shall have executed the Bonds shall
388 cease to be an officer or officers of the county before the Bonds so signed shall have been
389 authenticated or delivered by the Registrar, or issued by the county, such Bonds may
390 nevertheless be authenticated, delivered and issued and upon such authentication,
391 delivery and issuance, shall be as binding upon the county as though those who signed
392 the same had continued to be such officers of the county. Any Bond also may be signed
393 and attested on behalf of the county by such persons as at the actual date of execution of
394 such Bond shall be the proper officers of the county although at the original date of such
395 Bond any such person shall not have been such officer of the county.

396 Only such Bonds as shall bear thereon a Certificate of Authentication in the form
397 hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for
398 any purpose or entitled to the benefits of this ordinance. Such Certificate of
399 Authentication shall be conclusive evidence that the Bonds so authenticated have been
400 duly executed, authenticated and delivered hereunder and are entitled to the benefits of
401 this ordinance.

402 SECTION 5. Open Market Purchase. The county reserves the right to
403 purchase any or all of the Bonds of any series on the open market at any time and at any
404 price.

405 SECTION 6. Registration, Transfer and Exchange. The county hereby adopts
406 for the Bonds the system of registration specified and approved by the Washington State
407 Finance Committee. The Registrar shall keep, or cause to be kept, at its principal
408 corporate trust office, sufficient books for the registration and transfer of the Bonds,
409 which shall at all times be open to inspection by the county. Such Register shall contain
410 the name and mailing address of the owner (or nominee thereof) of each Bond, and the
411 principal amount and number of Bonds held by each owner or nominee. The Registrar is
412 authorized, on behalf of the county, to authenticate and deliver Bonds transferred or
413 exchanged for other Bonds in accordance with the provisions thereof and this ordinance,
414 and to carry out all of the Registrar's powers and duties under this ordinance.

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

421 Upon surrender thereof to the Registrar, the Bonds of each series are
422 exchangeable for other Bonds of the same series, maturity and interest rate and for the
423 same aggregate principal amount, in any authorized denomination. Bonds may be
424 transferred only if endorsed in the manner provided thereon and surrendered to the
425 Registrar. Upon such surrender, the Registrar shall cancel the surrendered Bond and
426 shall authenticate and deliver, without charge to the owner or transferee therefor (other
427 than taxes, if any, payable on account of such transfer), one or more (at the option of the

428 new registered owner) new Bonds of the same series, maturity and interest rate and for
429 the same aggregate principal amount, in any authorized denomination, naming as
430 registered owner the person or persons listed as the assignee on the assignment form
431 appearing on the canceled and surrendered Bond, in exchange therefor. The Registrar
432 shall not be obligated to transfer or exchange any Bond during the period beginning at the
433 opening of business on the 15th day of the month next preceding the maturity date
434 thereof and ending at the close of business on such maturity date.

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

438 SECTION 7. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond shall
439 become mutilated, the Registrar shall authenticate and deliver one or more (at the option
440 of the new registered owner) new Bonds of the same series, maturity and interest rate and
441 for the same aggregate principal amount, in any authorized denomination, in exchange
442 and substitution therefor, upon the owner's paying the expenses and charges of the county
443 and the Registrar in connection therewith and upon surrender to the Registrar of the
444 mutilated Bond. Every mutilated Bond so surrendered shall be canceled and destroyed
445 by the Registrar.

446 If any Bond shall be lost, stolen or destroyed, the Registrar may authenticate and
447 deliver one or more (at the option of the new registered owner) new Bonds of the same
448 series, maturity and interest rate and for the same aggregate principal amount, in any
449 authorized denomination, to the registered owner thereof upon the owner's paying the
450 expenses and charges of the county and the Registrar in connection therewith and upon

451 his/her filing with the Registrar evidence satisfactory to the Registrar that such Bond was
452 actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing
453 the county and the Registrar with indemnity satisfactory to the Finance Director and the
454 Registrar.

455 SECTION 8. Pledge of Taxation and Credit. The county hereby irrevocably
456 covenants and agrees for as long as any of the Bonds are outstanding and unpaid, that
457 each year it will include in its budget and levy an *ad valorem* tax within the constitutional
458 and statutory tax limitations provided by law without a vote of the people upon all the
459 property within the county subject to taxation in an amount that will be sufficient,
460 together with all other revenues, taxes and money of the county legally available for such
461 purposes, to pay the principal of and interest on the Bonds as the same shall become due.

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

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

471 SECTION 9. Federal Tax Law Covenants. The county shall comply with the
472 provisions of this section with respect to each series of the Bonds that are issued as Tax-

473 Exempt Obligations unless, in the written opinion of nationally-recognized bond counsel
474 to the county, such compliance is not required.

475 The county hereby covenants that it will not make any use of the proceeds from
476 the sale of such series of the Bonds that are issued as Tax-Exempt Obligations (or of any
477 other funds of the county that may be deemed to be proceeds of such series of the Bonds
478 pursuant to Section 148 of the Code and the applicable regulations thereunder) that will
479 cause such series of the Bonds to be "arbitrage bonds" within the meaning of said Section
480 148 of the Code and said regulations. The county will comply with the applicable
481 requirements of Section 148 of the Code (or any successor provision thereof applicable to
482 such series of the Bonds) and the applicable regulations thereunder throughout the term
483 of such series of the Bonds. In particular, the county will compute, if necessary, and pay
484 the Rebate Amount, if any, to the United States of America at the times and in the
485 amounts necessary to meet the requirements of the Code, as set forth in the related
486 Federal Tax Certification for such series of the Bonds.

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

490 SECTION 10. Other Covenants and Warranties. The county makes the following
491 additional covenants and warranties:

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

495 B. By all necessary official action prior to or concurrently herewith, the
496 county has duly authorized and approved the execution and delivery of, and the
497 performance by the county of its obligations contained in, the Bonds and this ordinance
498 and the consummation by it of all other transactions necessary to effectuate this
499 ordinance in connection with the issuance of each series of the Bonds, and such
500 authorizations and approvals are in full force and effect and have not been amended,
501 modified or supplemented in any material respect.

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

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

506 E. The county will maintain or cause to be maintained a system of
507 registration of the Bonds of each such series of Bonds that are issued as Tax-Exempt
508 Obligations that complies with the applicable provisions of the Code until all of the
509 Bonds of each series of Bonds that are issued as Tax-Exempt Obligations shall have been
510 surrendered and canceled.

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

517 G. The county finds and covenants that the Bonds of each series are issued
518 within all statutory and constitutional debt limitations applicable to the county.

519 SECTION 11. Bond Funds. There has heretofore been created in the office of
520 the Finance Director a special fund known as the "King County Limited Tax General
521 Obligation Bond Redemption Fund" to be drawn upon for the purpose of paying the
522 principal of and interest on the limited tax general obligation bonds of the county. There
523 is hereby authorized to be created within said fund a special account for each series of the
524 Bonds to be known as the "Limited Tax General Obligation Bond Redemption Account,
525 [Year][, Series __]" (each, a "Bond Fund").

526 Any accrued interest on any series of the Bonds shall be deposited in the related
527 Bond Fund at the time of delivery of such series of the Bonds and shall be applied to the
528 payment of interest thereon.

529 The taxes hereafter levied for the purpose of paying principal of and interest on
530 each series of the Bonds, and other funds to be used to pay such series of the Bonds shall
531 be deposited in the related Bond Fund no later than the date such funds are required for
532 the payment of principal of and interest on such series of the Bonds; provided, however,
533 that if the payment of principal of and interest on any series of the Bonds is required prior
534 to the receipt of such levied taxes, the county may make an interfund loan to the related
535 Bond Fund pending actual receipt of such taxes. Each Bond Fund shall be drawn upon
536 for the purpose of paying the principal of and interest on the related series of the Bonds.
537 Money in each Bond Fund not needed to pay the interest or principal next coming due
538 may temporarily be deposited in such institutions or invested in such obligations as may

539 be lawful for the investment of county funds. Each Bond Fund shall be a second tier fund
540 in accordance with Ordinance 7112 and K.C.C. chapter 4.10.

541 SECTION 12. Deposit of Bond Proceeds.

542 A. There is hereby created the "2014 G.O. Bonds - SWM Subfund" within
543 the Surface Water Management CIP Fund. This subfund shall be a first tier fund
544 managed by the director of the water and land resources division of the department of
545 natural resources and parks of the county. The exact amount of proceeds from the sale of
546 any series of the Bonds to be deposited into the 2014 G.O. Bonds - SWM Subfund to
547 provide long-term financing for all or part of the capital costs of the Surface Water
548 Management Projects shall be determined by the Finance Director upon the sale of such
549 series of the Bonds.

550 B. There is hereby created the "2014 G.O. Bonds - WLD Subfund" within the
551 Conservation Futures Levy Fund. This subfund shall be a first tier fund managed by the
552 director of the water and land resources division of the department of natural resources
553 and parks of the county. The exact amount of proceeds from the sale of any series of the
554 Bonds to be deposited into the 2014 G.O. Bonds - WLD Subfund to provide long-term
555 financing for all or part of the capital costs of the Tall Chief Acquisition Project shall be
556 determined by the Finance Director upon the sale of such series of the Bonds.

557 SECTION 13. Application of Bond Proceeds. Funds deposited in the funds and
558 accounts described in sections 11 and 12 of this ordinance shall be invested as permitted
559 by law for the sole benefit of such funds and accounts. Irrespective of the general
560 provisions of Ordinance 7112 and K.C.C. chapter 4.10, the county current expense fund
561 shall not receive any earnings attributable to such funds and accounts. Money other than

562 proceeds of the Bonds may be deposited in the funds and accounts described in sections
563 11 and 12 of this ordinance; provided, however, that proceeds of each series of the Bonds
564 that are issued as Tax-Exempt Obligations and the earnings thereon, shall be accounted
565 for separately for purposes of the arbitrage rebate computations required to be made
566 under the Code. For purposes of such computations, Bond proceeds shall be deemed to
567 have been expended first, and then any other funds.

568 SECTION 14. Preliminary Official Statements and Final Official Statements.

569 The county hereby authorizes and directs the Finance Director: (i) to review and approve
570 the information contained in the preliminary official statement (each, a "Preliminary
571 Official Statement") prepared in connection with the sale of each series of the Bonds; and
572 (ii) for the sole purpose of compliance by the purchasers of such series of the Bonds with
573 subsection (b)(1) of the Rule, to "deem final" the related Preliminary Official Statement
574 as of its date, except for the omission of information on offering prices, interest rates,
575 selling compensation, delivery dates, any other terms or provisions required by the
576 county to be specified in a competitive bid, ratings, other terms of such series of the
577 Bonds dependent on such matters and the identity of the purchasers. After each
578 Preliminary Official Statement has been reviewed and approved in accordance with the
579 provisions of this section, the county hereby authorizes the distribution of such
580 Preliminary Official Statement to prospective purchasers of such related series of the
581 Bonds.

582 Following the sale of each series of the Bonds, the Finance Director is hereby
583 authorized to review and approve on behalf of the county a final official statement with
584 respect to such series of the Bonds. The county agrees to cooperate with the successful

585 bidder for each series of the Bonds to deliver or cause to be delivered, within seven
586 business days from the date of the Bond Sale Motion, and in sufficient time to
587 accompany any confirmation that requests payment from any customer of such successful
588 bidder, copies of a final official statement pertaining to such Bonds in sufficient quantity
589 to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities
590 Rulemaking Board.

591 SECTION 15. Undertaking to Provide Ongoing Disclosure. The county council
592 will set forth an undertaking for ongoing disclosure with respect to each series of the
593 Bonds, as required by subsection (b)(5) of the Rule, in the Bond Sale Motion therefor.

594 SECTION 16. General Authorization. The appropriate county officials, agents
595 and representatives are hereby authorized and directed to do everything necessary for the
596 prompt sale, issuance, execution and delivery of each series of the Bonds, and for the
597 proper use and application of the proceeds of the sale thereof.

598 SECTION 17. Refunding or Defeasance of Bonds. The county may issue
599 refunding obligations pursuant to the laws of the State of Washington or use money
600 available from any other lawful source to pay when due the principal of and interest on
601 any series of the Bonds, or any portion thereof included in a refunding or defeasance
602 plan, and to redeem and retire, refund or defease all such then-outstanding Bonds, and to
603 pay the costs of the refunding or defeasance.

604 In the event that money and/or noncallable Government Obligations maturing at
605 such time or times and bearing interest to be earned thereon in amounts (together with
606 such money, if necessary) sufficient to redeem and retire, refund or defease part or all of
607 the Bonds in accordance with their terms, are set aside in a special account of the county

608 to effect such redemption and retirement, refunding or defeasance, and such money and
609 the principal of and interest on such Government Obligations are irrevocably set aside
610 and pledged for such purpose, then no further payments need be made into the related
611 Bond Fund for the payment of the principal of and interest on the Bonds so provided for,
612 and such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance
613 except the right to receive the money so set aside and pledged, and such Bonds shall be
614 deemed not to be outstanding hereunder.

615 Within 30 days of the defeasance of any of the Bonds, the county shall provide or
616 cause to be provided notice of defeasance of such Bonds to the registered owners thereof
617 and to the Municipal Securities Rulemaking Board, in accordance with the undertaking
618 for ongoing disclosure to be adopted pursuant to section 15 of this ordinance.

619 SECTION 18. Contract; Severability. The covenants applicable to the Bonds
620 contained in this ordinance shall constitute a contract between the county and the owners
621 of each and every Bond. If any one or more of the covenants or agreements provided in
622 this ordinance to be performed on the part of the county shall be declared by any court of
623 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement
624 or agreements, shall be null and void and shall be deemed separable from the remaining

625 covenants and agreements of this ordinance and shall in no way affect the validity of the
626 other provisions of this ordinance or the Bonds.
627

Ordinance 17794 was introduced on 3/24/2014 and passed by the Metropolitan King
County Council on 4/28/2014, by the following vote:

Yes: 7 - Mr. Phillips, Mr. Gossett, Ms. Hague, Ms. Lambert, Mr.
McDermott, Mr. Dembowski and Mr. Upthegrove
No: 0
Excused: 2 - Mr. von Reichbauer and Mr. Dunn

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 30 day of APRIL, 2014.



Dow Constantine, County Executive

Attachments: None

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KING COUNTY COUNCIL CLERK