



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

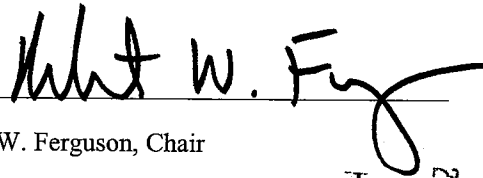
951 every Bond. If any one or more of the covenants or agreements provided in this
952 ordinance to be performed on the part of the county shall be declared by any court of
953 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement
954 or agreements, shall be null and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

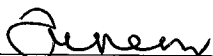
Ordinance 16785 was introduced on 2/16/2010 and passed by the Metropolitan King
County Council on 3/29/2010, by the following vote:

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

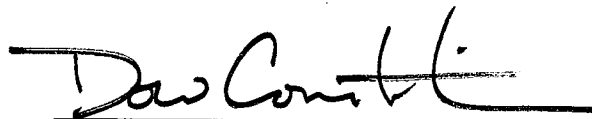
KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Robert W. Ferguson, Chair

ATTEST:


Anne Noris, Clerk of the Council

APPROVED this 31st day of March, 2010.


Dow Constantine, County Executive

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CLERK
KING COUNTY COUNCIL

Attachments: None