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Title: AN ORDINANCE providing for the issuance of one or more series of limited tax general obligation bonds of the county in an outstanding aggregate principal amount not to exceed \$89,000,000 to finance or reimburse the county for the Treemont Conservation Easement Acquisition Project and to refund, on a current basis, all or a portion of the county's Limited Tax General Obligation Bonds (Various Purpose), 1993 Series A, and Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B; providing for the public sale of the bonds and the disposition of the proceeds of sale; establishing funds for the receipt and expenditure of bond proceeds and for the payment of the bonds; and providing for the annual levy of taxes to pay the principal thereof and interest thereon.

Sponsors: Larry Phillips

Indexes: Bonds, Budget, Finance, levy, Taxes

Code sections:

Attachments: 1. Ordinance 14766.pdf, 2. 2003-0398 Staff Report 9-10-03.doc, 3. 2003-0398 Staff Report 9-24-03.doc, 4. 2003-0398 Transmittal Letter.doc

Date	Ver.	Action By	Action	Result
9/29/2003	1	Metropolitan King County Council	Hearing Held	
9/29/2003	1	Metropolitan King County Council	Passed	Pass
9/24/2003	1	Budget and Fiscal Management Committee		
9/10/2003	1	Budget and Fiscal Management Committee	Deferred	
9/2/2003	1	Metropolitan King County Council	Introduced and Referred	

Clerk 08/21/2003

AN ORDINANCE providing for the issuance of one or more series of limited tax general obligation bonds of the county in an outstanding aggregate principal amount not to exceed \$89,000,000 to finance or reimburse the county for the Treemont Conservation Easement Acquisition Project and to refund, on a current basis, all or a portion of the county's Limited Tax General Obligation Bonds (Various Purpose), 1993 Series A, and Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B; providing for the public sale of the bonds and the disposition of the proceeds of sale; establishing funds for the receipt and expenditure of bond proceeds and for the payment of the bonds; and providing for the annual levy of taxes to pay the principal thereof and interest thereon.

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ORDINANCE NO.

AN ORDINANCE providing for the issuance of one or more series of limited tax general obligation bonds of the county in an outstanding aggregate principal amount not to exceed \$89,000,000 to finance or reimburse the county for the Treemont Conservation Easement Acquisition Project and to refund, on a current basis, all or a portion of the county’s Limited Tax General Obligation Bonds (Various Purpose), 1993 Series A, and Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993 Series B; providing for the public sale of the bonds and the disposition of the proceeds of sale; establishing funds for the receipt and expenditure of bond proceeds and for the payment of the bonds; and providing for the annual levy of taxes to pay the principal thereof and interest thereon.

PREAMBLE:

The county council has previously reviewed and approved expenditures for the Treemont Conservation Easement Acquisition Project.

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

It is deemed necessary and advisable that the county now issue and sell one or more series of its limited tax general obligation bonds in an outstanding aggregate principal amount not to exceed \$89,000,000 to finance such projects and to undertake such current refunding.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Definitions. The following words and terms as used in this ordinance shall have the following meanings

for all purposes of this ordinance, unless some other meaning is plainly intended.

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

“Bond Fund” means the bond redemption account authorized to be established for each series of the Bonds pursuant to Section 15 hereof.

“Bond Register” means the registration books maintained by the Bond Registrar for purposes of identifying ownership of the Bonds.

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

“Bonds” means the limited tax general obligation bonds of the county in an outstanding aggregate principal amount not to exceed \$89,000,000 authorized to be issued by this ordinance to finance the Treemont Conservation Easement Acquisition Project, to refund, on a current basis, all or a portion of the 1993A Bonds and the 1993B Bonds, and to pay the costs of issuing such bonds.

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

“Commission” means the Securities and Exchange Commission.

“DTC” means The Depository Trust Company, New York, New York.

“Escrow Trustee” means the corporate trustee chosen to serve as such pursuant to Section 13 hereof.

“Finance Manager” means the manager of the county finance and business operations division of the department of executive services of the county or any other county officer who succeeds to the duties now delegated to that office, or the designee of such officer.

“Government Obligations” means “government obligations,” as defined in Chapter 39.53 RCW, as now in existence or hereafter amended.

“MSRB” means the Municipal Securities Rulemaking Board or any successor to its functions.

“1993A Bonds” means the King County, Washington, Limited Tax General Obligation Bonds (Various Purpose), 1993 Series A.

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

“NRMSIR” means a nationally recognized municipal securities information repository.

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

“Refunded Bonds” means, collectively, the Refunded 1993A Bonds and the Refunded 1993B Bonds.

“Refunded 1993A Bonds” means, with respect to each series of Bonds, the portion of the outstanding 1993A Bonds to be

refunded thereby, as identified or ratified in the Sale Motion therefor.

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

“Rule” means the Commission’s Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time to time.

“Sale Motion” means, with respect to each series of the Bonds, the motion of the council identifying (if such series of Bonds is sold by competitive bid) or ratifying (if such series of Bonds is sold by negotiated sale) the Refunded Bonds, if any, to be refunded by such series of Bonds, ratifying and confirming the year and series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, redemption provisions of the Bonds, and approving the bond purchase contract (if the Bonds are sold by negotiated sale) or accepting a bid (if the Bonds are sold by competitive bid) for the purchase of the Bonds, all in accordance with Section 19 hereof.

“SID” means a state information depository for the State of Washington (if one is created).

“Treemont Conservation Easement Acquisition Project” means the acquisition of a conservation easement to preserve open space and limit development in the Treemont property located east of the City of Sammamish.

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

A. The Treemont Conservation Easement Acquisition Project will contribute to the health, safety and welfare of the citizens of the county.

B. Significant debt service savings can be realized by the county through the refunding, on a current basis, of all or a portion of the 1993A Bonds and the 1993B Bonds.

C. The issuance of limited tax general obligation bonds payable from regular property taxes to provide funds to pay or reimburse the county for the costs of the Treemont Conservation Easement Acquisition Project, to refund on a current basis, all or a portion of the 1993A Bonds and the 1993B Bonds, and to pay the costs of issuing such bonds will reduce the overall costs of borrowing such funds and is in the best interests of the county and its citizens.

SECTION 3. Authorization of Project. The county has previously authorized the undertaking of the Treemont Conservation Easement Acquisition Project. The costs of such project shall also include interest on any interim financing for such project pending receipt of Bond proceeds and costs and expenses incurred in issuing the Bonds.

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

Such project may be modified where deemed advisable or necessary in the judgment of the county council, and implementation or completion thereof shall not be required if the county council determines that it has become inadvisable or impractical. If such project either has been completed, or its completion duly provided for, or its completion found to be inadvisable or impractical, the county may apply any remaining proceeds of the Bonds, or any portion thereof, to the acquisition or improvement of other county facilities as the county council in its discretion may determine. In the event that the proceeds of the sale of the Bonds, plus any other money of the county legally available therefor, are insufficient to such project, the county shall use the available funds for paying the cost of those portions of such project deemed by the county council most necessary and in the best interest of the county.

SECTION 4. Purpose, Authorization and Description of Bonds; Use of Depository.

A. Purpose and Authorization of Bonds. The county authorizes the issuance of the Bonds to finance or reimburse the county for the Treemont Conservation Easement Acquisition Project, to refund, on a current basis, all or a portion of the 1993A Bonds and the 1993B Bonds, and to pay the costs of issuing the Bonds.

B. Description. The Bonds may be issued in one or more series in an aggregate principal amount not to exceed \$89,000,000. Each series of the Bonds shall be designated “King County, Washington, Limited Tax General Obligation [and

Refunding JBonds” with the word “Refunding” included in the designation if any of the proceeds of such series will be applied to refund Refunded Bonds, and an applicable year and series designation established as provided in Section 19 hereof. Each series of Bonds shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof (but no Bond shall represent more than one maturity), shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, and shall be dated as of such date and shall mature on the dates, in the years and the amounts established as provided in Section 19 hereof.

The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent interest payment date for which interest has been paid or duly provided for, whichever is later, payable at the rate or rates and on semiannual interest payment dates to be established as provided in Section 19 hereof.

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

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

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

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

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

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

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

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

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

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

SECTION 5. Optional Redemption of Bonds. The county may reserve the right to redeem outstanding Bonds of any

series prior to their maturity on the dates and at the prices established by the bond purchase contract or the official notice of sale therefor, as applicable, and ratified and confirmed by a Sale Motion in accordance with Section 19 hereof. Portions of the principal amount of any Bond, in increments of \$5,000 or any integral multiple of \$5,000, may be redeemed. If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the registered owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds of the same series, at the option of the registered owner, of like maturity and interest rate in any denomination authorized by this ordinance.

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

SECTION 6. Notice and Effect of Redemption. Unless waived by the registered owner of Bonds to be redeemed or the nominee of such owner, official notice of any such redemption shall be given by the Bond Registrar on behalf of the county by mailing a copy of an official redemption notice by certified or registered mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. The Bond Registrar shall provide additional notice of redemption of the Bonds to each NRMSIR and SID, if any, in accordance with the ongoing disclosure provisions to be adopted by a Sale Motion pursuant to Section 23 hereof.

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

- A. the redemption date;
- B. the redemption price;
- C. if less than all outstanding Bonds of the same series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- D. that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and
- E. the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be either of the principal offices of the Bond Registrar.

Such notice of redemption shall be mailed within the same period, postage prepaid, to Moody's Investors Service, Inc. and Standard & Poor's Public Finance Ratings, at their offices in New York, New York, or their successors, and to such other persons and with such additional information as the Finance Manager shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of the Bonds.

Prior to any redemption date, the county shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on that date.

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

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

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

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

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

SECTION . Form of Bonds. The Bonds shall be in substantially the following form:
NO. \$ _____

UNITED STATES OF AMERICA

STATE OF WASHINGTON

KING COUNTY

LIMITED TAX GENERAL OBLIGATION [AND REFUNDING]BOND,
[Year, Series]

INTEREST RATE: MATURITY DATE: CUSIP NO. :

REGISTERED OWNER:

PRINCIPAL AMOUNT:

KING COUNTY, WASHINGTON (the “County”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, the Principal Amount specified above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from _____, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on _____, and semiannually thereafter on the ____ days of each succeeding _____ and _____.

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

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity, in the aggregate principal amount of \$_____, and is issued to finance or reimburse the County for the Treemont Conservation Easement Acquisition Project, to refund, on a current basis, [all][a portion of]the County’s Limited Tax General Obligation Bonds (Various Purpose), 1993 Series A and Limited Tax General Obligation and Refunding Bonds (Various Purpose), 1993, Series B, and to pay the costs of issuing the bonds.

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

[The bonds of this issue are subject to redemption prior to maturity as follows: (information to come from related Sale

Motion)].

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

Notice of redemption, unless waived, is given by the Bond Registrar by mailing an official redemption notice by certified or registered mail, postage prepaid, not less than 30 days and not more than 60 days prior to the date fixed for redemption, to the Registered Owner of any bond to be redeemed at the address appearing on the Bond Register. The requirements for such notice shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the owner of any bond.

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

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

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

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

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

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

KING COUNTY, WASHINGTON

By
County Executive

ATTEST:

Clerk of the Council

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

CERTIFICATE OF AUTHENTICATION

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

WASHINGTON STATE FISCAL
AGENCY, as Bond Registrar

By
Authorized Officer

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION
NUMBER OF TRANSFEREE

[]

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

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

DATED: _____,

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

SIGNATURE GUARANTEED:

SECTION 8. Execution of Bonds. The Bonds shall be executed on behalf of the county with the manual or facsimile signatures of the county executive and the clerk of the council, and shall have the seal of the county impressed or imprinted thereon.

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

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

SECTION 9. Bond Registrar. The county hereby adopts for the Bonds the system of registration specified and approved by the Washington State Finance Committee. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the county. Such Bond Register shall contain the name and mailing address of the owner of each Bond or nominee of such owner and the principal amount and number of Bonds held by each owner or nominee. The Bond Registrar is authorized, on behalf of the county, to authenticate and deliver the Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance.

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

Upon surrender thereof to the Bond Registrar; the Bonds are interchangeable for Bonds in any authorized denomination of an equal aggregate principal amount and of the same series, interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the owner or transferee therefor (other than taxes, if any, payable on account of such transfer), a new Bond (or Bonds, at the option of the new registered owner) of the same series, maturity and interest rate and for the same aggregate principal amount, in any authorized denomination, naming as registered owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and canceled Bond. The Bond Registrar shall not be obligated to transfer or exchange any Bond during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment or principal payment date and ending at the close of business on such payment date.

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

SECTION 10. Mutilated, Lost, or Destroyed Bonds. If any Bond shall become mutilated, the Bond Registrar shall authenticate and deliver a new Bond of like amount, date, series, interest rate and tenor in exchange and substitution for the Bond so mutilated, upon the owner's paying the expenses and charges of the county and the Bond Registrar in connection therewith and upon surrender to the Bond Registrar of the Bond so mutilated. Every mutilated Bond so surrendered shall be canceled and destroyed by the Bond Registrar.

In case the Bonds or any of them shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like amount, date, series and tenor to the registered owner thereof upon the owner's paying the expenses and charges of the county and the Bond Registrar in connection therewith and upon his/her filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such Bond or Bonds were actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the county and Bond Registrar with indemnity satisfactory to the Finance Manager and the Bond Registrar.

SECTION 11. Covenants and Warranties. The county makes the following covenants and warranties:

- A. The county has full legal right, power and authority to adopt this ordinance, to sell, issue and deliver the Bonds as provided herein, and to carry out and consummate all other transactions contemplated by this ordinance.
- B. By all necessary official action prior to or concurrently herewith, the county has duly authorized and approved the execution and delivery of, and the performance by the county of its obligations contained in the Bonds and in this ordinance and the consummation by it of all other transactions necessary to effectuate this ordinance in connection with the issuance of the Bonds, and such authorizations and approvals are in full force and effect.
- C. This ordinance constitutes a legal, valid and binding obligation of the county.
- D. The Bonds, when issued, sold, authenticated and delivered, will constitute the legal, valid and binding general obligations of the county.
- E. Until all Bonds shall have been surrendered and canceled, the county will maintain or cause to be maintained a system of registration of the Bonds that complies with the applicable provisions of the Code.
- F. The adoption of this ordinance, and compliance on the county's part with the provisions contained herein, will not conflict with, constitute a breach of, or constitute a default under, any constitutional provisions, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement or other instrument to which the county is a party or to which the county or any of its property or assets are otherwise subject.
- G. The county finds and covenants that the Bonds are issued within all statutory and constitutional debt limitations applicable to the county.

SECTION 12. Application of Bond Proceeds--New Money. There has heretofore been created the Non-Bond Fund Subfund within the Open Space Project Acquisition and Improvement Fund. This subfund is a first tier fund managed by the director of the department of natural resources and parks. There shall be deposited into said fund approximately \$9,000,000 of Bond proceeds to finance the Treemont Conservation Easement Acquisition Project.

SECTION 13. Application of Bond Proceeds--Refunding. There is hereby created in the office of financial management of the county an account of the King County Limited Tax General Obligation Bond Redemption Fund known as the "2003 Current Refunding Account," which account is to be drawn upon for the sole purpose of paying the principal of and interest on the Refunded Bonds and of paying costs related to the refunding of such bonds.

Approximately \$80,000,000 or less of proceeds from the sale of Bonds shall be credited to such 2003 Current Refunding Account.

Money in the 2003 Current Refunding Account shall be used immediately upon receipt thereof to provide for the payment of the principal of and interest on the Refunded Bonds as hereinafter set forth in this section. The county shall discharge such obligations by the use of money in the 2003 Current Refunding Account to purchase certain noncallable Government Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary initial cash balance will provide for the payment of the interest on the Refunded 1993A Bonds that will become due and payable on or before December 1, 2003, and the redemption price of the Refunded 1993A Bonds payable on December 1, 2003, equal to 100% of the principal thereof, and the interest on the Refunded 1993B Bonds that will become due and payable on or before January 1, 2004, and the redemption price of the Refunded 1993B Bonds payable on January 1, 2004, equal to 100% of the principal thereof (collectively, the "Refunded Bond Payments"). Such Government Obligations shall be purchased at a yield not greater than the yield permitted by the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder relating to acquired obligations in connection with current refunding bond issues.

Such Government Obligations and any necessary initial cash balance shall be irrevocably deposited with a corporate trustee chosen by the Finance Manager (hereinafter called the "Escrow Trustee"). Any Refunded Bond Payments that are not provided for in full by such initial cash balance and the purchase and deposit of Government Obligations described in this section shall be provided for by the irrevocable deposit of the necessary amount out of the proceeds of sale of the Bonds or any other monies of the county legally available therefor with the Escrow Trustee. The proceeds of the Bonds remaining in the 2003 Current Refunding Account after acquisition of the Government Obligations and provision for the necessary initial cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Government Obligations and expenses of the issuance of the Bonds.

The county reserves the right to substitute other noncallable securities for the Government Obligations in the event it may do so pursuant to Section 148 of the federal Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, upon compliance with the following conditions: (i) such substitution is accomplished pursuant to a motion of the county council, which may be adopted either prior to or subsequent to the delivery of any series of Bonds; (ii) the securities to be substituted are noncallable Government Obligations; and (iii) such securities bear such interest and mature at such times and in such amounts as to fully replace the Government Obligations for which they are substituted, and to provide, together with Government Obligations and cash remaining, for the payment of the Refunded Bond Payments.

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

The county hereby calls the Refunded 1993A Bonds for redemption on December 1, 2003, in accordance with the provisions of Ordinance 10685 and Motion 8874, authorizing redemption and retirement of the 1993A Bonds prior to their fixed maturities. The county hereby calls the Refunded 1993B Bonds for redemption on January 1, 2004, in accordance with the provisions of Ordinance 11121 and Motion 9178, authorizing redemption and retirement of the 1993B Bonds prior to their fixed maturities. The call for

redemption of any such Refunded Bonds to be refunded by each series of the Bonds shall be irrevocable after the final establishment of the escrow account therefor and delivery of the Government Obligations to the Escrow Trustee, except as provided herein for the substitution of securities.

The Escrow Trustee is hereby authorized and directed to provide for the giving of notice of the redemption of the Refunded Bonds in accordance with Ordinance 10685 (with respect to any Refunded 1993A Bonds) and Ordinance 11121 (with respect to any Refunded 1993B Bonds). The Finance Manager is authorized and requested to provide whatever assistance is necessary to accomplish such redemption and the giving of notice therefor. The costs of publication of such notice shall be an expense of the county.

The Escrow Trustee is hereby authorized and directed to pay to the county, or, at the direction of the Finance Manager, to the fiscal agency or agencies of the State of Washington, sums sufficient to pay, when due, the Refunded Bond Payments. All such sums shall be paid from the Government Obligations deposited with said Escrow Trustee pursuant to this section of this ordinance, and the income therefrom and proceeds thereof. All such sums so paid shall be credited to the 2003 Current Refunding Account. All monies and Government Obligations deposited with the Escrow Trustee and any income therefrom shall be held, invested and applied in accordance with the provisions of this ordinance and with the laws of the State of Washington for the benefit of the county and holders of the Refunded Bonds.

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

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

SECTION 14. Application of Bond Proceeds--General. The exact amounts to be deposited in accordance with Sections 12 and 13 hereof shall be determined by the Finance Manager upon the sale of each series of the Bonds. The amounts so deposited may be used to repay interim borrowing used to pay the costs of the Treemont Conservation Easement Acquisition Project.

Funds deposited in the funds and accounts established in Sections 12 and 13 hereof shall be invested as permitted by law for the sole benefit of the respective funds. Irrespective of the general provisions of Ordinance No. 7112 and K.C. 4.10, the county current expense fund shall not receive any earnings attributable to such funds. Money other than proceeds of the Bonds may be deposited in the funds and accounts established under Sections 12 and 13; provided, however, that proceeds of the Bonds and earnings thereon shall be accounted for separately for purposes of the computations required to be made under Section 18 hereof. For purposes of such computations, Bond proceeds shall be deemed to have been expended first.

SECTION 15. Bond Redemption Fund. There has heretofore been created in the office of the Finance Manager a special fund to be drawn upon for the purpose of paying the principal of and interest on the limited tax general obligation bonds of the county. There is hereby authorized to be created within said fund for each series of the Bonds a special account of the county to be known as the "Limited Tax General Obligation Bond Redemption Account, [Year, Series]" (each, a "Bond Fund").

The accrued interest on each series of the Bonds shall be deposited in the related Bond Fund at the time of delivery of such series of the Bonds and shall be applied to the payment of interest on the Bonds. Any premium received upon the sale of the Bonds shall be deposited into the related Bond Fund and applied to the payment of principal of or interest on such series of the Bonds.

The taxes hereafter levied for the purpose of paying principal of and interest on each series of the Bonds and other funds to be used to pay such series of the Bonds shall be deposited in the related Bond Fund no later than the date such funds are required for the payment of principal of and interest on such series of the Bonds; provided, however, that if the payment of principal of and interest on any series of the Bonds is required prior to the receipt of such levied taxes, the county may make an interfund loan to the related Bond Fund pending actual receipt of such taxes. The related Bond Fund shall be drawn upon for the purpose of paying the principal of and interest on each series of the Bonds. Money in each Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in such institutions or invested in such obligations as may be lawful for the investment of county funds. Each Bond Fund shall be a second tier fund in accordance with Ordinance No. 7112 and K.C. 4.10.

SECTION 16. Pledge of Taxation and Credit. The county hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid, that each year it will include in its budget and levy an *ad valorem* tax within the constitutional and statutory tax limitations provided by law without a vote of the people upon all the property within the county subject to taxation in an amount that will be sufficient, together with all other revenues, taxes and money of the county legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due. All such taxes so collected and any other money to be used for such purposes shall be paid into the applicable Bond Fund no later than the date such funds are required for the payment of principal of and interest on each series of the Bonds.

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

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

SECTION 17. Tax Exemption. The county shall comply with the provisions of this section unless, in the written opinion of nationally recognized bond counsel to the county, such compliance is not required to maintain the exemption of the interest on the Bonds from federal income taxation.

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

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

SECTION 18. Arbitrage Rebate. The county will compute, if necessary, and pay the Rebate Amount, if any, to the United States of America at the times and in the amounts necessary to meet the requirements of the Code to maintain the federal income tax exemption for interest payments on the Bonds, in accordance with the Arbitrage and Tax Certification.

SECTION 19. Sale of Bonds.

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

B. Procedure for Negotiated Sale. If the Finance Manager determines that any series of the Bonds shall be sold by negotiated sale, the Finance Manager shall, in accordance with applicable county procurement procedures, solicit one or more underwriting firms with which to negotiate the sale of the Bonds. The purchase contract for each series of the Bonds shall establish the year and series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, redemption provisions and delivery date for such series of the Bonds, so long as the aggregate principal amount of the Bonds to be outstanding following the issuance of such series of Bonds does not exceed \$89,000,000. The county council, by Sale Motion, shall approve the bond purchase contract, ratify the identification of the Refunded Bonds, if any, to be refunded by such series of Bonds, and ratify the terms for the series of Bonds established thereby.

C. Procedure for Sale by Competitive Bid. If the Finance Manager determines that any series of the Bonds shall be sold by competitive bid, bids for the purchase of each series of the Bonds shall be received at such time and place and by such means as the Finance Manager shall direct. The Finance Manager is hereby authorized to prepare an official notice of bond sale for each series of the Bonds to be sold pursuant to competitive bid, establishing in such notice the year and series designation, date, principal amounts and maturity dates, interest payment dates, redemption provisions and delivery date for such series of Bonds, so long as the aggregate principal amount of the Bonds to be outstanding following the issuance of such series of Bonds does not exceed \$89,000,000. The official notice of bond sale or an abridged form thereof shall be published in such newspapers or financial journals as may be deemed desirable or appropriate by the financial advisors to the county.

Upon the date and time established for the receipt of bids for any series of the Bonds, the Finance Manager or his designee shall review the bids, shall cause the bids to be mathematically verified and shall report to the county council regarding the bids received. Such bids shall then be considered and acted upon by the county council in an open public meeting. The county council reserves the right to reject any and all bids for any series of the Bonds. The county council, by a Sale Motion, shall identify the Refunded Bonds, if any, to be refunded by such series of Bonds, ratify the year and series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, redemption provisions and delivery date for such series of the Bonds, and accept the bid for the purchase of such series of the Bonds.

SECTION 20. Delivery of Bonds. Following the sale of each series of the Bonds, the county shall cause definitive Bonds of such series to be prepared, executed and delivered, which Bonds shall be typewritten, lithographed or printed with engraved or lithographed borders.

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

SECTION 21. Preliminary Official Statement Declaration. The county hereby authorizes and directs the Finance Manager: (i) to review and approve the information contained in the preliminary official statement (the “Preliminary Official Statement”) prepared in connection with the sale of each series of the Bonds; and (ii) for the sole purpose of the Bond purchasers’ compliance with Securities and Exchange Commission Rule 15c2-12(b)(1), to “deem final” that Preliminary Official Statement as of its date, except for the omission of information on offering prices, interest rates, selling compensation, delivery dates, any other terms or provisions required by the county to be specified in a competitive bid, ratings, other terms of the Bonds dependent on such matters and the identity of the Bond purchasers. After each Preliminary Official Statement has been reviewed and approved in accordance with the provisions of this section, the county hereby authorizes the distribution of such Preliminary Official Statement to prospective purchasers of such series of Bonds.

SECTION 22. Approval of Official Statement. Following the sale of each series of the Bonds, the Finance Manager is hereby authorized to review and approve on behalf of the county a final official statement with respect to such series of Bonds. The county agrees to cooperate with the purchaser of each series of the Bonds to deliver or cause to be delivered, within seven business days from the date of the Sale Motion, and in sufficient time to accompany any confirmation that requests payment from any customer of such successful bidder, copies of a final official statement pertaining to such Bonds in sufficient quantity to comply with paragraph (b)(4) of the Rule and the rules of the MSRB.

SECTION 23. Undertaking to Provide Ongoing Disclosure. In each Sale Motion, the county council will set forth an undertaking for ongoing disclosure with respect to the Bonds, as required by Section (b)(5) of the Rule .

SECTION 24. General Authorization. The appropriate county officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt sale, issuance, execution and delivery of the Bonds, and for the proper use and application of the proceeds of the sale thereof.

SECTION 25. Refunding or Defeasance of Bonds. The county may issue refunding bonds pursuant to the laws of the State of Washington or use money available from any other lawful source to pay when due the principal of and interest on any series of the Bonds, or any portion thereof included in a refunding or defeasance plan, and to redeem and retire, refund or defease all such then-outstanding Bonds and to pay the costs of the refunding or defeasance.

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

Within 30 days of the defeasance of any of the Bonds, the Bond Registrar shall provide notice of defeasance of such Bonds to the registered owners of the Bonds and to each NRMSIR and SID, if any, in accordance with the undertaking for ongoing disclosure to be adopted by a Sale Motion pursuant to Section 23 hereof.

SECTION 26. Open Market Purchase. The county reserves the right to purchase any or all of the Bonds on the open market at any time and at any price.

SECTION 27. Contract; Severability. The covenants contained in this ordinance shall constitute a contract between the county and the owners of each and every Bond. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the county shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants

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