



## Legislation Text

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**File #:** 2003-0332, **Version:** 2

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AN ORDINANCE relating to the limited tax general obligation bonds of the county previously authorized to be issued in one or more series in an outstanding aggregate principal amount not to exceed \$125,000,000 to provide long-term financing for the Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North Rehabilitation Facility Project and the Kent Pullen Regional Communications and Emergency Control Center Project, and the limited tax general obligation bond anticipation notes of the county previously authorized to be issued in one or more series in an outstanding aggregate principal amount not to exceed \$125,000,000, pending the sale of such bonds, to provide interim financing for such projects; changing the name of the Regional Communications and Emergency Control Center Project to the Kent Pullen Regional Communications and Emergency Coordination Center Project; augmenting the projects that are authorized to be financed and increasing the maximum outstanding aggregate principal amount of such bonds and bond anticipation notes to \$145,000,000 as a result; amending Ordinance 14167, Sections 1, 2, 3, 4, 5, 7 and 12, as previously amended by Ordinance 14463, Sections 1, 2, 3, 4, 5, 6 and 7; and amending Ordinance 14167, Sections 13, 14 and 18.

### PREAMBLE:

Pursuant to Ordinance 14167, the county authorized the issuance of one or more series of its limited tax general obligation bonds in an outstanding aggregate principal amount not to exceed

\$125,000,000 to provide long-term financing for the Courthouse Seismic Project, the North Rehabilitation Facility Project and the Regional Communications and Emergency Control Center Project, each defined and described in Ordinance 14167, and further authorized the issuance and public sale of one or more series of its limited tax general obligation bond anticipation notes in an outstanding aggregate principal amount not to exceed \$125,000,000 to provide interim financing for such projects pending the issuance of the bonds.

Pursuant to Ordinance 14463, the county amended Ordinance 14167 to revise the description of the North Rehabilitation Facility Project and to augment the projects authorized to be financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an interim basis, by such bond anticipation notes by the addition of the Courthouse Earthquake Repairs, all as defined and described in Ordinance 14463.

The county council has heretofore received and reviewed plans for the Integrated Security and Jail Health Remodel Project and has determined that the Regional Communications and Emergency Control Center Project is more properly referred to as the Kent Pullen Regional Communications and Emergency Coordination Center Project.

It is deemed necessary and advisable that the county now change the name of the Regional Communications and Emergency Control Center Project to the Kent Pullen Regional Communications and Emergency Coordination Center Project; add the Integrated Security and Jail Health Remodel Project to the list of projects that are authorized to be financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an interim basis, by such bond anticipation notes, and that the maximum outstanding aggregate principal amount of such bonds

and bond anticipation notes be increased to \$145,000,000 as a result; and amend certain provisions of Ordinance 14167, as previously amended by Ordinance 14463, pertaining to such bonds and bond anticipation notes.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 14167, Section 1, as previously amended by Ordinance 14463, Section 1, is hereby amended to read as follows:

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

“Arbitrage and Tax Certification” means the certificate executed by the Finance (~~Director~~) 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 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.

“Bond Sale Motion” means a motion of the council adopted at the time of sale of each series of the Bonds that establishes, with respect thereto, the following, among other things: the year and series designation, dates, principal amounts and maturity dates, the interest rates and interest payment dates, (~~and~~) the redemption provisions and delivery date therefor.

“Bonds” means the limited tax general obligation bonds of the county in an outstanding aggregate principal amount not to exceed (~~(\$125,000,000))~~\$145,000,000, authorized to be issued by this ordinance to provide long-term financing for the Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North

Rehabilitation Project, the Integrated Security and Jail Health Remodel Project and the Kent Pullen Regional Communications and Emergency ((Control))Coordination Center Project.

“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.

“Courthouse Earthquake Repairs” means the planning and construction to facilitate repairs in the King County Courthouse as a result of the Nisqually earthquake of February 28, 2001.

“Courthouse Seismic Project” means the seismic retrofit of the King County Courthouse building through the installation of a seismic braceframe system inside the building behind the elevators and “core” improvements for HVAC, fire and life/safety systems.

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

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

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

“Integrated Security and Jail Health Remodel Project” means the planning and construction within the King County Correctional Facility for the replacement and upgrading of existing security electronics, remodeling of existing Jail Health Services floors, and integrating security electronics with the King County Courthouse and site CCTV improvements.

“Kent Pullen Regional Communications and Emergency ((Control))Coordination Center Project” means the planning and construction of a multi-function building that will provide 24 hour emergency call taking and dispatch for police response/assistance, as well as serve as the planning/coordination and communications hub

for emergency operations during disaster response.

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

“North Rehabilitation Facility Project” means the planning and demolition of the 1940’s era buildings housing the county’s North Rehabilitation Facility located in the City of Shoreline on the State of Washington campus.

“Note Fund” means the note redemption account established for the Notes pursuant to Section 14 hereof.

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

“Note 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 Notes, maintaining the Note Register, effecting the transfer of ownership of the Notes, and paying interest on and principal of the Notes.

“Note Sale Motion” means the motion of the council ratifying and confirming the year and series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, ~~((and))~~ redemption provisions and delivery date of the Notes, and accepting a bid for the purchase thereof.

“Notes” means the limited tax general obligation bond anticipation notes of the county in an outstanding aggregate principal amount not to exceed ~~(((\$125,000,000))~~ \$145,000,000, authorized to be issued by this ordinance to provide interim financing for the Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North Rehabilitation Project, the Integrated Security and Jail Health Remodel Project and the Kent Pullen Regional Communications and Emergency ~~((Control))~~ Coordination Center Project.

“Official Notice of Bond Sale” means, with respect to each series of Bonds that is sold by competitive bid, the official notice of sale therefor prepared pursuant to Section 4.~~((C))~~ E hereof.

“Official Notice of Note Sale” means, with respect to each series of Notes, the official notice of sale therefor prepared pursuant to Section 18 hereof.

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

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

SECTION 2. Ordinance 14167, Section 2, as previously amended by Ordinance 14463, Section 2, is hereby amended to read as follows:

The county council hereby makes the following findings:

A. The Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North Rehabilitation Facility Project, the Integrated Security and Jail Health Remodel Project and the Kent Pullen Regional Communications and Emergency ((Control))Coordination Center Project will contribute to the health, safety and welfare of the citizens of the county.

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

SECTION 3. Ordinance 14167, Section 3, as previously amended by Ordinance 14463, Section 3, is hereby amended to read as follows:

The county is hereby authorized to undertake the Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North Rehabilitation Facility Project, the Integrated Security and Jail Health Remodel Project and the Kent Pullen Regional Communications and Emergency ((Control))Coordination Center Project. The costs of such projects shall also include capitalized interest, interest on the Notes or other interim financing

for such projects pending receipt of Bond proceeds, and costs and expenses incurred in issuing the Notes and Bonds.

The projects authorized herein 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 projects 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.

The projects authorized herein may be modified where deemed advisable or necessary in the judgment of the county council, and implementation or completion of any authorized project shall not be required if the county council determines that it has become inadvisable or impractical. If all of the projects either have been completed, or their completion duly provided for, or their completion found to be inadvisable or impractical, the county may apply any remaining proceeds of the Bonds or Notes, 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 and Notes, plus any other money of the county legally available therefor, are insufficient to accomplish all of the projects authorized in this section, the county shall use the available funds for paying the cost of those projects for which the Bonds and Notes were authorized deemed by the county council most necessary and in the best interest of the county.

SECTION 4. Ordinance 14167, Section 4, as previously amended by Ordinance 14463, Section 4, is hereby amended to read as follows:

A. Purpose and Authorization of Bonds. The county authorizes the issuance of the Bonds to provide long-term financing the Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North Rehabilitation Facility Project, the Integrated Security and Jail Health Remodel Project and the Kent Pullen Regional Communications and Emergency ((Control))Coordination Center Project, including capitalized

interest, interest on the Notes or other interim financing for such projects pending receipt of Bond proceeds, and costs and expenses incurred in issuing the Bonds. The long-term financing provided by the Bonds may be in the form of new money financing for the Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North Rehabilitation Facility Project, the Integrated Security and Jail Health Remodel Project and the Kent Pullen Regional Communications and Emergency Coordination Center Project, or in the form of a current refunding of outstanding Notes, or any combination thereof.

B. Description of Bonds. The Bonds may be issued in one or more series so long as the ((in an outstanding)) aggregate principal amount of the Bonds to be outstanding on the date of issuance of each series of the Bonds does not to exceed the remainder of \$145,000,000 less the aggregate principal amount of any Notes to be outstanding on the date of issuance of such series of Bonds. Each series of the Bonds shall be designated “King County, Washington, Limited Tax General Obligation Bonds” with an applicable year and series designation established by a Bond Sale Motion. Each series of Bonds shall be dated as of such date, shall mature on the date or dates in each of the years and in the principal amounts, shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or the most recent interest payment date to which interest has been paid or duly provided for, whichever is later, at the rates and payable on such dates, and shall be subject to redemption prior to maturity in the amounts, in the manner and at the prices, and shall be subject to such other terms and provisions as the county shall establish by a Bond Sale Motion. 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.

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 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 the 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.

~~((C))~~E. Sale of Bonds. The county hereby authorizes the public sale of the Bonds ~~((by competitive bid ))~~. 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 ((Director)) 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.

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 on the date of issuance of such series of Bonds does not exceed the remainder of \$145,000,000 less the aggregate principal amount of any Notes to be outstanding on the date of issuance of such series of Bonds. The county council, by Bond Sale Motion, shall approve the bond purchase contract and ratify the terms for the series of Bonds established thereby.

If the Finance Manager determines that any series of the Bonds shall be sold by competitive bid, ((B))bids for the purchase of each series of the Bonds shall be received ((at the treasury division of the county's finance department, Room 610, King County Administration Building, 500 Fourth Avenue, Seattle, Washington, at 9:00 a.m., or)) at such ((other)) time and place and by such means as the Finance ((Director)) Manager shall direct~~((, on such date as the Finance Director shall direct; provided, that at the option of the~~

~~Finance Director, such bids may be received by facsimile transmission and/or by internet or other electronic bidding process, at such time and on such date as the Finance Director shall direct)).~~

Upon the date and time established for the receipt of bids for each series of the Bonds, the Finance ((~~Director~~)) Manager or his designee shall open the bids for the Bonds, 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. ((~~Bids for each series of the Bonds must be on an all or none basis or on a maturity by maturity basis as specified within the Official Notice of Bond Sale therefor.~~)) The county council shall, by Bond Sale Motion, ratify and confirm the year and series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, ((~~and~~)) redemption provisions and delivery date ((~~of each~~)) for such series of the Bonds, and accept the bid for the purchase of such series of the Bonds.

The Finance ((~~Director~~)) Manager is hereby authorized and directed to prepare an Official Notice of Bond Sale for each series of the Bonds to be sold pursuant to competitive bid, which notice shall be filed with the clerk of the council and shall be ratified and confirmed by the Bond Sale Motion therefor. The Finance ((~~Director~~)) Manager is hereby authorized to establish the year and series designation, date, principal amounts and maturity dates, interest payment dates, ((~~and~~)) redemption provisions and delivery date for such series of ((~~the~~)) Bonds in such Official Notice of Bond Sale so long as the aggregate principal amount of the Bonds to be outstanding ((~~following~~)) on the date of issuance of such series of Bonds does not exceed the remainder of ((~~\$125,000,000~~)) \$145,000,000 less the aggregate principal amount of any Notes to be outstanding ((~~following~~)) on the date of issuance of such series of Bonds. The Official Notice of Bond Sale or an abridged form thereof shall be published once prior to such sale date in The Bond Buyer and may be published in such other papers or financial journals as may be deemed desirable or appropriate by the financial advisors to the county.

F. 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 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 provide long-term financing for the Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North Rehabilitation Facility Project, the Integrated Security and Jail Health Remodel Project and the Kent Pullen Regional Communications and Emergency Coordination Center Project, including capitalized interest and costs and expenses incurred in 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 Bond Sale Motion)].

The County has irrevocably covenanted in King County Ordinance 14167, as amended by King County Ordinance \_\_\_\_\_ (collectively, 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 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:

G. 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.

H. 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.

I. 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 5. Ordinance 14167, Section 5, as previously amended by Ordinance 14463, Section 5, is hereby amended to read as follows:

A. Purpose and Authorization of Notes. The county authorizes the issuance of the Notes to provide interim financing for the Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North Rehabilitation Facility Project, the Integrated Security and Jail Health Remodel Project and the Kent Pullen Regional Communications and Emergency ((Control))Coordination Center Project, including capitalized interest and costs and expenses incurred in issuing the Notes. The interim financing provided by the Notes may be in the form of new money financing for the Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North Rehabilitation Facility Project, the Integrated Security and Jail Health Remodel Project and the Kent Pullen Regional Communications and Emergency Coordination Center Project, or in the form of a current refunding (a "rollover") of outstanding Notes pending the issuance of Bonds and the receipt of Bond proceeds to provide long-term financing therefor, or any combination thereof.

B. Description of Notes. The Notes may be issued in one or more series so long as the ((in an outstanding)) aggregate principal amount of the Notes to be outstanding on the date of issuance of each series of the Notes does not to exceed the remainder of \$145,000,000 less the aggregate principal amount of any Bonds to be outstanding on the date of issuance of such series of Notes. Each series of Notes shall be designated "King County, Washington, Limited Tax General Obligation Bond Anticipation Notes" with an applicable year and series designation established as provided in Section 18 hereof. Each series of Notes shall be dated as of such date, shall mature on the date or dates in each of the years and in the principal amounts, shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or the

most recent interest payment date to which interest has been paid or duly provided for, whichever is later, at the rates and payable on such dates, and shall be subject to redemption prior to maturity in the amounts, in the manner and at the prices, and shall be subject to such other terms and provisions, all to be established as provided in Section 18 hereof. The Notes 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 Note shall represent more than one maturity), shall be numbered separately in such manner and with any additional designation as the Note Registrar deems necessary for purposes of identification.

C. Initial Immobilization of Notes; Depository Provisions. The Notes 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 Note Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Notes 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 the Notes, 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 Note 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 the Notes or any consent given or other action taken by DTC as owner of the Notes.

The Notes 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 Notes so registered shall be held in fully immobilized form by DTC as depository. For so long as any Notes 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, Noteowners, Noteholders, owners or the like shall mean DTC or its nominees and shall not mean the owners of any beneficial interests in the Notes. Registered ownership of such Notes, 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 the Notes 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 the Notes 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 Note Registrar, upon receipt of all outstanding Notes together with a written request on behalf of the county, shall issue a single new Note for each maturity of Notes 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 Notes that they be able to obtain Note certificates, the ownership of Notes may be transferred to any person as herein provided, and the Notes shall no longer be held in fully immobilized form. The county shall deliver a written request to the Note Registrar, together with a supply of definitive Notes, to issue Notes as herein provided in any authorized denomination. Upon receipt of all then outstanding Notes by the Note Registrar, together with a written request on behalf of the county to the Note Registrar, new Notes 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 Notes shall be payable in lawful money of the United States of America. For so long as outstanding Notes are registered in the name of CEDE & Co., or its registered assigns, as nominee of DTC, payments of principal of and interest on the Notes 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 Notes are no longer held in fully immobilized form by DTC or its successor (or substitute depository or its successor); interest on the Notes shall be paid by checks or drafts mailed, or by wire transfer, to owners of Notes at the addresses for such owners appearing on the Note 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 one million dollars (\$1,000,000) par value of the Notes. Principal of the Notes shall be payable at maturity or on such dates as may be fixed for prior redemption upon presentation and surrender of the Notes by the owners at either principal office of the Note Registrar in Seattle, Washington, or New York, New York, at the option of such owners.

SECTION 6. Ordinance 14167, Section 7, as previously amended by Ordinance 14463, Section 6, is hereby amended to read as follows:

The Notes shall be in substantially the following form:

NO.           \$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF WASHINGTON

KING COUNTY





Note Registrar (the “Note 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 Notes, interest will be paid by wire transfer.

This Note is one of an authorized issue of Notes of like date and tenor, except as to number and amount, in the aggregate principal amount of \$\_\_\_\_\_, and is issued to provide interim financing for the Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North Rehabilitation Facility Project, the Integrated Security and Jail Health Remodel Project and the Kent Pullen Regional Communications and Emergency ((~~Control~~))Coordination Center Project, including capitalized interest and costs and expenses incurred in issuing the Notes.

The Notes 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 Notes are subject to redemption prior to their maturity as follows: (information to come related ((~~Official Notice of~~))Note Sale Motion)].

The County has irrevocably covenanted in King County Ordinance No. \_\_\_\_\_ (the “Note Ordinance”) that it will annually 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 bond proceeds and all other revenue, 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 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 Notes may be discharged prior to maturity of the Notes by making provisions for the payment thereof on the terms and conditions set forth in

the Note Ordinance.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Note Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Note 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 Note have happened, been done and performed and that the issuance of this Note and the Notes 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 Note 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 Note Registrar's Certificate of Authentication on the Notes shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes described in the within mentioned Note Ordinance and is of the Limited Tax General Obligation Bond Anticipation Notes, [Year, Series], of King County, Washington, dated [\_\_\_\_\_].

WASHINGTON STATE FISCAL  
AGENCY, as Note 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 Note and does hereby irrevocably constitute and appoint  
, or its successor, as Note Registrar to transfer said Note 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 Note in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED:

SECTION 7. Ordinance 14167, Section 12, as previously amended by Ordinance 14463, Section 7, is hereby amended to read as follows:

The county hereby creates the “Building Construction Improvement Fund,” and within such fund the “Building Construction Improvement Project Subfund,” the “Building Construction Improvement 2001 BAN Subfund” and the “Building Construction Improvement 2001 BAN Excess Earnings Subfund.” This fund and each of these subfunds shall be first tier funds managed by the director of the department of construction and facilities management. ~~((All of the Note Proceeds shall))~~ The exact amount of proceeds from the sale of any series of Bonds or Notes to be deposited into the Building Construction Improvement 2001 BAN Subfund ((at the time of delivery of the Notes)) to provide ~~((interim))~~ new money financing for the Courthouse Seismic Project, the Courthouse Earthquake Repairs, the North Rehabilitation Facility Project, the Integrated Security and Jail

Health Remodel Project and the Kent Pullen Regional Communications and Emergency ((Control)) Coordination Center Project shall be determined by the Finance Manager upon the sale of such series of Bonds or Notes.

SECTION 8. Ordinance 14167, Section 13 is hereby amended to read as follows:

Funds deposited in the funds and accounts established in Section 12 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 Notes and Bonds may be deposited in the funds and accounts established under Section 12 hereof; provided, however, that proceeds of ~~((the))~~ each series of Notes or Bonds, and the earnings thereon, shall be accounted for separately for purposes of the arbitrage rebate computations required to be made under ~~((Section 17 hereof))~~ the Code. For purposes of such computations, Note proceeds shall be deemed to have been expended first, then Bond proceeds, and then any other funds.

SECTION 9. Ordinance 14167, Section 14 is hereby amended to read as follows:

There has heretofore been created in the office of the ~~((the))~~ Finance ~~((director))~~ 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 a special account of the county to be known as the “Limited Tax General Obligation Bond Anticipation Note Redemption Account, 2001” (the “Note Fund”).

The accrued interest on the Notes and any proceeds that represent less than the maximum discount permitted in the Official Notice of Note Sale shall be deposited in the Note Fund at the time of delivery of the Notes and shall be applied to the payment of interest on the Notes. Any premium received upon the sale of the Notes shall be deposited into the Note Fund and applied to the payment of principal of or interest on the Notes.

~~((The))~~ Such proceeds of the Bonds and Notes and ~~((the))~~ such taxes hereafter levied for the purpose of paying principal of and interest on the Notes and other funds to be used to pay the Notes shall be deposited in

the Note Fund no later than the date such funds are required for the payment of principal of and interest on such Notes; provided, however, that if the payment of principal of and interest on any Notes is required prior to the receipt of such levied taxes, the county may make an interfund loan to the Note Fund pending actual receipt of such taxes. The Note Fund shall be drawn upon for the purpose of paying the principal of and interest on each series of the Notes. Money in the Note 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. The Note Fund shall be a second tier fund in accordance with Ordinance No. 7112 and K.C. 4.10.

The exact amount of proceeds from the sale of any series of Bonds or Notes to be deposited into the Note Fund shall be determined by the Finance Manager upon the sale of such series of Bonds or Notes.

SECTION 10. Ordinance 14167, Section 18 is hereby amended to read as follows:

The county hereby authorizes the public sale of the Notes by competitive bid. The Notes shall be sold in one or more series, at the option of the Finance ~~((Director))~~ Manager. Bids for the purchase of each series of the Notes shall be received ~~((at the treasury division of the county's finance department, Room 610, King County Administration Building, 500 Fourth Avenue, Seattle, Washington, at 9:00 a.m., or))~~ at such ~~((other))~~ time and place and by such means as the Finance ~~((Director))~~ Manager shall direct~~((; on such date as the Finance Director shall direct; provided, that at the option of the Finance Director, such bids may be received by facsimile transmission and/or by internet or other electronic bidding process; at such time and on such date as the Finance Director shall direct))~~.

Upon the date and time established for the receipt of bids for each series of the Notes, the Finance ~~((Director))~~ Manager or his designee shall open the bids for such Notes, 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 Notes. Bids for each series of the Notes must be on an all or none basis or

on a maturity by maturity basis as specified within the Official Notice of Note Sale therefor. The county council shall, by Note Sale Motion, ratify and confirm the year and series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, ~~((and))~~ redemption provisions and delivery date ~~((of each))~~ for such series of the Notes, and accept the bid for the purchase of such series of the Notes.

The Finance ~~((Director))~~ Manager is hereby authorized and directed to prepare an Official Notice of Note Sale for each series of the Notes, which notice shall be filed with the clerk of the council and shall be ratified and confirmed by the Note Sale Motion therefor. The Finance ~~((Director))~~ Manager is hereby authorized to establish the year and series designation, date, principal amounts and maturity dates, interest payment dates, ~~((and))~~ redemption provisions and delivery date for such series of the Notes in such Official Notice of Note Sale so long as the aggregate principal amount of the Notes to be outstanding ~~((following the))~~ on the date of issuance of such series of Notes does not exceed the remainder of \$145,000,000 less the aggregate principal amount of any Bonds to be outstanding on the date of issuance of such series of Notes. The Official Notice of Note Sale or an abridged form thereof shall be published once prior to such sale date in The Bond Buyer and may be published in such other papers or financial journals as may be deemed desirable or appropriate by the financial advisors to the county.

SECTION 11. Bond Redemption Fund. There has heretofore been created in the office of the Finance ~~((Director))~~ 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 12. Pledge of Taxation and Credit for Bonds. 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 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 13. Bond Tax Exemption and Arbitrage Rebate Covenants. 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.

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 14. Bond Covenants and Warranties. The county makes the following covenants and warranties with respect to the Bonds:

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.

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 15. 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 (~~(Director)~~) 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 16. Open Market Purchase. The county reserves the right to purchase any or all of the Notes or the Bonds on the open market at any time and at any price.