



Legislation Text

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AN ORDINANCE providing for the issuance and sale of limited tax general obligation bonds of the county in the aggregate principal amount of not to exceed \$240,000,000 for the purposes of refunding certain outstanding limited tax general obligation bonds issued by the county to finance construction of a major league baseball stadium; providing for the form, terms, covenants and other provisions of said refunding bonds; authorizing a plan of refunding and the appointment of an escrow agent to accomplish such plan of refunding; providing for the 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; providing for the annual levy of taxes to pay the principal thereof and interest thereon; and pledging certain taxes and revenues as additional security for the bonds.

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EXHIBIT A Form of Bonds
PREAMBLE:

Pursuant to Ordinance 12686 of the county, passed by the county council on April 2, 1997, the county has issued several series of its limited tax general obligation bonds to provide financing to the Washington State Major League Baseball Stadium Public Facilities District (the “PFD”) for construction of a major league baseball stadium in accordance with Chapter 1, Laws of 1995, 3rd Sp. Sess. (the “Act”). Such bonds are secured also by the pledge of certain taxes levied by the county pursuant to the Act and Ordinance 12000 of the county, passed by the county council on October 23, 1995, and certain revenues received by the county from the State of Washington pursuant to the Act (collectively, the “Baseball Stadium Taxes and Revenues”).

The county may have opportunities to refinance certain of such outstanding bonds and realize savings to the county and its taxpayers. To permit such refinancing, the county wishes to authorize the issuance of not to exceed \$240,000,000 principal amount of its limited tax general obligation bonds additionally secured by a pledge of the Baseball Stadium Taxes and Revenues.

As part of the plan of refunding such outstanding bonds, the county may also use excess Baseball Stadium Taxes and Revenues, which pursuant to the Act may be used for the early retirement of such outstanding bonds.

To maximize the savings from any potential refinancing, it is in the best interest of the county to delegate to the county's manager of finance and business operations authority to provide for the sale of the refunding bonds in one or more series, by competitive bid or negotiated sale; provided, however, that the aggregate principal amount of the refunding bonds shall not exceed \$240,000,000. Each plan of refunding and the successful bid or negotiated purchase contract for each series of the refunding bonds shall be subject to approval by the council, as provided herein.

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.

“Act” means Chapter 1, Laws of 1995, 3rd Special Session.

“Arbitrage and Tax Certification” means the certificate executed by the Finance Manager pertaining to the calculation and payment of any Rebate Amount with respect to the Bonds.

“Baseball Stadium Taxes and Revenues” means, collectively, the Car Rental Taxes, County Sales Taxes, Food and Beverage Taxes, State License Plate Receipts and State Lottery Receipts.

“Bond Fund” means the special fund of the county heretofore established to pay principal of and interest on all limited tax general obligation bonds of the county.

“Bond Redemption Account” means the “Limited Tax General Obligation Bond (Baseball Stadium Bonds) Redemption Account” for each series of the Bonds established within the Bond Fund pursuant to Section 9 of this ordinance.

“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 and premium, if any, of the Bonds.

“Bonds” means all or a portion of the King County, Washington, Limited Tax General Obligation (Baseball Stadium) Refunding Bonds, issued in one or more series in an aggregate principal amount of not to exceed \$240,000,000 pursuant to this ordinance.

“Car Rental Taxes” means a tax of two percent of the selling price, in the case of a sales tax, or rental value of the vehicle, in the case of a use tax, on retail car rentals levied pursuant to Section 201 of the Act, RCW 82.14.360(2) and Section 4.B of Ordinance 12000.

“Closing” means the delivery of a series of the Bonds to, and payment of the purchase price therefor by, the initial purchasers of such series of the Bonds.

“Code” means the 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.

“County Sales Taxes” means a sales tax of 0.017 percent of the selling price, in the case of a sales tax,

or value of the article used, in the case of a use tax, which is deducted from the amount otherwise required to be paid to the State pursuant to Section 101 of the Act, RCW 82.14.0485 and Section 3 of Ordinance 12000.

“Crossover Date” means, if a Sale Motion establishes a Crossover Plan of Refunding, the date set forth in the Sale Motion on which the Refunded Bonds shall be paid and redeemed.

“Crossover Plan of Refunding” means a plan of refunding any Refunded Bonds, pursuant to RCW 39.53.070, in which the money and Government Obligations deposited into the Refunding Account are used to pay interest on a series of Bonds until and on the Crossover Date and to pay the redemption price of the Refunded Bonds on the Crossover Date.

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

“Finance Manager” means the county’s manager of finance and business operations or his or her designee.

“Food and Beverage Taxes” means a tax of five-tenths of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, on retail sales or use of food and beverages sold in restaurants, taverns and bars levied pursuant to Section 201 of the Act, RCW 82.14.360(1) and Section 4.A. of Ordinance 12000.

“Government Obligations” means direct obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America.

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

“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.

“RCW” means the Revised Code of Washington.

“Refunded Bonds” means with respect to each series of Bonds, those Refunding Candidates that shall be refunded from proceeds of such series of Bonds, as determined by the Finance Manager pursuant to Section 17 hereof and set forth in a Sale Motion in accordance with Section 17 hereof.

“Refunding Candidates” means the following:

Potential Refunded Bonds	Earliest Possible Date of Redemption
Series B Bonds maturing on and after December 1, 2008	December 1, 2007
Series D Bonds maturing on and after December 1, 2008	December 1, 2007

“Refunding Account” means any account authorized to be created pursuant to Section 13 hereof to provide for the refunding of any Refunded Bonds.

“Registered Owner” means any person or entity who shall be the registered owner of any Bond.

“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 a motion of the council approving each sale of a series of the Bonds and ratifying and confirming each plan of refunding Refunded Bonds, in accordance with Section 17 hereof.

“Series B Bonds” means the county’s Limited Tax General Obligation Bonds, 1997 Series B (Baseball Stadium), issued under date of April 1, 1997 in the original principal amount of \$151,000,000.

“Series C Bonds” means the county’s Limited Tax General Obligation Bonds, 1997 Series C (Taxable Stadium Parking Facilities), issued under date of April 1, 1997 in the original principal amount of \$25,000,000.

“Series D Bonds” means the county’s Limited Tax General Obligation Bonds, 1997 Series D (Baseball Stadium), originally issued at variable rates under date of April 17, 1997, and remarketed at fixed rates on May 7, 1997, in the original principal amount of \$150,000,000.

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

“State” means the State of Washington.

“State License Plate Receipts” means amounts received by the county from the sale of state license plates pursuant to Sections 102 and 103 of the Act and RCW 46.16.301 and RCW 46.16.313.

“State Lottery Receipts” means amounts received by the county from the state lottery pursuant to Section 105 of the Act and RCW 67.20.240.

“Term Bonds” means those outstanding bonds or obligations of any single issue or series maturing in any one year for the retirement of which regularly recurring annual deposits are required to be made into a bond fund prior to the scheduled maturity of such bonds sufficient to pay the same at or prior to their maturity.

SECTION 2. Findings. The county may be able to realize significant debt service savings by refunding all or a portion of the Refunding Candidates. The county may also be able to maximize the plan of refunding by including currently available excess Baseball Stadium Taxes and Revenues in such plan of refunding, as permitted under the Act and Ordinance 12686, and/or by using a Crossover Plan of Refunding. Because market conditions may change, the council finds that it is in the best interests of the county and its taxpayers that a plan of refunding and the sale of the Bonds in one or more series by competitive bid or negotiated sale be determined by the Finance Manager, in consultation with the county’s financial advisors. Each plan of refunding and sale of Bonds will be ratified and confirmed by the council in a Sale Motion.

SECTION 3. Authorization of Bonds. To provide part of the funds necessary to refund any or all of the Refunding Candidates, the county shall issue the Bonds in an aggregate principal amount to be established as provided in Section 18 hereof and in any event not to exceed the lesser of (i) \$240,000,000 or (ii) the aggregate principal amount of the Refunded Bonds. The Bonds may be issued and sold in one or more series, each series to be designated as “King County, Washington, Limited Tax General Obligation (Baseball Stadium) Refunding Bonds,” with any further year and series designation to be established as provided in Section 17 hereof. The 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 17 hereof.

Each series of 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 on semiannual interest payment dates and at the rate or rates to be established as provided in Section 17 hereof and ratified and confirmed by a Sale Motion.

SECTION 4. Registration, Exchange and Payments.

A. **Registrar/Bond Register.** In accordance with KCC 4.84, the county hereby adopts for the Bonds the system of registration specified and approved by the Washington State Finance Committee, which utilizes the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York, as registrar, authenticating agent, paying agent and transfer agent (collectively, the “Bond Registrar”). 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. 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 Registered 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 Registered Owners.

B. Registered Ownership. 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. Payment of any such Bond shall be made only as described in Section 4.G hereof, but such registration may be transferred as herein provided. All such payments made as described in Section 4.G shall be valid and shall satisfy and discharge the liability of the county upon such Bond to the extent of the amount or amounts so paid. The county and the Bond Registrar shall be entitled to treat the person in whose name any Bond is registered as the absolute owner thereof for all purposes of this ordinance and any applicable laws, notwithstanding any notice to the contrary received by the Bond Registrar or the county.

C. DTC Acceptance/Letters of Representations. The Bonds initially issued shall be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the county has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations.

Neither the county nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds in respect of 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 the principal of or interest on the Bonds, any notice which is permitted or required to be

given to Registered Owners under this ordinance (except such notices as shall be required to be given by the county to the Bond Registrar or to DTC), or any consent given or other action taken by DTC as the Registered Owner. For so long as any Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in the Bonds.

D. Use of Depository.

(1) The Bonds shall be registered initially in the name of “Cede & Co.,” as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds of each series in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (i) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository appointed by the Finance Manager pursuant to subsection (2) below or such substitute depository’s successor; or (iii) to any person as provided in subsection (4) below.

(2) 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 Finance Manager to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Finance Manager may hereafter 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.

(3) In the case of any transfer pursuant to clause (i) or (ii) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the Finance Manager, issue a single new Bond for each maturity of such Bonds 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 Finance Manager.

(4) In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (ii) the Finance Manager determines that it is in the best interest of the beneficial owners of any of the Bonds that they be able to obtain such Bonds in the form of bond certificates, the ownership of Bonds may then be transferred to any person or entity as herein provided, and the Bonds shall no longer be held in fully immobilized form. The Finance Manager shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds, to issue Bonds 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 Finance Manager to the Bond Registrar, new Bonds shall be issued in such denominations and registered in the names of such persons as are requested in such written request.

E. Transfer or Exchange of Registered Ownership; Change in Denominations. The registered ownership of any Bond may be transferred or exchanged, but no transfer of any Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, 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 cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity and interest rate, in any

authorized denomination. 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 date and ending at the close of business on such interest payment date, or, in the case of any proposed redemption of the Bonds, after the mailing of notice of the call of such Bonds for redemption.

F. Registration Covenant. The county covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

G. Place 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 all Bonds are in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date, and principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Bond Registrar.

SECTION 5. Redemption of Bonds; Open Market Purchases. The county may reserve the right to redeem outstanding Bonds prior to their maturity on the dates and at the prices established pursuant to the provisions of Section 17 hereof and ratified and confirmed by a Sale Motion. 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 Bonds subject to optional redemption are called for redemption, the county shall choose the maturities to be redeemed. If less than a whole of a maturity is called for redemption, the Bonds to be redeemed shall be chosen by lot by the Bond Registrar or, so long as the Bonds are registered in the name of CEDE & CO. or its registered assign, the Bonds to be redeemed shall be chosen by lot by DTC.

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, at the option of the registered owner, of like maturity and interest rate in any denomination authorized by this ordinance.

The county reserves the right to purchase any or all of the Bonds on the open market at any time at any price.

SECTION 6. Notice and Effect of Redemption.

A. Notice of Redemption. Written notice of any redemption of Bonds shall be given by the

Registrar on behalf of the county by first class mail, postage prepaid, not less than 30 days nor more than 60 days before the redemption date to the registered owners of Bonds that are to be redeemed at their last addresses shown on the Bond Register. So long as the Bonds are in book-entry form, notice of redemption shall be given as provided in the Letter of Representations. The Registrar shall provide additional notice of redemption (at least 30 days) to each NRMSIR and SID, if any, in accordance with the ongoing disclosure provisions to be adopted by the Sale Motion.

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

Each notice of redemption shall contain the following information: (1) the redemption date, (2) the redemption price, (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the Bonds to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon each Bond or portion called for redemption, and that interest shall cease to accrue from the redemption date, (5) that the Bonds are to be surrendered for payment at the principal office of the Registrar, (6) the CUSIP numbers of all Bonds being redeemed, (7) the dated date of the Bonds, (8) the rate of interest for each Bond being redeemed, (9) the date of the notice, and (10) any other information needed to identify the Bonds being redeemed.

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.

B. Effect of Redemption. Unless the county has revoked a notice of redemption, the county shall transfer to the Registrar amounts that, in addition to other money, if any, held by the Registrar, will be sufficient to redeem, on the redemption date, all the Bonds to be redeemed. From the redemption date interest on each Bond to be redeemed shall cease to accrue.

C. Amendment of Notice Provisions. The foregoing notice provisions of this section,

including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

SECTION 7. Form of Bonds; Execution of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A of the ordinance. The Bonds shall be executed on behalf of the county with the manual or facsimile signature of the county executive, attested by the clerk of the county 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 8. Mutilated, Lost, or Destroyed Bonds. If any Bond shall become mutilated, the Bond Registrar shall authenticate and deliver a new Bond of like series, amount, date, 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 series amount, date, interest rate 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 9. Bond Redemption Account. 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 (Baseball Stadium) Redemption Account, [applicable year, and series designation, if any]" (each, a "Bond Redemption Account").

The accrued interest on each series of the Bonds shall be deposited in the applicable Bond Redemption Account at the time of delivery of each series of the Bonds and shall be applied to the payment of interest on such Bonds.

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

SECTION 10. Pledge of Baseball Stadium Taxes and Revenues. So long as the Bonds and any unrefunded Series B Bonds and Series D Bonds remain outstanding, the county irrevocably covenants and agrees to levy the following taxes and collect the following revenues in each fiscal year and hereby pledges the proceeds of such taxes and revenues (collectively, the “Baseball Stadium Taxes and Revenues”) to payment of the Bonds, the unrefunded Series B Bonds and Series D Bonds, to be used in each fiscal year in the following order of priority:

- (1) Food and Beverage Taxes;
- (2) Car Rental Taxes available after payment of debt service on the Series C bonds;
- (3) County Sales Taxes;
- (4) State Lottery Receipts; and
- (5) State License Plate Receipts.

provided, however, that if a Sale Motion establishes a Crossover Plan of Refunding, (i) until and on the Crossover Date interest on the applicable series of Bonds shall be payable solely from the money and Government Obligations on deposit in the Refunding Account and (ii) after the Crossover Date the Baseball Stadium Taxes and Revenues shall be pledged to payment of principal of and interest on the applicable series of Bonds pursuant to this Section 10.

The county shall account for each source of the Baseball Stadium Taxes and Revenues identified in this Section 10 separately and shall deposit proceeds of the County Sales Taxes, the State Lottery Receipts and the State License Plate Receipts that are not needed to pay debt service on the Bonds, the unrefunded Series B Bonds or Series D Bonds in a current fiscal year into the Bond Redemption Accounts and into the applicable

accounts created within the Bond Fund for repayment of the unrefunded Series B Bonds and Series D Bonds. Such excess amounts shall be further segregated into a separate subaccount entitled “Excess Debt Service Account” to be used in subsequent years in the event that amounts available to pay debt service on the Bonds, Series B Bonds, and Series D Bonds in such years, not considering amounts that could be available in the current expense fund, are not available to pay such debt service. In the event that proceeds of the Food and Beverage Taxes or Car Rental Taxes in any fiscal year exceed the amount required in such fiscal year for debt service on the Bonds, the Series B Bonds or the Series D Bonds, after application of the special taxes and revenues in the order of priority set forth in this Section 10, then such excess amounts shall be used to defease or redeem Bonds, Series B Bonds or Series D Bonds in accordance with this ordinance, Ordinance 12686 and the Act in a manner directed by the Finance Manager.

SECTION 11. Pledge of General Taxation and Credit. The county hereby further 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 upon all property within the county subject to taxation in an amount that will be sufficient, together with all other revenues and money of the county legally available for such purposes (including the Baseball Stadium Taxes and Revenues pledged pursuant to Section 10), to pay the principal of and interest on the Bonds as the same shall become due; provided, however, that if the Sale Motion for any series of Bonds establishes a Crossover Plan of Refunding, (i) until and on the Crossover Date interest on such series of Bonds shall be payable solely from the money and Government Obligations on deposit in the Refunding Account, and (ii) after the Crossover Date property taxes shall be pledged to payment of principal of and interest on such series of Bonds pursuant to this Section 11. All of such taxes so collected shall be paid into the applicable Bond Redemption Account no later than the date such funds are required for the payment of principal of and interest on each series of 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 permitted 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 12. Disposition of Proceeds of Bonds. The proceeds of each series of the Bonds shall be deposited as follows:

A. The amount equal to the interest accruing on such series of Bonds from their dated date to the date of their Closing shall be deposited in the applicable Bond Redemption Account.

B. The balance of the proceeds of such series of Bonds shall be deposited in the Refunding

Account (as hereinafter defined) and applied as provided in Section 13 of this ordinance.

SECTION 13. Application of Refunding Bond Proceeds and Certain Excess Baseball Stadium Taxes and Revenues.

A. Plan of Refunding. There is hereby authorized and established one or more special accounts of the county to be maintained with the Escrow Agent (as hereinafter defined) each to be known as the “King County [appropriate year and series designation] Limited Tax General Obligation (Baseball Stadium) Refunding Account” (the “Refunding Account”). Each Refunding Account shall be drawn upon for the sole purpose of paying the principal of and interest on the applicable Refunded Bonds, paying interest on the applicable series of Bonds until and on the Crossover Date if the county elects a Crossover Plan of Refunding, and paying costs related to issuance of such series of Bonds and refunding the applicable Refunded Bonds. The proceeds of the sale of any Bonds, together with such excess Baseball Stadium Taxes and Revenues as the Finance Manager may direct, shall be deposited into each Refunding Account to provide for refunding Refunded Bonds, as authorized by Ordinance 12686 that authorized issuance of the Refunding Candidates and the use of such excess Baseball Stadium Taxes and Revenues, and to pay the costs of issuance of such Bonds. The Finance Manager is authorized to determine, in consultation with the county’s financial advisors, which of the Refunding Candidates, if any, are to be refunded. Each final plan of refunding and call for redemption of Refunded Bonds shall be set forth in and ratified and confirmed by a Sale Motion. Money in each Refunding Account shall be used immediately upon receipt thereof to defease the Refunded Bonds and discharge the other obligations of the county relating thereto under Ordinance 12686 by providing for the payment of the principal of and interest on the Refunded Bonds as set forth in the Sale Motion. The county shall defease such bonds and discharge such obligations by the use of money in each Refunding Account to purchase certain “Government Obligations” as such obligations are defined in Chapter 39.53 RCW as now or hereafter amended (which obligations so purchased are herein called “Acquired Obligations”), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the redemption of the Refunded Bonds and interest on the

applicable series of Bonds if the county elects a Crossover Plan of Refunding, as set forth in the Sale Motion. Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

In connection with the issuance of each series of the Bonds, to carry out the refunding and defeasance of the Refunded Bonds, the Finance Manager is hereby authorized to appoint as escrow agent a bank or trust company qualified by law to perform the duties described herein (the "Escrow Agent"). Any beginning cash balance and the Acquired Obligations shall be irrevocably deposited with the Escrow Agent in an amount sufficient to defease the Refunded Bonds in accordance with this Section 13 and the Sale Motion.

The county will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent shall be paid when due. The proper officers and agents of the county are directed to obtain from the Escrow Agent an agreement setting forth the duties, obligations and responsibilities of the Escrow Agent in connection with the redemption and retirement of the Refunded Bonds as provided herein and setting forth such provisions for the payment of the fees, compensation and expenses of such Escrow Agent as are satisfactory to it. To carry out the purposes of this section of this ordinance, the Finance Manager is authorized and directed to execute and deliver to the Escrow Agent such an escrow agreement in form approved by bond counsel to the county.

B. Findings of Savings and Defeasance. By each Sale Motion, the council shall set forth its findings of savings and defeasance with respect to the Refunded Bonds authorized to be refunded from the proceeds of each series of the Bonds and the excess Baseball Stadium Taxes and Revenues.

SECTION 14. 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 and have not been amended, modified or supplemented in any material respect.

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. The adoption of this ordinance, and compliance on the county's part with the provisions contained herein, will not conflict with or constitute a breach of or 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.

F. The county finds and covenants that the Bonds are issued within all statutory and constitutional debt limitations applicable to the county.

G. None of the proceeds of the Bonds will be used for any purpose other than as provided in this ordinance, and the county shall not suffer any amendment or supplement to this ordinance, or any departure from the due performance of the obligations of the county hereunder, which might materially adversely affect the rights of the owners from time to time of the Bonds.

H. All acts, conditions and things required by the Constitution and statutes of the State and the King County Charter and ordinances of the county to exist, to have happened, been done and performed precedent to and in the issuance of the Bonds have happened, been done and performed and that the issuance of the Bonds does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the county may incur.

SECTION 15. 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 in

order 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. To assist in ensuring that such Bonds will not constitute “private activity bonds,” the county covenants during such time as any Bonds remain outstanding, that it will not levy the admissions taxes authorized under Section 203(3)(b) of the Act and RCW 36.38.010(b).

SECTION 16. Arbitrage Rebate. The county will 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 17. Sale of Bonds. The Finance Manager shall determine, in consultation with the county’s financial advisors, which of the Refunding Candidates shall be refunded and whether each series of the Bonds shall be sold by negotiated sale or by competitive bid. The authority to issue any of the Bonds authorized hereunder shall terminate one year from the effective date of this ordinance.

A. Savings Criteria for Advance Refunding. In determining which of the Refunding Candidates, if any, should be advance refunded pursuant to the authority of this ordinance, the council intends that that Finance Manager adhere to a refunding guideline that the present value of the savings achieved by any advance refunding exceed a minimum level of approximately 5% of the principal amount of Refunded Bonds that are advance refunded. This requirement does not apply to the current refunding of any Refunded Bonds, i.e., the redemption of such Refunded Bonds paid for with proceeds of Bonds issued no earlier than 90 days prior to such date fixed for redemption.

B. Procedure for Negotiated Sale. If the Finance Manager determines that 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 any series of the Bonds shall establish the date, principal amount, interest payment dates, interest rates, maturity schedule and redemption provisions of such Bonds. The county council by the Sale Motion shall ratify and approve the bond purchase contract and terms for the series of Bonds established therein.

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 such Bonds shall be received at such time or place and by such means as the Finance Manager shall direct. The Finance Manager is authorized to prepare a notice of sale for such Bonds, establishing in such notice the date, principal amount, interest payment dates, maturity schedule and redemption provisions of such Bonds. The official notice of 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 open 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 such Bonds. The county council by a Sale Motion shall approve the sale of such Bonds and establish the date, interest rates, maturity schedule and redemption provisions of such Bonds.

SECTION 18. Delivery of Bonds. Following the sale of any 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, or in such other form acceptable to DTC as initial depository for the Bonds.

If definitive Bonds are not ready for delivery by the date established for the Closing, 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 with appropriate omissions, changes and additions. Any 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 when the latter are ready for delivery.

SECTION 19. Official Statement. 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 any series of the Bonds; and (ii) for the sole purpose of the Bond purchasers’ compliance with Section (b)(1) of the Rule, 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 subject to final pricing, ratings, and other terms of the Bonds dependent on such matters. After a Preliminary Official Statement has been reviewed and approved in accordance with the provisions of this section, the county hereby authorizes distribution of the Preliminary Official Statement to prospective purchasers of such Bonds.

Following the sale of any series of the Bonds in accordance with Section 17 of this ordinance, the Finance Manager is hereby authorized to review and approve on behalf of the county a final official statement with respect to such Bonds. The county agrees to cooperate with the purchaser of such 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 the purchaser, copies of the final official statement in sufficient quantity to comply with paragraph (b)(4) of the Rule and the rules of the MSRB.

SECTION 20. Undertaking to Provide Ongoing Disclosure. In each Sale Motion, the county council will set forth an undertaking for ongoing disclosure with respect to each series of the Bonds, as required by Section (b)(5) of the Rule.

SECTION 21. 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 22. 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 Redemption Account 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 the applicable Sale Motion.

SECTION 23. 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 are deemed 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.

SECTION 24. Effective Date. This ordinance shall be effective ten days after its enactment, in accordance with Article II of the county charter.
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