



Legislation Details (With Text)

File #: 2020-0104 **Version:** 2

Type: Ordinance **Status:** Passed

File created: 2/25/2020 **In control:** Budget and Fiscal Management Committee

On agenda: **Final action:** 9/1/2020

Enactment date: 9/17/2020 **Enactment #:** 19154

Title: AN ORDINANCE authorizing the issuance and sale of one or more series of limited tax general obligation bonds of the county in an aggregate original principal amount not to exceed \$150,000,000 to provide financing for transit operational capacity projects, the acquisition of an office facility, the acquisition of land adjacent to the airport, the jail management system project, upgrades to the FMD asset management system, the acquisition of a building for the downtown public health clinic, and open space acquisitions, and to pay costs of issuing the bonds; providing for the disposition of the proceeds of sale of the bonds; and 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.

Sponsors: Jeanne Kohl-Welles

Indexes: Bonds

Code sections:

Attachments: 1. Ordinance 19154, 2. 2020-0104 Legislative Review Form, 3. 2020-0104 transmittal letter, 4. 2020-0104 Fiscal Note, 5. 2020-0104_SR_LTGOBonds, 6. 2020-0104_ATT2_AMD_S1_Final, 7. 2020-0104_ATT3_Amd_T1_V2, 8. 2020-0104_RevisedSR_LTGOBonds

Date	Ver.	Action By	Action	Result
9/1/2020	2	Metropolitan King County Council	Passed	Pass
8/26/2020	1	Budget and Fiscal Management Committee	Recommended Do Pass Substitute Consent	Pass
2/25/2020	1	Metropolitan King County Council	Introduced and Referred	

Clerk 08/26/2020

AN ORDINANCE authorizing the issuance and sale of one or more series of limited tax general obligation bonds of the county in an aggregate original principal amount not to exceed \$150,000,000 to provide financing for transit operational capacity projects, the acquisition of an office facility, the acquisition of land adjacent to the airport, the jail management system project, upgrades to the FMD asset management system, the acquisition of a building for the downtown public health clinic, and open space acquisitions, and to pay costs of issuing the bonds; providing for the disposition of the proceeds of sale of the

bonds; and 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.

PREAMBLE:

The county council has either previously reviewed and approved or expects to review and approve transit operational capacity projects, the acquisition of an office facility in downtown Kent, the acquisition of land adjacent to the airport, the jail management system project, upgrades to the facilities management division asset management system, the acquisition of a building for the downtown public health clinic, and open space acquisitions.

It is deemed necessary and advisable that the county now authorize the issuance and sale of one or more series of its limited tax general obligation bonds in an aggregate original principal amount not to exceed \$150,000,000 to provide financing for those projects, and to pay costs of issuing the bonds.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

"Bond Account" means, with respect to each Series of Bonds, the bond redemption account established therefor pursuant to section 14 of this ordinance.

"Bonds" means the limited tax general obligation bonds of the county in an aggregate original principal amount not to exceed \$150,000,000, authorized to be issued in one or more Series by this ordinance to provide financing for one or more of the Projects and to pay costs of issuing the Bonds. Each Series of Bonds may be issued as Tax-Exempt Bonds or Taxable Bonds, as provided in section 10 of this ordinance.

"Code" means the Internal Revenue Code of 1986, as in effect on the date of issuance of the Tax-Exempt Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued

on the date of issuance of the Tax-Exempt Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Conservation Futures Land Acquisition Projects" means the acquisition of open spaces.

"Downtown Public Health Clinic Project" means the acquisition of a building for the Downtown Public Health Clinic.

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

"Fair Market Value" means the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm's-length transaction, except for specified investments as described in Treasury Regulations §1.148-5(d)(6), including United States Treasury Obligations, certificates of deposit, guaranteed investment contracts, and investments for yield-restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

"Federal Tax Certificate" means the certificate executed by the Finance Director setting forth the requirements of the Code for maintaining the tax status of the Tax-Exempt Bonds, and attachments thereto.

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

"FMD Asset Management System Upgrade Project" means upgrades to the FMD asset management system.

"Forge Site Acquisition Project" means the acquisition of a site adjacent to the King County International Airport.

"Government Obligations" means "government obligations," as defined in chapter 39.53 RCW, as now in existence or as may be amended from time to time.

"Jail Management System Project" means the acquisition and implementation of an integrated Jail

Management System to replace the current legacy system and several separate side systems.

"Kent Building Acquisition Project" means the acquisition of an office facility in downtown Kent.

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

"Official Notice of Bond Sale" means, with respect to each Series of Bonds sold by competitive bid, the official notice of sale therefor prepared pursuant to section 10 of this ordinance.

"Projects" means, collectively, the Conservation Futures Land Acquisition Project, FMD Asset Management System Upgrade Project, Transit Operational Capacity Project, Kent Building Acquisition Project, Forge Site Acquisition Project, Jail Management System Project, and Downtown Public Health Clinic Project.

"Record Date" means, for an interest or principal payment date or for a maturity date, the 15th day of the calendar month next preceding that date.

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

"Registrar" means, except as set forth in the Sale Motion, the fiscal agent of the State appointed from time to time by the Washington State Finance Committee pursuant to chapter 43.80 RCW, serving as the registrar, authenticating agent, paying agent and transfer agent for the Bonds.

"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.

"Sale Motion" means a motion of the county council adopted at the time of sale of each Series of Bonds that ratifies and establishes the terms for that Series of Bonds.

"Series" or "Series of Bonds" means a series of Bonds issued pursuant to this ordinance.

"State" means the State of Washington.

"Taxable Bonds" means the Bonds of any Series determined to be issued on a taxable basis pursuant to section 10 of this ordinance.

"Tax-Exempt Bonds" means the Bonds of any Series determined to be issued on a tax-exempt or tax-advantaged basis pursuant to section 10 of this ordinance.

"Transit Operational Capacity Project" means the various projects to expand transit operational capacity.

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

- A. The Projects 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, payable from regular property taxes or other revenues and money of the county legally available for such purposes, to provide financing for the Projects and to pay costs of issuing the bonds will reduce the overall costs of borrowing such funds and is in the best interests of the county and its citizens.

SECTION 3. Authorization of the Projects. The county council has previously reviewed and approved or expects to review and approve the undertaking of the Projects. The Projects shall also include (a) capitalized interest, interest on interim financing for such Projects pending receipt of Bond proceeds and costs and expenses incurred in issuing the Bonds; (b) the capitalizable 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 implementation of the Projects; and (c) the purchase of all materials, supplies, appliances, equipment and facilities, and the permits, franchises, property and property rights and capitalizable administrative costs, incidental, necessary or convenient to the implementation of the Projects.

Any of the Projects may be modified where deemed advisable or necessary in the judgment of the county council, and implementation or completion of any component thereof will not be required if the county council determines that it has become inadvisable or impractical. If all components of the Projects have been completed, their completion has been duly provided for or completion of all or any of them is found to be inadvisable or impractical, the county may pay, redeem or defease Bonds, or apply any remaining proceeds of the Bonds, or any portion thereof, to the acquisition or improvement of other county capital projects as the

county council may determine. In the event that the proceeds of the sale of the Bonds, plus any other money of the county legally available therefor, are insufficient to accomplish all of the Projects, the county shall use the available funds to finance those components of the Projects deemed by the county council to be most necessary and in the best interest of the county.

SECTION 4. Purpose, Authorization and Description of Bonds.

A. Purpose and Authorization of Bonds. The county authorizes the issuance of the Bonds to provide financing for the Projects and to pay costs of issuing the Bonds.

B. Description of Bonds. The Bonds may be issued in one or more Series so long as the aggregate original principal amount of all Series of Bonds does not exceed \$150,000,000. Each Series of Bonds will be designated "King County, Washington, Limited Tax General Obligation Bonds," with the year and any applicable Series designation, all as established by the related Sale Motion. Each Series of Bonds will be dated as of such date, will mature on the date or dates in each of the years and in the principal amounts, will bear interest (computed, except as set forth in the Sale Motion, 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, will be subject to redemption and/or purchase prior to maturity in the amounts, in the manner and at the prices and will be subject to such other terms and provisions as the county council will establish by the related Sale Motion. Each Series of Bonds will be fully registered as to both principal and interest, will be in one denomination or in the denomination of \$5,000 each or any integral multiple thereof (but no Bond shall represent more than one maturity within a Series) and will be numbered separately in such manner and with any additional designation as the Registrar deems necessary for purposes of identification.

C. Initial Immobilization of Bonds; Depository Provisions. Except as otherwise provided in the Sale Motion, the Bonds of each Series will initially be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Letter of Representations. Neither the county

nor the Registrar will 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 principal or redemption price of 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 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 registered owner of such Bonds.

The Bonds of each Series will initially be issued in denominations equal to the aggregate principal amount of each maturity and, except as set forth in the Sale Motion, will initially be registered in the name of Cede & Co., as the nominee of DTC. Such Bonds so registered will 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, will be deemed to be the registered owner for all purposes hereunder and all references to registered owners, bondowners, bondholders or owners will mean DTC or its nominees and will 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 will 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 provided in this ordinance 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 will 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 Registrar, upon receipt of all outstanding Bonds of such Series together with a written request on behalf of the county, will 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 its 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 provided in this ordinance and such Bonds will no longer be held in fully immobilized form. The county will deliver a written request to the Registrar, together with a supply of physical Bonds of such Series, to issue Bonds of such Series as provided in this ordinance in any authorized denomination. Upon receipt of all then outstanding Bonds of any Series by the Registrar, together with a written request on behalf of the county to the Registrar, new Bonds of such Series will be issued in such denominations and registered in the names of such persons as are requested in such a written request.

D. Registration, Transfer and Exchange. The county hereby adopts for the Bonds the system of registration specified and approved by the Washington State Finance Committee, except as set forth in the Sale Motion. The Registrar will keep, or cause to be kept the Register, which will at all times be open to inspection by the county. The Register will contain the name and mailing address of the owner (or nominee thereof) of each Bond and the principal amount and number of Bonds held by each owner or nominee. The Registrar is authorized, on behalf of the county, to authenticate and deliver Bonds transferred or exchanged for other Bonds in accordance with the provisions thereof and this ordinance and to carry out all of the Registrar's powers and

duties under this ordinance.

The Registrar will be responsible for its representations contained in the Certificate of Authentication on the Bonds. The Registrar may become the owner of Bonds with the same rights it would have if it were not the 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 Registrar, the Bonds of each Series are exchangeable for other Bonds of the same Series, maturity and interest rate and in the same aggregate principal amount, in any authorized denomination, except as set forth in the Sale Motion. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Registrar. Upon such surrender, the Registrar will cancel the surrendered Bond and will authenticate and deliver, without charge to the owner or transferee therefor (other than taxes, if any, payable on account of such transfer), one or more (at the option of the new registered owner) new Bonds of the same Series, maturity and interest rate and in 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 canceled and surrendered Bond, in exchange therefor. The Registrar will not be obligated to transfer or exchange any Bond during the period beginning at the opening of business on the Record Date for a maturity date and ending at the close of business on such maturity date.

The county and the 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 Registrar will be affected by any notice to the contrary.

E. Place, Manner and Medium of Payment. Both principal of and interest on the Bonds will be payable in lawful money of the United States of America. For so long as any 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 will be made in immediately available funds on the date such payment is due and payable at the

place and in the manner provided in the operational arrangements of DTC referenced 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 will be paid by check or draft mailed, or by wire transfer, to the registered owners of such Bonds at the addresses for such registered owners appearing on the Register on the Record Date for that interest payment date, or by electronic transfer on the interest payment date to an account within the United States designated by a registered owner of at least \$1,000,000 in principal amount of such Bonds, except as provided in the Sale Motion. The county shall not be required to make electronic transfers except to a registered owner of Bonds pursuant to a request in writing received on or prior to the Record Date for that interest payment date and any such electronic transfer shall be at the sole expense of that registered owner. Principal of the Bonds will 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 to the Registrar.

F. Form, Execution and Authentication of Bonds. The Bonds will be prepared in a form consistent with the provisions of this ordinance and State law. The Bonds will be executed on behalf of the county with the manual or facsimile signatures of the county executive and the clerk of the county council and will have the seal of the county or a facsimile reproduction thereof impressed or printed thereon.

In case any officer who has executed the Bonds ceases to be an officer of the county authorized to sign the Bonds before the Bonds bearing the ex-officer's signature are authenticated or delivered by the Registrar or issued by the county, those Bonds may nevertheless be authenticated, issued and delivered and, when authenticated, issued and delivered, will be as binding upon the county as though that person had continued to be an officer of the county authorized to sign the Bonds. Any Bond also may be signed on behalf of the county by any person who, on the actual date of signing of the Bond, is an officer of the county authorized to sign the Bonds, although he or she did not hold the required office on the date of issuance of the Bonds.

Only such Bonds as shall bear thereon a Certificate of Authentication substantially in the following form, manually executed by an authorized representative of the Registrar, will be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "CERTIFICATE OF AUTHENTICATION. This Bond is one of the King County, Washington, Limited Tax General Obligation Bonds, [Year][, Series __], described in the Bond Ordinance." Such Certificate of Authentication will 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 5. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes mutilated, the Registrar will authenticate and deliver one or more (at the option of the registered owner) new Bonds of the same Series, maturity and interest rate and for the same aggregate principal amount, in any authorized denomination, in exchange and substitution therefor, upon the owner's paying the expenses and charges of the county and the Registrar in connection therewith and upon surrender to the Registrar of the mutilated Bond. Every mutilated Bond so surrendered will be canceled and destroyed by the Registrar.

If any Bond is lost, stolen or destroyed, the Registrar may authenticate and deliver one or more (at the option of the registered owner) new Bonds of the same Series, maturity and interest rate and for the same aggregate principal amount, in any authorized denomination, to the registered owner thereof upon the owner's paying the expenses and charges of the county and the Registrar in connection therewith, upon the owner's filing with the Registrar evidence satisfactory to the Registrar that such Bond was actually lost, stolen or destroyed and of his or her ownership thereof, and upon furnishing the county and the Registrar with indemnity satisfactory to the Finance Director and the Registrar.

SECTION 6. Pledge of Taxation and Credit. The county hereby irrevocably covenants and agrees that, for as long as any of the Bonds are outstanding and unpaid, each year it will include in its budget and levy an *ad valorem* tax upon all the 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, to pay the

principal of and interest on the Bonds as the same shall become due.

The county hereby irrevocably pledges that the annual tax provided for in this ordinance to be levied for the payment of such principal and interest will 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 the taxes to be levied and collected annually 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 will become due.

SECTION 7. General Covenants and Warranties. The county makes the following covenants with and warranties to the owners of the Bonds:

A. The county has full legal right, power and authority to adopt this ordinance, to sell, issue and deliver each Series of Bonds as provided in this ordinance 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 this ordinance and the consummation by it of all other transactions necessary to effectuate this ordinance in connection with the issuance of each Series of 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. When issued, sold, authenticated and delivered, each Series of Bonds will constitute legal, valid and binding general obligations of the county.

E. The enactment of this ordinance, and compliance on the county's part with the provisions contained in this ordinance, 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.

F. Each Series of Bonds will be issued within all statutory and constitutional debt limitations applicable to the county.

SECTION 8. Federal Tax Law Covenants. The county will take all actions necessary to assure the tax-advantaged status on the Tax-Exempt Bonds, or the exclusion of interest on the Tax-Exempt Bonds from the gross income of the owners of the Tax-Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Tax-Exempt Bonds, as set forth in the Federal Tax Certificate, including but not limited to the following to the extent applicable:

A. The county will assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds issued as governmental bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code or to cause any other Tax-Exempt Bonds to fail to qualify as exempt private activity bonds.

B. The county will not sell or otherwise transfer or dispose of (i) any personal components of the projects refinanced with proceeds of the Tax-Exempt Bonds (the "Tax-Exempt Projects") other than in the ordinary course of an established government program under Treasury Regulation Section 1.141-2(d)(4) or (ii) any real property components of the Tax-Exempt Projects, unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on the Tax-Exempt Bonds as excludable from gross income for federal income tax purposes.

C. The county will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Tax-Exempt Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. The county will take any and all actions necessary to assure compliance with Section 148(f) of

the Code, relating to the rebate of excess investment earnings, if any, to the federal government.

E. The county will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Tax-Exempt Bonds issued as governmental bonds, which if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

F. The county will maintain a system for recording the ownership of each Tax-Exempt Bond that complies with the provisions of Section 149 of the Code until all Tax-Exempt Bonds have been surrendered and canceled.

G. The county will retain its records of all accounting and monitoring it carries out with respect to the Tax-Exempt Bonds for at least three years after the Tax-Exempt Bonds mature or are redeemed (whichever is earlier); however, if the Tax-Exempt Bonds are redeemed and refunded, the county will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Tax-Exempt Bonds.

H. In the event the county issues one or more series of Tax-Exempt Bonds as tax-advantaged bonds eligible for federal tax credits, a federal interest subsidy, or other subsidy, the county will comply with the provisions of the Federal Tax Certificate setting forth or incorporating applicable requirements.

I. The county will comply with the provisions of the Federal Tax Certificate with respect to the Tax-Exempt Bonds, which are incorporated herein as if fully set forth herein. The covenants of this section will survive payment in full or defeasance of the Tax-Exempt Bonds.

SECTION 9. Refunding or Defeasance of Bonds. The county may issue refunding obligations pursuant to the laws of the State or use money available from any other lawful source to pay when due the principal of, premium, if any, and interest on the Bonds of any Series, or any portion thereof included in a refunding or defeasance plan and to redeem and retire, refund or defease all or a portion of such then-

outstanding Bonds of such Series (hereinafter collectively called the "Defeased Bonds"), and to pay the costs of the refunding or defeasance.

If 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 the Defeased Bonds in accordance with their terms are set aside in a special trust or escrow fund or account irrevocably pledged to that redemption, retirement or defeasance of Defeased Bonds (hereinafter called the "trust account"), then the Defeased Bonds will be deemed not to be outstanding hereunder, no further payments need be made into the related Bond Account for the payment of the principal of and interest on the Defeased Bonds and the Owners of the Defeased Bonds will cease to be entitled to any covenant, pledge, benefit or security of this ordinance. The owners of Defeased Bonds will have the right to receive payment of the principal of, premium, if any, and interest on the Defeased Bonds from the trust account.

The county will provide or cause to be provided notice of defeasance of such Bonds to the Municipal Securities Rulemaking Board in accordance with the undertaking for ongoing disclosure to be adopted pursuant to section 12 of this ordinance.

SECTION 10. Sale of Bonds. The county hereby authorizes the sale of the Bonds. The Finance Director is authorized to proceed with the sale of the Bonds pursuant to subsection A., B. or C. of this section to finance costs of any Project that has been approved by the county council or will have been approved by the county council prior to the sale date for such Bonds. The Bonds will be sold in one or more Series, any of which may be sold in a combined offering with other bonds and/or notes of the county, at the option of the Finance Director. The Finance Director will determine, in consultation with the county's financial advisors, whether each Series of Bonds will be sold by competitive bid, negotiated sale or otherwise, whether such Series of Bonds will be issued and sold as Tax-Exempt Bonds or Taxable Bonds, and whether any Series of Bonds will be issued and sold as a single issue for tax purposes with bonds issued pursuant to Ordinance 18960 adopted on July 17, 2019 to pay costs of the solid waste capital program.

A. Competitive Bid. If the Finance Director determines that any Series of Bonds will be sold by competitive bid, bids for the purchase of such Series of Bonds will be received at such time and place and by such means as the Finance Director will direct. The Finance Director is authorized to prepare an Official Notice of Bond Sale for each Series of Bonds to be sold pursuant to competitive bid, which notice will be filed with the clerk of the county council and will be ratified and confirmed by the Sale Motion therefor. The Official Notice of Bond Sale will specify whether the Bonds of such Series are being issued and sold as Tax-Exempt Bonds or Taxable Bonds, whether any Series will be designated as "green bonds," and will identify the year and any applicable Series designation, date, principal amounts and maturity dates, interest payment dates, redemption and/or purchase provisions and delivery date for such Series of Bonds.

Upon the date and time established for the receipt of bids for such Series of Bonds, the Finance Director or the Finance Director's designee will review the bids received, will cause the bids to be mathematically verified and will report to the county council regarding the bids received. Such bids will 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 Series of Bonds. Alternatively, the county council will, by Sale Motion, accept the winning bid for the purchase of such Series of Bonds and will also ratify and establish the year and any applicable Series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, redemption and/or purchase provisions and delivery date for such Series of Bonds.

B. Negotiated Sale. If the Finance Director determines that any Series of Bonds will be sold by negotiated sale, the Finance Director will, in accordance with applicable county procurement procedures, solicit one or more underwriting firms with which to negotiate the sale of such Bonds. The bond purchase contract for such Series of Bonds will specify whether the Bonds of such Series are being issued and sold as Tax-Exempt Bonds or Taxable Bonds, whether any Series of Bonds are designed as "green bonds," and will also identify the year and any applicable Series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, redemption and/or purchase provisions and delivery date for such Series of Bonds. The

county council, by Sale Motion, will approve the bond purchase contract and ratify and establish the terms for such Series of Bonds identified in such bond purchase contract.

C. Other Sales. If the Finance Director determines that any Series of Bonds will be sold to the federal government or other purchaser to evidence a loan from that purchaser, the Finance Director will negotiate the sale of such Bonds and the terms of any loan or other agreement with the purchaser. The loan agreement or other agreement for such Series of Bonds will specify whether the Bonds of such Series are being issued and sold as Tax-Exempt Bonds or Taxable Bonds, whether any Series of Bonds are designed as "green bonds," and will also identify the year and any applicable Series designation, date, principal amounts and maturity dates, interest rates and interest payment dates, redemption and/or purchase provisions and delivery date for such Series of Bonds. The county council, by Sale Motion, will approve the loan or other agreement and ratify and establish the terms for such Series of Bonds identified in such loan or other agreement.

SECTION 11. Preliminary Official Statement and Final Official Statement. The county hereby authorizes and directs the Finance Director: (i) to review and approve the information contained in any preliminary official statement (each, a "Preliminary Official Statement") prepared in connection with the sale of each Series of Bonds; and (ii) for the sole purpose of compliance by the purchasers of such Series of Bonds with subsection (b)(1) of the Rule, to "deem final" the related Preliminary Official Statement as of its date, except for such omissions as are permitted under the Rule. After each Preliminary Official Statement has been reviewed and approved in accordance with the provisions of this section, the county hereby authorizes the distribution of such Preliminary Official Statement to prospective purchasers of such related Series of Bonds.

Following the sale of each Series of Bonds, the Finance Director is hereby authorized to review and approve on behalf of the county a final official statement with respect to such Series of Bonds. The county agrees to cooperate with the successful bidder for each Series of Bonds to deliver or cause to be delivered, within seven business days from the date of the Sale Motion, and in sufficient time to accompany any confirmation that requests payment from any customer of such successful bidder, copies of a final official

statement pertaining to such Series of Bonds in sufficient quantity to allow compliance with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

SECTION 12. Undertaking to Provide Ongoing Disclosure. The county council will undertake to provide ongoing disclosure with respect to each Series of Bonds, as required by subsection (b)(5) of the Rule, in the Sale Motion therefor.

SECTION 13. Delivery of Bonds. Following the sale of each Series of Bonds, the county shall cause definitive Bonds of such Series to be prepared, executed and delivered to the purchaser thereof in accordance with the provisions of this ordinance.

If definitive Bonds of any Series are not ready for delivery by the date established for their delivery to the initial purchaser, then the Finance Director, upon the approval of the purchaser, may cause to be issued and delivered to the purchaser one or more temporary Bonds of the same Series 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 of the same Series when the latter are ready for delivery.

SECTION 14. Bond Accounts. There has heretofore been created in the office of the Finance Director a special fund known as the "King County Limited Tax General Obligation Bond Redemption 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 for each Series of Bonds to be known as the "Limited Tax General Obligation Bond Redemption Account, [Year][, Series ___]" (each, a "Bond Account").

Any accrued interest on any Series of Bonds will be deposited in the related Bond Account at the time of delivery of such Series of Bonds and will be applied to the payment of interest thereon.

The taxes hereafter levied for the purpose of paying principal of and interest on each Series of Bonds

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

SECTION 15. Deposit of Bond Proceeds.

A. There is hereby created the "2020 G.O. Bonds Facilities Subfund" within the FMD Building Repair/Replacement Fund (3951). This subfund will be a first tier fund managed by the director of the facilities management division of the department of executive services of the county, or any successor to the functions thereof. The exact amount of proceeds from the sale of any Series of Bonds to be deposited into the 2020 G.O. Bonds Facilities Subfund to provide long-term financing for all or part of the capital costs of the Kent Building Acquisition Project, the Forge Site Acquisition Project, the FMD Asset Management System Upgrade Project, and the Downtown Public Health Clinic Project shall be determined by the Finance Director upon the sale of such Series of Bonds.

B. There is hereby created the "2020 G.O. Bonds Conservation Subfund" within the Conservation Futures Fund (3151). This subfund will be a first tier fund managed by the water and land division of the department of parks and natural resources of the county, or any successor to the functions thereof. The exact amount of proceeds from the sale of any Series of Bonds to be deposited into the 2020 G.O. Bonds Conservation Subfund to provide long-term financing for all or part of the capital costs of the Conservation Futures Land Acquisition Projects shall be determined by the Finance Director upon the sale of such Series of Bonds.

C. There is hereby created the "2020 G.O. Bonds [KCIT] Subfund" within the Office of

Information Resource Management Capital Projects Fund (3771). This subfund will be a first tier fund managed by director of the department of information technology of the county, or any successor to the functions thereof. The exact amount of proceeds from the sale of any Series of Bonds to be deposited into the 2020 G.O. Bonds [KCIT] Subfund to provide long-term financing for all or part of the capital costs of the Jail Management System Project shall be determined by the Finance Director upon the sale of such Series of Bonds.

D. There is hereby created the "2020 G.O. Bonds Public Transportation Construction Subfund" within the Public Transportation Construction Fund (3641). This subfund will be a first tier fund managed by the director of the metro transit department of the county, or any successor to the functions thereof. The exact amount of proceeds from the sale of any Series of Bonds to be deposited into the 2020 G.O. Bonds Public Transportation Construction Subfund to provide long-term financing for all or part of the capital costs of the Transit Operational Capacity Project shall be determined by the Finance Director upon the sale of such Series of Bonds.

SECTION 16. Investment of and Accounting for Bond Proceeds. Funds deposited in the funds and accounts described in sections 14 and 15 of this ordinance will be invested as permitted by law for the sole benefit of such funds and accounts. Irrespective of the general provisions of Ordinance 7112 and K.C.C. chapter 4.10, the county current expense fund will not receive any earnings attributable to such funds and accounts. Money other than proceeds of the Bonds may be deposited in the funds and accounts described in sections 14 and 15 of this ordinance; provided, however, that proceeds of each Series of Bonds that are issued as Tax-Exempt Bonds and the earnings thereon will be accounted for separately for purposes of the arbitrage rebate computations required to be made under the Code and will be acquired, valued and disposed of at Fair Market Value. For purposes of such computations, Bond proceeds will be deemed to have been expended first, and then any other funds.

SECTION 17. 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 each Series of Bonds and for the proper use and application of the proceeds of the sale thereof.

SECTION 18. Contract; Severability. The covenants applicable to the Bonds contained in this ordinance will 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 will be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, will be null and void and will be deemed separable from the remaining covenants and agreements of this ordinance and will in no way affect the validity of the other provisions of this ordinance or the Bonds.