



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

March 29, 2004

Ordinance 14857

Proposed No. 2004-0091.1

Sponsors Gossett

1 AN ORDINANCE authorizing the issuance of
2 \$164,000,000 principal amount of unlimited tax general
3 obligation bonds of the county to provide part of the funds
4 for making capital improvements to Harborview Medical
5 Center, as authorized by county ordinance and approved by
6 the qualified electors of the county at the September 19,
7 2000 election; providing for the date, form and terms of
8 said bonds; providing for the sale of the bonds and the
9 disposition of the proceeds of sale; establishing funds for
10 the receipt and expenditure of bond proceeds and for the
11 payment of the bonds; and providing for the annual levy of
12 taxes to pay the principal thereof and interest thereon.

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PREAMBLE:

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At an election held in King County, Washington (the "county"), on

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September 19, 2000, the number and proportion of the qualified electors

18 of the county required by law for the adoption thereof voted in favor of a
19 proposition authorizing the issuance of unlimited tax general obligation
20 bonds of the county in the aggregate principal amount of \$193,130,000 to
21 provide funds to pay part of the cost of acquiring, constructing, equipping
22 and making certain capital improvements to facilities of Harborview
23 Medical Center, as authorized by Ordinance 13896 of the county, passed
24 on July 10, 2000.

25 As authorized by Ordinance 13963 of the county and Motion 11106 of the
26 county council, the county issued \$29,130,000 principal amount of such
27 authorized bonds on February 6, 2001.

28 The council now deems it necessary and advisable that the county issue
29 and sell the remaining \$164,000,000 principal amount of such authorized
30 bonds to provide part of the funds necessary to acquire, construct, equip
31 and make said capital improvements to facilities of Harborview Medical
32 Center.

33 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

37 "Arbitrage and Tax Certification" means the certificate executed by the Finance
38 Director pertaining to the calculation and payment of any Rebate Amount with respect to
39 the Bonds.

40 "Bond Fund" means the bond redemption fund for unlimited tax general
41 obligation bonds of the county.

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

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

48 "Bonds" means the King County, Washington, Unlimited Tax General Obligation
49 Bonds, authorized to be issued pursuant to this ordinance.

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

54 "Commission" means the United States Securities and Exchange Commission.

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

56 "Election Ordinance" means Ordinance 13896 of the county passed by the county
57 council on July 10, 2000, and approved by the required number and proportion of electors
58 of the county at an election held on September 19, 2000.

59 "Finance Director" means the Director of Finance and Business Operations
60 Division of the county (or any other county officer who succeeds to the duties now
61 delegated to that office) or the designee of the Finance Director.

62 "MSRB" means the Municipal Securities Rulemaking Board or any successor to
63 its functions.

64 "NRMSIR" means a nationally recognized municipal securities information
65 repository.

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

69 "Registered Owner" means any person or entity who shall be the registered owner
70 of any Bond.

71 "Rule" means the Commission's Rule 15c2-12 under the Securities and Exchange
72 Act of 1934, as the same may be amended from time to time.

73 "Sale Motion" means a motion of the council approving a bid for a series of the
74 Bonds, in accordance with Section 15 hereof.

75 "SID" means a state information depository for the State of Washington (if one is
76 created).

77 **SECTION 2. Purpose and Authorization of Bonds.** The county shall now issue
78 and sell \$164,000,000 principal amount of unlimited tax general obligation bonds,
79 representing the remaining unissued bonds authorized by the Election Ordinance and
80 approved by the qualified electors of the county at a special election held on September
81 19, 2000, for the purpose of providing part of the funds to pay the cost of acquiring,
82 constructing, equipping and making certain capital improvements to facilities of
83 Harborview Medical Center. The Bonds may be issued in one or more series, each to be
84 designated as "King County, Washington, Unlimited Tax General Obligation Bonds,

85 [applicable year] (Harborview Medical Center),” and shall be sold as provided in
86 Section 15 hereof and ratified and confirmed by a Sale Motion.

87 The Bonds shall be fully registered as to both principal and interest, shall be in the
88 denomination of \$5,000 each or any integral multiple thereof (but no Bond shall represent
89 more than one maturity), shall be numbered separately in such manner and with any
90 additional designation as the Bond Registrar deems necessary for purposes of
91 identification, and shall be dated as of such date and shall mature on the dates, in the
92 years and amounts established as provided in Section 15 hereof.

93 The Bonds shall bear interest (computed on the basis of a 360-day year of twelve
94 30-day months) from their date or from the most recent interest payment date for which
95 interest has been paid or duly provided for, whichever is later, payable on interest
96 payment dates and at the rate or rates established as provided in Section 15.

97 **SECTION 3. Registration, Exchange and Payments.**

98 A. Bond Registrar/Bond Register. In accordance with KCC 4.84, the county
99 hereby adopts for the Bonds the system of registration specified and approved by the
100 Washington State Finance Committee, which utilizes the fiscal agencies of the State of
101 Washington in Seattle, Washington, and New York, New York, as registrar,
102 authenticating agent, paying agent and transfer agent (collectively, the “Bond Registrar”).
103 The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office,
104 sufficient books for the registration and transfer of the Bonds, which shall at all times be
105 open to inspection by the county. The Bond Registrar is authorized, on behalf of the
106 county, to authenticate and deliver the Bonds transferred or exchanged in accordance

107 with the provisions of such Bonds and this ordinance and to carry out all of the Bond
108 Registrar's powers and duties under this ordinance.

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

115 B. Registered Ownership. The county and the Bond Registrar, each in its
116 discretion, may deem and treat the Registered Owner of each Bond as the absolute owner
117 thereof for all purposes, and neither the county nor the Bond Registrar shall be affected
118 by any notice to the contrary. Payment of any such Bond shall be made only as described
119 in Section 3.G hereof, but such registration may be transferred as herein provided. All
120 such payments made as described in Section 3.G shall be valid and shall satisfy and
121 discharge the liability of the county upon such Bond to the extent of the amount or
122 amounts so paid. The county and the Bond Registrar shall be entitled to treat the person
123 in whose name any Bond is registered as the absolute owner thereof for all purposes of
124 this ordinance and any applicable laws, notwithstanding any notice to the contrary
125 received by the Bond Registrar or the county.

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

130 Neither the county nor the Bond Registrar will have any responsibility or
131 obligation to DTC participants or the persons for whom they act as nominees with respect
132 to the Bonds in respect of the accuracy of any records maintained by DTC or any DTC
133 participant, the payment by DTC or any DTC participant of any amount in respect of the
134 principal of or interest on the Bonds, any notice that is permitted or required to be given
135 to Registered Owners under this ordinance (except such notices as shall be required to be
136 given by the county to the Bond Registrar or to DTC), or any consent given or other
137 action taken by DTC as the Registered Owner. For so long as any Bonds are held in fully
138 immobilized form hereunder, DTC or its successor depository shall be deemed to be the
139 Registered Owner for all purposes hereunder, and all references herein to the Registered
140 Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial
141 interest in the Bonds.

142 D. Use of Depository.

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

152 (2) Upon the resignation of DTC or its successor (or any substitute depository or
153 its successor) from its functions as depository or a determination by the county council to
154 discontinue the system of book entry transfers through DTC or its successor (or any
155 substitute depository or its successor), the county council may hereafter appoint a
156 substitute depository. Any such substitute depository shall be qualified under any
157 applicable laws to provided the services proposed to be provided by it.

158 (3) In the case of any transfer pursuant to clause (i) or (ii) of subsection (1)
159 above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a
160 written request on behalf of the county council, issue a single new Bond for each maturity
161 of such Bonds then outstanding, registered in the name of such successor or such
162 substitute depository, or their nominees, as the case may be, all as specified in such
163 written request of the Finance Director.

164 (4) In the event that (i) DTC or its successor (or substitute depository or its
165 successor) resigns from its functions as depository, and no substitute depository can be
166 obtained, or (ii) the county council determines that it is in the best interest of the
167 beneficial owners of any of the Bonds that they be able to obtain such Bonds in the form
168 of bond certificates, the ownership of Bonds may then be transferred to any person or
169 entity as herein provided, and the Bonds shall no longer be held in fully immobilized
170 form. The Finance Director shall deliver a written request to the Bond Registrar, together
171 with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized
172 denomination. Upon receipt of all then outstanding Bonds by the Bond Registrar
173 together with a written request by the Finance Director on behalf of the county council to

174 the Bond Registrar, new Bonds shall be issued in such denominations and registered in
175 the names of such persons as are requested in such written request.

176 E. Transfer or Exchange of Registered Ownership; Change in Denominations.

177 The registered ownership of any Bond may be transferred or exchanged, but no transfer
178 of any Bond shall be valid unless it is surrendered to the Bond Registrar with the
179 assignment form appearing on such Bond duly executed by the Registered Owner or such
180 Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar.
181 Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall
182 authenticate and deliver, without charge to the Registered Owner or transferee therefor, a
183 new Bond (or Bonds at the option of the new Registered Owner) of the same series, date,
184 maturity and interest rate and for the same aggregate principal amount in any authorized
185 denomination, naming as Registered Owner the person or persons listed as the assignee
186 on the assignment form appearing on the surrendered Bond, in exchange for such
187 surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar
188 and exchanged, without charge, for an equal aggregate principal amount of Bonds of the
189 same series, date, maturity and interest rate, in any authorized denomination. The Bond
190 Registrar shall not be obligated to transfer or exchange any Bond during a period
191 beginning at the opening of business on the 15th day of the month next preceding any
192 interest payment date and ending at the close of business on such interest payment date,
193 or, in the case of any proposed redemption of the Bonds, after the mailing of notice of the
194 call of such Bonds for redemption.

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

198 G. Place and Medium of Payment. Both principal of and interest on the Bonds
199 shall be payable in lawful money of the United States of America. For so long as all
200 Bonds are in fully immobilized form, payments of principal and interest thereon shall be
201 made as provided in accordance with the operational arrangements of DTC referred to in
202 the Letter of Representations. In the event that the Bonds are no longer in fully
203 immobilized form, interest on the Bonds shall be paid by check or draft mailed to the
204 Registered Owners at the addresses for such Registered Owners appearing on the Bond
205 Register on the 15th day of the month preceding the interest payment date, and principal
206 of the Bonds shall be payable upon presentation and surrender of such Bonds by the
207 Registered Owners at the principal office of the Bond Registrar; provided, however, that
208 if so requested in writing by the Registered Owner of at least \$1,000,000 principal
209 amount of Bonds, interest will be paid by wire transfer on the date due to an account with
210 a bank located within the United States.

211 **SECTION 4. Redemption of Bonds; Open Market Purchases.** The county
212 may reserve the right to redeem outstanding Bonds prior to their maturity on the dates
213 and at the prices established as provided in Section 15 hereof and ratified and confirmed
214 by the Sale Motion. Portions of the principal amount of any Bond, in increments of
215 \$5,000 or any integral multiple of \$5,000, may be redeemed.

216 If less than all of the Bonds subject to optional redemption are called for
217 redemption, the county shall choose the maturities to be redeemed. If less than a whole of

218 a maturity is called for redemption, the Bonds to be redeemed shall be chosen by lot by
219 the Bond Registrar or, so long as the Bonds are registered in the name of CEDE & CO. or
220 its registered assign, the Bonds to be redeemed shall be chosen by lot by DTC.

221 If less than all of the principal amount of any Bond is redeemed, upon surrender
222 of such Bond at the principal office of the Bond Registrar there shall be issued to the
223 Registered Owner, without charge therefor, for the then unredeemed balance of the
224 principal amount thereof, a new Bond or Bonds, at the option of the registered owner, of
225 like series, maturity and interest rate in any denomination authorized by this ordinance.

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

228 **SECTION 5. Notice and Effect of Redemption.**

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

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

239 Each notice of redemption shall contain the following information: (1) the
240 redemption date, (2) the redemption price, (3) if less than all outstanding Bonds are to be

241 redeemed, the identification (and, in the case of partial redemption, the principal
242 amounts) of the Bonds to be redeemed, (4) that on the redemption date the redemption
243 price will become due and payable upon each Bond or portion called for redemption, and
244 that interest shall cease to accrue from the redemption date, (5) that the Bonds are to be
245 surrendered for payment at the principal office of the Bond Registrar, (6) the CUSIP
246 numbers of all Bonds being redeemed, (7) the dated date of the Bonds, (8) the rate of
247 interest for each Bond being redeemed, (9) the date of the notice, and (10) any other
248 information needed to identify the Bonds being redeemed.

249 Upon the payment of the redemption price of Bonds being redeemed, each check
250 or other transfer of funds issued for such purpose shall bear the CUSIP number
251 identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such
252 check or other transfer.

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

258 C. Amendment of Notice Provisions. The foregoing notice provisions of this
259 section, including but not limited to the information to be included in redemption notices
260 and the persons designated to receive notices, may be amended by additions, deletions
261 and changes to maintain compliance with duly promulgated regulations and
262 recommendations regarding notices of redemption of municipal securities.

263 **SECTION 6. Form of Bonds; Execution of Bonds.** The Bonds shall be in
264 substantially the form set forth in Exhibit A hereto. The Bonds shall be executed on
265 behalf of the county with the manual or facsimile signatures of the county executive and
266 the clerk of the county council, and shall have the seal of the county impressed or
267 imprinted thereon.

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

277 Only such Bonds as shall bear thereon a Certificate of Authentication in the form
278 set forth in Exhibit A, manually executed by the Bond Registrar, shall be valid or
279 obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate
280 of Authentication shall be conclusive evidence that the Bonds so authenticated have been
281 duly executed, authenticated and delivered hereunder and are entitled to the benefits of
282 this ordinance.

283 **SECTION 7. Mutilated, Lost, or Destroyed Bonds.** If any Bond shall become
284 mutilated, the Bond Registrar shall authenticate and deliver a new Bond of like series,
285 amount, date, interest rate and tenor in exchange and substitution for the Bond so

286 mutilated, upon the owner's paying the expenses and charges of the county and the Bond
287 Registrar in connection therewith and upon surrender to the Bond Registrar of the Bond
288 so mutilated. Every mutilated Bond so surrendered shall be canceled and destroyed by
289 the Bond Registrar.

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

298 **SECTION 8. Covenants and Warranties.** The county makes the following
299 covenants and warranties:

300 A. The county has full legal right, power and authority to adopt this ordinance, to
301 sell, issue and deliver the Bonds as provided herein, and to carry out and consummate all
302 other transactions contemplated by this ordinance.

303 B. By all necessary official action prior to or concurrently herewith, the county
304 has duly authorized and approved the execution and delivery of, and the performance by
305 the county of its obligations contained in the Bonds and in this ordinance and the
306 consummation by it of all other transactions necessary to effectuate this ordinance in
307 connection with the issuance of the Bonds, and such authorizations and approvals are in

308 full force and effect and have not been amended, modified or supplemented in any
309 material respect.

310 C. This ordinance constitutes a legal, valid and binding obligation of the county.

311 D. The Bonds, when issued, sold, authenticated and delivered, will constitute the
312 legal, valid and binding general obligations of the county.

313 E. Until all Bonds shall have been surrendered and canceled, the county will
314 maintain or cause to be maintained a system of registration of the Bonds that complies
315 with the applicable provisions of the Code.

316 F. The adoption of this ordinance, and compliance on the county's part with the
317 provisions contained herein, will not conflict with or constitute a breach of or default
318 under any constitutional provisions, law, administrative regulation, judgment, decree,
319 loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement or other
320 instrument to which the county is a party or to which the county or any of its property or
321 assets are otherwise subject.

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

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

329 **SECTION 9. Application of the Bond Proceeds.** There is hereby authorized to
330 be established a special fund of the county designated as the "Harborview Medical

331 Center/Medical Examiner Improvements 2004 Fund,” and within such fund there is
332 hereby authorized to be established the “Harborview Medical Center/Medical Examiner
333 Improvements 2004 Proceeds Subfund.” This subfund shall be a first tier fund managed
334 by the Department of Construction and Facilities Management. Proceeds of the sale of
335 the Bonds (exclusive of accrued interest, if any, which shall be paid into the Bond Fund
336 and used to pay interest on the Bonds) shall be deposited into the Subfund and applied to
337 pay costs of the Improvements authorized by the Election Ordinance and costs of
338 issuance of the Bonds. None of such funds shall be used for the replacement of
339 equipment or for any other than a capital purpose. As authorized by Ordinance 14295
340 passed by the county council on March 4, 2002, the University of Washington provides
341 certain project management services for the capital improvements to Harborview Medical
342 Center that are financed by proceeds of the Bonds. So long as the Agreement for Project
343 Management Services dated March 15, 2002, between the county and the Harborview
344 Medical Center Board of Trustees and the University of Washington remains in full force
345 and effect, proceeds of the Bonds shall be disbursed in accordance with the provisions of
346 such agreement.

347 Funds deposited in the funds and accounts established as provided in this section
348 shall be invested as permitted by law for the sole benefit of the respective funds.
349 Irrespective of the general provisions of Ordinance 7112 and KCC 4.10, the county
350 current expense fund shall not receive any earnings attributable to such funds. Money
351 other than proceeds of the Bonds may be deposited in the funds and accounts into which
352 Bond proceeds are deposited; provided, however, that proceeds of the Bonds and
353 earnings thereon shall be accounted for separately for purposes of the calculations

354 required to be made under Section 13 hereof. For purposes of such calculations, Bond
355 proceeds shall be deemed to have been expended first.

356 **SECTION 10. Bond Redemption Fund.** There has heretofore been created in
357 the office of the Finance Director a special fund to be drawn upon for the purpose of
358 paying the principal of and interest on unlimited tax general obligation bonds of the
359 county (the "Bond Fund"). Any sale proceeds of a series of Bonds representing accrued
360 interest thereon shall be deposited in the Bond Fund on the date of issuance of such series
361 of Bonds. The taxes hereafter authorized to be levied for the purpose of paying principal
362 of and interest on the Bonds and other funds to be used to pay the Bonds shall be
363 deposited in the Bond Fund no later than the date such funds are required for the payment
364 of principal of and interest on such Bonds; provided, however, that if the payment of
365 principal of and interest on any Bonds is required prior to the receipt of such levied taxes,
366 the county may make an interfund loan to the Bond Fund pending actual receipt of such
367 taxes. The Bond Fund shall be drawn upon for the purpose of paying the principal of and
368 interest on the Bonds. Money in the Bond Fund not needed to pay the interest or
369 principal next coming due may temporarily be deposited in such institutions or invested
370 in such obligations as may be lawful for the investment of county funds. The Bond Fund
371 shall be a second tier fund in accordance with Ordinance 7112 and KCC 4.10.

372 **SECTION 11. Pledge of Taxation and Credit.** The county hereby irrevocably
373 covenants and agrees for so long as any of the Bonds are outstanding and unpaid, that
374 unless the principal of and interest on the Bonds are paid from other sources, it will make
375 annual levies of taxes without limitation as to rate or amount upon all property within the
376 county subject to taxation in amounts sufficient to pay such principal and interest as the

377 same shall become due and will pay the same into the Bond Fund. The full faith, credit
378 and resources of the county are hereby irrevocably pledged for the annual levy and
379 collection of such taxes and for the prompt payment of the principal of and interest on the
380 Bonds as the same shall become due.

381 **SECTION 12. Tax-Exemption.** The county shall comply with the provisions of
382 this section unless, in the written opinion of nationally recognized bond counsel to the
383 county, such compliance is not required in order to maintain the exemption of the interest
384 on the Bonds from federal income taxation.

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

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

395 **SECTION 13. Arbitrage Rebate.** The county will pay the Rebate Amount, if
396 any, to the United States of America at the times and in the amounts necessary to meet
397 the requirements of the Code to maintain the federal income tax exemption for interest on
398 the Bonds, in accordance with the Arbitrage and Tax Certification.

399 **SECTION 14. Preliminary and Final Official Statement.** The county hereby
400 authorizes and directs the Finance Director: (i) to review and approve the information
401 contained in the preliminary official statement (the “Preliminary Official Statement”)
402 prepared in connection with the sale of each series of the Bonds; and (ii) for the sole
403 purpose of the Bond purchasers’ compliance with Section (b)(1) of the Rule, to “deem
404 final” that Preliminary Official Statement as of its date, except for the omission of
405 information on offering prices, interest rates, selling compensation, delivery dates, any
406 other terms or provisions required by the county to be specified in a competitive bid or
407 bond purchase contract, ratings, and other terms of the Bonds dependent on such matters.
408 After the Preliminary Official Statement has been reviewed and approved in accordance
409 with the provisions of this section, the county hereby authorizes distribution of the
410 Preliminary Official Statement in connection with the offering of such series of Bonds for
411 sale.

412 Following the sale of any series of the Bonds in accordance with Section 15 of
413 this ordinance, the Finance Director is hereby authorized to review and approve on behalf
414 of the county a final official statement with respect to such series of Bonds. The county
415 agrees to cooperate with the purchaser of such Bonds to deliver or cause to be delivered,
416 within seven business days from the date of the Sale Motion and in sufficient time to
417 accompany any confirmation that requests payment from any customer of the purchaser,
418 copies of the final official statement in sufficient quantity to comply with
419 paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board
420 (“MSRB”).

421 **SECTION 15. Sale of Bonds.**

422 A. Determination by Finance Director. The Finance Director shall determine, in
423 consultation with the county's financial advisors, whether the Bonds shall be sold in one
424 or more series, and whether each such series of the Bonds shall be sold by negotiated sale
425 or competitive bid and by current or future delivery. The authority to sell any of the
426 Bonds authorized hereunder shall terminate one year after the effective date of this
427 ordinance.

428 B. Procedure for Negotiated Sale. If the Finance Director determines that a series
429 of the Bonds shall be sold by negotiated sale, the Finance Director shall, in accordance
430 with applicable county procurement procedures, solicit one or more underwriting firms
431 with which to negotiate the sale of such Bonds. The purchase contract for any series of
432 Bonds shall establish the date, principal amount, interest rates, maturity schedule,
433 redemption, bond insurance provisions, and delivery date of the Bonds. The county
434 council by a Sale Motion shall approve the bond purchase contract and ratify and confirm
435 the terms of the series of Bonds established therein.

436 C. Procedure for Sale by Competitive Bid. If the Finance Director determines
437 that a series of the Bonds shall be sold by competitive bid, bids for the purchase of such
438 Bonds shall be received at such time or place and by such means as the Finance Director
439 shall direct. The Finance Director is authorized to prepare a notice of sale for such
440 Bonds, establishing in such notice the date, principal amount, interest payment dates,
441 maturity schedule and redemption and bond insurance provisions for such Bonds. The
442 official notice of sale or an abridged form thereof shall be published in such newspapers
443 or financial journals as may be deemed desirable or appropriate by the financial advisors
444 to the county.

445 Upon the date and time established for the receipt of bids for a series of the
446 Bonds, the Finance Director or his designee shall review the bids, shall cause the bids to
447 be mathematically verified and shall report to the county council regarding the bids
448 received. Such bids shall then be considered and acted upon by the county council in an
449 open public meeting. The county council reserves the right to reject any and all bids for
450 such Bonds. The county council by a Sale Motion shall approve the sale of such Bonds
451 and ratify and confirm the date, interest rates, maturity schedule and redemption and
452 bond insurance provisions of such Bonds.

453 SECTION 16. Delivery of Bonds. Following the sale of a series of the Bonds,
454 the county shall cause definitive Bonds of such series to be prepared, executed and
455 delivered, which Bonds shall be typewritten, lithographed or printed with engraved or
456 lithographed borders, or in such other form acceptable to DTC as initial depository for
457 the Bonds.

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

466 **SECTION 17. Undertaking to Provide Ongoing Disclosure.** The Sale Motion
467 shall set forth an undertaking for ongoing disclosure with respect to the Bonds, as
468 required by Section (b)(5) of the Rule.

469 **SECTION 18. General Authorization.** The appropriate county officials, agents,
470 attorneys and representatives are hereby authorized and directed to do everything
471 necessary for the prompt sale, issuance, execution and delivery of the Bonds, and for the
472 proper use and application of the proceeds of the sale thereof.

473 **SECTION 19. Refunding or Defeasance of the Bonds.** The county may issue
474 refunding bonds pursuant to the laws of the State of Washington or use money available
475 from any other lawful source to pay when due the principal of and interest on the Bonds,
476 or any portion thereof included in a refunding or defeasance plan, and to redeem and
477 retire, refund or defease such Bonds and to pay the costs of the refunding or defeasance.

478 In the event that money and/or noncallable "Government Obligations," as such
479 obligations are defined in Chapter 39.53 RCW, as now or hereafter amended, maturing at
480 such time or times and bearing interest to be earned thereon in amounts (together with
481 such money, if necessary) sufficient to redeem and retire, refund or defease part or all of
482 the Bonds in accordance with their terms, are set aside in a special account of the county
483 to effect such redemption and retirement, and such money and the principal of and
484 interest on such Government Obligations are irrevocably set aside and pledged for such
485 purpose, then no further payments need be made into the Bond Fund for the payment of
486 the principal of and interest on the Bonds so provided for, and such Bonds shall cease to
487 be entitled to any lien, benefit or security of this ordinance except the right to receive the

488 money so set aside and pledged, and such Bonds shall be deemed not to be outstanding
489 hereunder.

490 Within 30 days of the defeasance of any Bonds, the Bond Registrar shall provide
491 notice of defeasance of such Bonds to the Registered Owners of the Bonds and to each
492 NRMSIR and SID, if any, in accordance with the undertaking for ongoing disclosure to
493 be adopted as provided in Section 17 hereof.

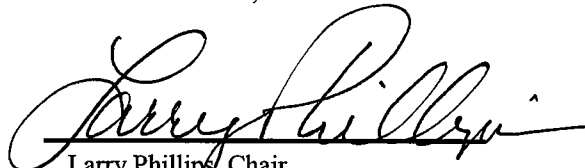
494 SECTION 20. Severability. The covenants contained in this ordinance shall
495 constitute a contract between the county and the owners of each and every Bond. If any
496 one or more of the covenants or agreements provided in this ordinance to be performed
497 on the part of the county shall be declared by any court of competent jurisdiction to be
498 contrary to law, then such covenant or covenants, agreement or agreements, shall be null
499 and void and shall be deemed separable from the remaining covenants and agreements of
500 this ordinance and shall in no way affect the validity of the other provisions of this
501 ordinance or of the Bonds.

502 SECTION 21. Effective Date. This ordinance shall be effective 10 days after its
503 enactment, in accordance with Article II of the county charter.
504

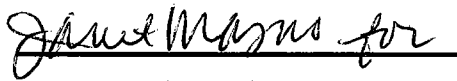
Ordinance 14857 was introduced on 2/23/2004 and passed by the Metropolitan King
County Council on 3/29/2004, by the following vote:

Yes: 11 - Mr. Phillips, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr.
McKenna, Mr. Ferguson, Mr. Hammond, Mr. Gossett, Ms. Hague, Mr. Irons
and Ms. Patterson
No: 0
Excused: 2 - Mr. Pelz and Mr. Constantine

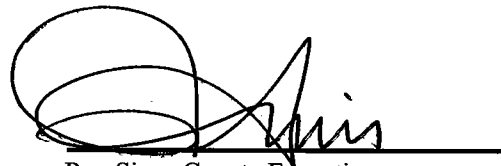
KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Larry Phillips, Chair

ATTEST:


Anne Noris, Clerk of the Council

APPROVED this 8 day of April, 2004.


Ron Sims, County Executive

Attachments A. Exhibit A Form of Bond

RECEIVED
2004 APR -9 AM 9:42
CLERK
KING COUNTY COUNCIL

1 **EXHIBIT A**2 **Form of Bond**

3 NO. _____

\$ _____

4 UNITED STATES OF AMERICA

5
6 STATE OF WASHINGTON7
8 KING COUNTY9 UNLIMITED TAX GENERAL OBLIGATION BOND, [applicable year]
10 (HARBORVIEW MEDICAL CENTER)
1112
13 INTEREST RATE:

MATURITY DATE:

CUSIP NO.:

14
15 REGISTERED OWNER:16
17 PRINCIPAL AMOUNT:18
19 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to owe
20 and for value received promises to pay to the Registered Owner identified above, or registered
21 assigns, on the Maturity Date specified above, the Principal Amount specified above and to pay
22 interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from
23 _____, _____, or the most recent date to which interest has been paid or duly provided for
24 until payment of this bond at the Interest Rate set forth above, payable on _____ 1, 20____,
25 and semiannually thereafter on the first days of each succeeding _____ and
26 _____.27
28 Both principal of and interest on this bond are payable in lawful money of the United
29 States of America. While bonds are held in an immobilized "book entry" system of registration,
30 payments of principal thereof and interest thereon shall be made in accordance with the
31 operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket
32 Issuer Letter of Representations from the County to DTC. When bonds are no longer held in an
33 immobilized "book entry" registration system, principal shall be paid to the Registered Owner or
34 nominee of such owner upon presentation and surrender of this bond at either of the principal
35 offices of the fiscal agency of the State of Washington in either Seattle, Washington or New
36 York, New York (collectively the "Bond Registrar"), and the interest shall be paid by mailing a
37 check or draft (on the date such interest is due) to the Registered Owner or nominee of such
38 owner at the address shown on the registration books maintained by the Bond Registrar (the
39 "Bond Register") as of the 15th day of the month prior to the interest payment date; provided,
40 however, that if so requested in writing by the Registered Owner of at least \$1,000,000 principal
41 amount of the bonds, interest will be paid by wire transfer on the date due to an account with a
42 bank located within the United States.
43

1 This bond is one of an authorized issue of bonds of like date and tenor, except as to
 2 number, amount, rate of interest and date of maturity, in the aggregate principal amount of
 3 \$164,000,000, and is issued to pay a portion of the cost of acquiring, constructing, equipping and
 4 making capital improvements to certain County facilities.
 5

6 The bonds of this issue are issued under and in accordance with the provisions of the
 7 Constitution and applicable statutes of the State of Washington, the County Charter and
 8 applicable ordinances duly adopted by the County, including Ordinance _____ of the County
 9 and Motion No. _____ of the County Council (together, the "Bond Ordinance"). Capitalized
 10 terms used in this bond and not defined herein shall have the meanings given such terms in the
 11 Bond Ordinance.
 12

13 The Bonds are subject to optional and mandatory redemption as provided in the Bond
 14 Ordinance.
 15

16 The County has irrevocably covenanted that it will levy taxes annually upon all taxable
 17 property within the County without limitation as to rate or amount and in amounts sufficient,
 18 with other money legally available therefor, to pay the principal of and interest on this bond as
 19 the same shall become due. The full faith, credit and resources of the County are hereby
 20 irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of
 21 such principal and interest.
 22

23 The pledge of tax levies for repayment of principal of and interest on the bonds may be
 24 discharged prior to maturity of the bonds by making provisions for the payment thereof on the
 25 terms and conditions set forth in the Bond Ordinance.
 26

27 This bond shall not be valid or become obligatory for any purpose or be entitled to any
 28 security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall
 29 have been manually signed by the Bond Registrar.
 30

31 It is hereby certified that all acts, conditions and things required by the Constitution and
 32 statutes of the State of Washington and the Charter and ordinances of the County to exist, to have
 33 happened, been done and performed precedent to and in the issuance of this bond have
 34 happened, been done and performed and that the issuance of this bond and the bonds of this issue
 35 does not violate any constitutional, statutory or other limitation upon the amount of bonded
 36 indebtedness that the County may incur.
 37

38 IN WITNESS WHEREOF, the County has caused this bond to be executed by the
 39 manual or facsimile signatures of the County Executive and the Clerk of the County Council, and
 40 the seal of the County to be impressed or imprinted hereon, as of this _____ day of _____,
 41 _____
 42

43 KING COUNTY, WASHINGTON
 44

45 By _____
 46 County Executive
 47

1 ATTEST:
2
3

4 _____
5 Clerk of the Council

6 CERTIFICATE OF AUTHENTICATION
7

8 This is one of the Unlimited Tax General Obligation Bonds, [applicable year]
9 (Harborview Medical Center), of King County, Washington, dated _____, _____, as
10 described in the Bond Ordinance.
11

12 WASHINGTON STATE FISCAL
13 AGENCY, as Bond Registrar
14

15
16 By _____
17 Authorized Officer
18

19 The following abbreviations, when used in the inscription on the face of the within bond,
20 shall be construed as though they were written out in full according to applicable laws or
21 regulations.
22

- 23 TEN COM - as tenants in common
- 24 TEN ENT - as tenants by the entireties
- 25 JT TEN - as joint tenants with right of survivorship and not as tenants in common

26
27 UNIF GIFT MIN ACT - _____ Custodian _____
28 (Cust) (Minor)

29 under Uniform Gifts to Minors Act
30

31 _____
32 (State)
33

34 Additional abbreviations may also be used though not listed above.
35

36 ASSIGNMENT
37

38 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
39

40 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION
41 NUMBER OF TRANSFEREE
42

43

44
45 (Please print or typewrite name and address, including zip code of Transferee)
46

1 the within bond and does hereby irrevocably constitute and appoint _____, or
2 its successor, as Bond Registrar to transfer said bond on the books kept for registration thereof
3 with full power of substitution in the premises.
4

5 DATED: _____, _____.
6
7
8

9 NOTE: The signature on this Assignment must
10 correspond with the name of the registered owner as
11 it appears upon the face of the within bond in every
12 particular, without alteration or enlargement or any
13 change whatever.
14

15 SIGNATURE GUARANTEED:
16
17
18 _____
19
20