



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**October 1, 2002**

**Ordinance 14490**

**Proposed No.** 2002-0452.1

**Sponsors** Phillips and McKenna

1 AN ORDINANCE relating to contracting indebtedness; providing  
2 for the issuance and sale of limited tax general obligation (public  
3 transportation sales tax) bonds of the county in the aggregate  
4 principal amount of not to exceed \$75,000,000 for the purpose of  
5 refunding the outstanding Limited Sales Tax General Obligation  
6 Bonds, Series 1993 (Refunding), of the county; providing for the  
7 form, terms, covenants and other provisions of such refunding bonds;  
8 authorizing a plan of refunding and the appointment of an escrow  
9 agent to accomplish the plan of refunding; providing for the sale of  
10 the bonds and the disposition of the proceeds of sale; establishing  
11 funds for the receipt and expenditure of bond proceeds and for the  
12 payment of the bonds; providing for the annual levy of taxes to pay  
13 the principal thereof and interest thereon; and pledging public  
14 transportation sales tax revenues as additional security for the bonds.  
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45 PREAMBLE:

46           The Municipality of Metropolitan Seattle (“Metro”) was created by public  
47           vote in 1958 to exercise certain powers conferred by Chapter 35.58 of the Revised  
48           Code of Washington (“RCW”). In 1972, pursuant to RCW 35.58.245, the voters  
49           approved adding metropolitan public transportation functions to Metro’s powers,  
50           and, in accordance with RCW 35.58.240, Metro adopted a comprehensive plan for  
51           public transportation for the Seattle metropolitan area, which plan has been amended  
52           from time to time (the “Comprehensive Plan”). To provide funds for the operation,  
53           maintenance and capital needs of Metro’s public transportation system, Metro levied  
54           a sales tax pursuant to RCW 82.14.045 and as approved by the voters at elections  
55           held in 1972 and 1980.

56           Metro issued several series of its limited sales tax general obligation bonds  
57           secured by the pledge of the voter-approved sales tax, as authorized RCW  
58           35.58.2721, to finance the acquisition and construction of facilities required to carry  
59           out the Comprehensive Plan. RCW 35.58.2721 provides that so long as such sales  
60           tax is pledged to outstanding bonds, the legislature may not withdraw the authority  
61           to levy and collect the tax.

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62 Pursuant to Resolution No. 4937, a master bond resolution adopted by the  
63 Metro Council on June 19, 1986, and subsequent series resolutions for each series of  
64 bonds, Metro issued five series of limited sales tax general obligation bonds (the  
65 “Sales Tax Bonds”). The only Sales Tax Bonds remaining outstanding are the  
66 Limited Sales Tax General Obligation Bonds, Series 1993 (Refunding) (the “1993  
67 Bonds”).

68 Pursuant to Chapter 36.56 RCW and a special county election held  
69 November 3, 1992, King County (the “county”) on January 1, 1994, assumed the  
70 rights, powers, functions and obligations of Metro, including operation of Metro’s  
71 public transportation system (the “Public Transportation System”). The county has  
72 assumed and agreed to provide for the payment and retirement of outstanding bonds  
73 of Metro, including the Sales Tax Bonds, and has assumed the authority to levy and  
74 collect the sales tax pledged to the payment of the Sales Tax Bonds.

75 Pursuant to Ordinance No. 13128, the county issued and sold its \$85,715,000  
76 par value Limited Tax General Obligation (Public Transportation Sales Tax)  
77 Refunding Bonds, 1998 Series A (the “1998 Bonds”), to provide for the refunding of  
78 two then-outstanding series of Sales Tax Bonds. The 1998 Bonds were secured by a  
79 junior lien pledge of a portion of the sales tax securing payment of the Sales Tax  
80 Bonds. Ordinance No. 13128 also provided that the county would not issue any  
81 additional bonds with a lien on sales tax revenue equal to the Sales Tax Bonds, and  
82 provided that any further transportation sales tax bonds would be issued on a parity  
83 of lien with the 1998 Bonds.

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84           The county may now have an opportunity to refund the outstanding 1993  
85           Bonds and realize savings to the county and its taxpayers and to modify the lien  
86           position of the 1998 Bonds on sales tax revenue. To permit that refunding, the  
87           county wishes to authorize the issuance of not to exceed \$75,000,000 principal  
88           amount of its limited tax general obligation bonds additionally secured by a pledge  
89           of the sales tax levied pursuant to RCW 84.14.045 (the "Bonds") to refund all of the  
90           outstanding 1993 Bonds, as provided herein.

91           To maximize the savings from refunding the 1993 Bonds, it is in the best  
92           interest of the county to delegate to the county's manager of the finance and business  
93           operations division authority to provide for the sale of the Bonds by competitive bid  
94           or negotiated sale; provided, however, that the aggregate principal amount of the  
95           Bonds shall not exceed \$75,000,000. The successful bid or negotiated purchase  
96           contract for the Bonds shall be subject to approval by the Metropolitan King County  
97           Council, as provided herein.

98   BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

102           "Assessment Income" means amounts collected on account of the principal of and  
103          interest and penalties on Assessments.

104           "Assessments" means assessments or installments thereof levied in any local  
105          improvement district of Metro or the county created for the purpose of financing the

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106 acquisition or construction of additions and improvements to and extensions of the  
107 System and shall include interest and any penalties thereon.

108 “Bond Fund” means the “Limited Tax General Obligation Bond (Public  
109 Transportation Sales Tax) Redemption Fund” established pursuant to Ordinance No.  
110 13128.

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

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

118 “Bonds” means all or a portion of the King County, Washington, Limited Tax  
119 General Obligation (Public Transportation Sales Tax) Refunding Bonds, [appropriate  
120 year and series designation], issued in an aggregate principal amount of not to exceed  
121 \$75,000,000 pursuant to this ordinance.

122 “Closing” means the delivery of the Bonds or any Future Parity Bonds to, and  
123 payment of the purchase price therefor by, the initial purchasers of such bonds.

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

128 “Commission” means the Securities and Exchange Commission.

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129           “Comprehensive Plan” means the Comprehensive Transit Plan set forth in  
130 Resolution No. 1717 of the Metro Council adopted October 5, 1972, as amended by  
131 Resolution No. 1901 of the Metro Council adopted July 5, 1973, Resolution No. 1989  
132 adopted by the Metro Council on November 5, 1973, Resolution No. 3156 adopted by the  
133 Metro Council on May 3, 1979, Resolution No. 3647 adopted by the Metro Council on  
134 March 19, 1981, Resolution No. 4679, adopted by the Metro Council on July 18, 1985, as  
135 the same may be amended or supplemented hereafter by ordinance of the county.

136           “Council” means the Metropolitan King County Council.

137           “County” means King County, Washington.

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

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

141           “Future Parity Bonds” means any bonds or other obligations that may be issued  
142 by the County in the future with a lien on the Two-tenths Sales Tax Revenue equal to the  
143 lien thereon of the 1998 Bonds and the Bonds.

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

147           “Letter of Representations” means the Blanket Issuer Letter of Representations  
148 dated May 1, 1995, by and between the county and DTC.

149           “Master Resolution” means Resolution No. 4937 of the Metro Council, adopted  
150 on June 19, 1986, pursuant to which all of the Sales Tax Bonds were issued.

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151 “Metro Council” means the Metropolitan Council of the Municipality of  
152 Metropolitan Seattle established pursuant to Chapter 35.58 RCW and abolished effective  
153 January 1, 1994, pursuant to Chapter 36.56 RCW.

154 “Metro” means the Municipality of Metropolitan Seattle, formerly a municipal  
155 corporation of the State of Washington, organized pursuant to Chapter 35.58 RCW and  
156 consolidated with the county effective January 1, 1994, pursuant to Chapter 36.56 RCW.

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

159 “1998 Bonds” means all or a portion of the King County, Washington, Limited  
160 Tax General Obligation (Public Transportation Sales Tax) Refunding Bonds, 1998,  
161 issued in an aggregate principal amount of \$85,715,000 pursuant to Ordinance No.  
162 13128.

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

165 “Parity Bonds” means the 1998 Bonds, the Bonds and any Future Parity Bonds.

166 “Public Transportation Operating Account” means the account of that name  
167 within the Public Transportation Fund, redesignated and continued by the county  
168 pursuant to Ordinance No. 12076 of the county passed on December 18, 1995, and  
169 previously known as the Municipality of Metropolitan Seattle Public Transportation  
170 Revenue Fund established under Resolution No. 936 of the Metro Council adopted on  
171 June 1, 1967.

172 “Public Transportation Construction Accounts” means the accounts of that name  
173 within the Public Transportation Fund, redesignated and continued by the county

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174 pursuant to Ordinance No. 12076 of the county passed on December 18, 1995, and  
175 previously known as the Municipality of Metropolitan Seattle Public Transportation  
176 Construction Fund established under Resolution No. 2209 of the Metro Council adopted  
177 on October 17, 1974.

178 "Public Transportation Sales Tax" means the sales and use tax authorized to be  
179 levied by the county pursuant to RCW 82.14.045 and which has heretofore been duly  
180 levied by the county.

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

184 "RCW" means the Revised Code of Washington.

185 "Receiving Fund" means the Two-tenths Sales Tax Revenue Receiving Fund  
186 within the Public Transportation Fund, redesignated and continued by the county  
187 pursuant to Ordinance No. 12076 of the county passed on December 18, 1995, and  
188 previously known as the Municipality of Metropolitan Seattle Two-tenths Sales Tax  
189 Revenue Receiving Fund established under the Master Resolution.

190 "Refunded Bond Resolutions" means the Master Resolution and Resolutions Nos.  
191 6538 and 6595 of the Metro Council.

192 "Refunded Bonds" means all of the outstanding Limited Sales Tax General  
193 Obligation Bonds, Series 1993 (Refunding), authorized by the Refunded Bond  
194 Resolutions, maturing or subject to mandatory redemption on January 1 in each of the  
195 years 2003 through 2020.

196 "Refunding Plan" means:

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197                   (a)     The placement of sufficient proceeds of the Bonds which, without  
198 money of the county, if necessary, will acquire the Government Obligations to be  
199 deposited, with cash, if necessary, in the Refunding Account;

200                   (b)     The payment of the principal of and interest on the Refunded Bonds  
201 when due on January 1, 2003, and the call, payment and redemption on January 1, 2003, of  
202 all of the then-outstanding Refunded Bonds at a price of 102% of par; and

203                   (c)     the payment of the costs of issuance of the Bonds and the costs of  
204 carrying out the foregoing elements of the Refunding Plan.

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

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

209                   “Sale Motion” means a motion of the council approving the sale of the Bonds in  
210 accordance with Section 20 hereof.

211                   “Sales Tax Bond Fund” means the Limited Sales Tax General Obligation Fund  
212 within the Public Transportation Fund, redesignated and continued by the county  
213 pursuant to Ordinance No. 12076 of the county passed on December 18, 1995, and  
214 previously known as the Municipality of Metropolitan Seattle Limited Sales Tax General  
215 Obligation Bond Fund established by the Master Resolution as amended by Ordinance  
216 No. 11661 of the county passed on January 23, 1995.

217                   “Sales Tax Bonds” means the limited sales tax general obligation bonds issued by  
218 Metro pursuant to the Master Resolution, including the Refunded Bonds, which have  
219 been secured by a pledge of Sales Tax Revenues (with a senior lien on the Two-tenths

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220 Sales Tax Revenues) and Assessment Income and which are to be entirely refunded  
221 pursuant to the provisions of this ordinance.

222 “Sales Tax Revenues” means the amounts available for distribution to the county  
223 by the state treasurer pursuant to RCW 82.14.060 on account of the Public Transportation  
224 Sales Tax.

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

227 “State means the State of Washington.

228 “System” or “Public Transportation System” means the public transportation  
229 facilities now or hereafter acquired, constructed, used, or operated by the county for the  
230 purpose of carrying out the Comprehensive Plan.

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

235 “Two-tenths Sales Tax Revenues” means that portion of the Sales Tax Revenues  
236 generated by a sales and use tax rate of 2/10 of 1%, which was pledged to secure the  
237 payment of the Sales Tax Bonds and which has been pledged to secure the payment of  
238 the Parity Bonds, and the further use of which for capital and operating purposes is  
239 established by Ordinance No. 11661 of the county, passed on January 23, 1995.

240 **SECTION 2. Findings.**

241 A. The county may be able to realize significant debt service savings  
242 by refunding the Refunded Bonds in accordance with the Refunding Plan.

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243                   B.     The council further finds that it is in the best interest of the county  
244                   and its taxpayers to issue the Bonds, in accordance with the provisions of Section 19.C.  
245                   of Ordinance No. 13128, payable out of the Two-tenths Sales Tax Revenues during any  
246                   fiscal period.

247                   C.     The council further finds that upon the issuance of the Bonds there  
248                   will be no outstanding Sales Tax Bonds, and that the 1998 Bonds and any bonds issued  
249                   on a parity therewith will no longer be Subordinate Lien Bonds as defined in Ordinance  
250                   No. 13128, but will have a first lien position on the Two-tenths Sales Tax Revenues.

251                   D.     The council further finds and declares that the county is or will be  
252                   in compliance with the conditions for the issuance of “Additional Subordinate Lien  
253                   Bonds” (which term is redefined herein as “Future Parity Bonds”) as set forth in Section  
254                   19 of Ordinance No. 13128, which conditions are included in Section 19 of this  
255                   ordinance.

256                   **SECTION 3. Authorization of Bonds.** To provide all or a portion of the funds  
257                   necessary to carry out the Refunding Plan, the county shall issue the Bonds in an  
258                   aggregate principal amount to be established as provided in Section 20 hereof and in any  
259                   event not to exceed \$75,000,000. The Bonds shall be designated as “King County,  
260                   Washington, Limited Tax General Obligation (Public Transportation Sales Tax)  
261                   Refunding Bonds, [appropriate year and series designation].” The Bonds shall be fully  
262                   registered as to both principal and interest, shall be in the denomination of \$5,000 or any  
263                   integral multiple thereof within a single maturity; shall be numbered separately in such  
264                   manner and with any additional designation as the Bond Registrar deems necessary for

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265 purposes of identification; and shall be dated as of such date and shall mature on the  
266 dates, in the years and the amounts established as provided in Section 20 hereof.

267 The Bonds shall bear interest (computed on the basis of a 360-day year of twelve  
268 30-day months) from their date or from the most recent interest payment date for which  
269 interest has been paid or duly provided for, whichever is later, payable on semiannual  
270 interest payment dates and at the rate or rates to be established as provided in Section 20  
271 hereof and ratified and confirmed by the Sale Motion.

272 **SECTION 4. Registration, Exchange and Payments.**

273 A. Registrar/Bond Register. In accordance with KCC 4.84, the  
274 county hereby adopts for the Bonds the system of registration specified and approved by  
275 the Washington State Finance Committee, which utilizes the fiscal agencies of the State  
276 of Washington in either Seattle, Washington, and New York, New York, as registrar,  
277 authenticating agent, paying agent and transfer agent (collectively, the “Bond Registrar”).  
278 The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office,  
279 sufficient books for the registration and transfer of the Bonds (the “Bond Register”),  
280 which shall be open to inspection by the county at all times. The Bond Register shall  
281 contain the name and mailing address of the owner of each Bond and the principal  
282 amount and number of each of the Bonds held by each owner. The Bond Registrar is  
283 authorized, on behalf of the county, to authenticate and deliver Bonds transferred or  
284 exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as  
285 the county’s paying agent for the Bonds and to carry out all of the Bond Registrar’s  
286 powers and duties under this ordinance.

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287           The Bond Registrar shall be responsible for its representations contained in the  
288           Bond Registrar's Certificate of Authentication on the Bonds. The Bond Registrar may  
289           become the Registered Owner of Bonds with the same rights it would have if it were not  
290           the Bond Registrar and, to the extent permitted by law, may act as depository for and  
291           permit any of its officers or directors to act as members of, or in any other capacity with  
292           respect to, any committee formed to protect the rights of Registered Owners.

293           B.     Registered Ownership. The Bonds shall be issued only in  
294           registered form as to both principal and interest and shall be recorded on the Bond  
295           Register. The county and the Bond Registrar, each in its discretion, may deem and treat  
296           the Registered Owner of each Bond as the absolute owner thereof for all purposes, and  
297           neither the county nor the Bond Registrar shall be affected by any notice to the contrary.  
298           Payment if any such Bond shall be made only as described in Section 4.E hereof, but  
299           such registration may be transferred as herein provided. All such payments made as  
300           described in Section 4.E shall be valid and shall satisfy and discharge the liability of the  
301           county upon such Bond to the extent of the amount or amounts so paid.

302           C.     Use of Depository. The Bonds initially shall be registered in the  
303           name of Cede & Co., as the nominee of DTC. The Bonds so registered shall be held in  
304           fully immobilized form by DTC as depository in accordance with the provisions of the  
305           Letter of Representations. Neither the county nor the Bond Registrar shall have any  
306           responsibility or obligation to DTC participants or the persons for whom they act as  
307           nominees with respect to the Bonds regarding accuracy of any records maintained by  
308           DTC or DTC participants of any amount in respect of principal of or interest on the

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309 Bonds, or any notice which is permitted or required to be given to registered owners  
310 hereunder (except such notice as is required to be given by the Bond Registrar to DTC).

311 For as long as any Bonds are held in fully immobilized form, DTC, its nominee or  
312 its successor depository shall be deemed to be the Registered Owner for all purposes  
313 hereunder and all references to registered owners, bondowners, bondholders or the like  
314 shall mean DTC or its nominee and shall not mean the owners of any beneficial interests  
315 in the Bonds. Registered ownership of such Bonds, or any portions thereof, may not  
316 thereafter be transferred except: (i) to any successor of DTC or its nominee, if that  
317 successor shall be qualified under any applicable laws to provide the services proposed to  
318 be provided by it; (ii) to any substitute depository appointed by the Finance Manager or  
319 such substitute depository's successor; or (iii) to any person if the Bonds are no longer  
320 held in immobilized form.

321 Upon the resignation of DTC or its successor (or any substitute depository or its  
322 successor) from its functions as depository, or a determination by the Finance Manager  
323 that the county no longer wishes to continue the system of book entry transfers through  
324 DTC or its successor (or any substitute depository or its successor), the Finance Manager  
325 may appoint a substitute depository. Any such substitute depository shall be qualified  
326 under any applicable laws to provide the services proposed to be provided by it.

327 If (i) DTC or its successor (or substitute depository or its successor) resigns from  
328 its functions as depository, and no substitute depository can be obtained, or (ii) the county  
329 determines that the Bonds are to be in certificated form, the ownership of Bonds may be  
330 transferred to any person as provided herein and the Bonds no longer shall be held in  
331 fully immobilized form.

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

335 (E) Place and Medium of Payment. Both principal of and interest on  
336 the Bonds shall be payable in lawful money of the United States of America. For so long  
337 as all Bonds are in fully immobilized form, payments of principal and interest thereon  
338 shall be made as provided in accordance with the operational arrangements of DTC  
339 referred to in the Letter of Representations. If the Bonds are no longer in fully  
340 immobilized form, interest on the Bonds shall be paid by checks or drafts of the Bond  
341 Registrar mailed on the interest payment date to the Registered Owners at the addresses  
342 appearing on the Bond Register on the 15th day of the month preceding the interest  
343 payment date or, if requested in writing by a Registered Owner of \$1,000,000 or more in  
344 principal amount of Bonds prior to the applicable record date, by wire transfer on the  
345 interest payment date, and principal of the Bonds shall be payable upon presentation and  
346 surrender of the Bonds by the Registered Owners at either of the principal offices of the  
347 Bond Registrar at the option of the Registered Owners.

348 (F) Transfer or Exchange of Registered Ownership; Change in  
349 Denominations. The registered ownership of any Bond may be transferred or exchanged,  
350 but no transfer of any Bond shall be valid unless it is surrendered to the Bond Registrar  
351 with the assignment form appearing on such Bond duly executed by the Registered  
352 Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the  
353 Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered  
354 Bond and shall authenticate and deliver, without charge to the Registered Owner or

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355 transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of  
356 the same date, maturity and interest rate and for the same aggregate principal amount in  
357 any authorized denomination, naming as Registered Owner the person or persons listed  
358 as the assignee on the assignment form appearing on the surrendered Bond, in exchange  
359 for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond  
360 Registrar and exchanged, without charge, for an equal aggregate principal amount of  
361 Bonds of the same date, maturity and interest rate, in any authorized denomination. The  
362 Bond Registrar shall not be obligated to exchange or transfer any Bond during the 15  
363 days preceding any principal payment or redemption date, or, in the case of any proposed  
364 redemption of the Bonds, after the mailing of notice of the call of such Bonds for  
365 redemption.

366           **SECTION 5. Redemption Provisions; Open Market Purchase of Bonds.** The  
367 county may reserve the right to redeem outstanding Bonds prior to their maturity on the  
368 dates and at the prices established pursuant to the provisions of Section 20 hereof and  
369 ratified and confirmed by the Sale Motion. Portions of the principal amount of any Bond,  
370 in increments of \$5,000 or any integral multiple thereof within a single maturity, may be  
371 redeemed.

372           If less than all of the Bonds subject to optional redemption are called for  
373 redemption, the county shall choose the maturities to be redeemed. If less than a whole  
374 of a maturity is called for redemption, the Bonds to be redeemed shall be chosen  
375 randomly by the Bond Registrar or, so long as the Bonds are registered in the name of  
376 DTC or its nominee, selection of Bonds for redemption shall be in accordance with the  
377 Letter of Representations.

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378 If less than all of the principal amount of any Bond is redeemed, upon surrender  
379 of that Bond at either of the principal offices of the Bond Registrar, there shall be issued  
380 to the Registered Owner, without charge therefor, a new Bond (or Bonds, at the option of  
381 the Registered Owner) of the same maturity and interest rate in any of the denominations  
382 authorized by this ordinance in the aggregate principal amount remaining unredeemed.

383 The county further reserves the right and option to purchase any or all of the  
384 Bonds in the open market at any time at any price.

385 **SECTION 6. Notice and Effect of Redemption.**

386 A. Notice of Redemption. Written notice of any redemption of Bonds  
387 shall be given by the Registrar on behalf of the county by first-class mail, postage  
388 prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption to  
389 the Registered Owner of any Bond to be redeemed at the address appearing on the Bond  
390 Register at the time the Bond Registrar prepares the notice. The Registrar shall provide  
391 additional notice of redemption (at least 30 days) to each NRMSIR and SID, if any, in  
392 accordance with the ongoing disclosure provisions to be adopted by the Sale Motion. In  
393 addition, the redemption notice shall be mailed within the same period, postage prepaid,  
394 to Moody's Investors Service, Inc., and Standard & Poor's at their offices in New York,  
395 New York, or their successors, and to such other persons and with such additional  
396 information as the Finance Manager shall determine, but these additional mailings shall  
397 not be a condition precedent to the redemption of Bonds. Notwithstanding the foregoing,  
398 for as long as the Bonds are registered in the name of DTC or its nominee, notice of  
399 redemption shall be given in accordance with the Letter of Representations.

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400 The requirements of this section shall be deemed to have been fulfilled when  
401 notice has been mailed as so provided, whether or not it is actually received by the owner  
402 of any Bond.

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

413 Interest on Bonds called for redemption shall cease to accrue on the date fixed for  
414 redemption unless the Bond or Bonds called are not redeemed when presented pursuant  
415 to the call.

416 **SECTION 7. Failure To Redeem Bonds.** If any Bond is not redeemed when  
417 properly presented at its maturity or call date, the county shall be obligated to pay interest  
418 on that Bond at the same rate provided in the Bond from and after its maturity or call date  
419 until that Bond, both principal and interest, is paid in full or until sufficient money for its  
420 payment in full is on deposit in the Bond Fund and the Bond has been called for payment  
421 by giving notice of that call to the Registered Owner of each of those unpaid Bonds.



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443 The authorized signing of a Certificate of Authentication shall be conclusive evidence  
444 that the Bonds so authenticated have been duly executed, authenticated and delivered and  
445 are entitled to the benefits of this ordinance.

446 If any officer whose facsimile signature appears on the Bonds ceases to be an  
447 officer of the county authorized to sign bonds before the Bonds bearing his or her  
448 facsimile signature are authenticated or delivered by the Bond Registrar or issued by the  
449 county, those Bonds nevertheless may be authenticated, issued and delivered and, when  
450 authenticated, issued and delivered, shall be as binding on the county as though that  
451 person had continued to be an officer of the county authorized to sign bonds. Any Bond  
452 also may be signed on behalf of the county by any person who, on the actual date of  
453 signing of the Bond, is an officer of the county authorized to sign bonds, although he or  
454 she did not hold the required office on the date of issuance of the Bonds.

455 **SECTION 9. Mutilated, Lost or Destroyed Bonds.** If any Bond shall become  
456 mutilated, the Bond Registrar shall authenticate and deliver a new Bond of like amount,  
457 date, interest rate and tenor in exchange and substitution for the Bond so mutilated, upon  
458 the owner's paying the expenses and charges of the county and the Bond Registrar in  
459 connection therewith and upon surrender to the Bond Registrar of the Bond so mutilated.  
460 Every mutilated Bond so surrendered shall be canceled and destroyed by the Bond  
461 Registrar.

462 In case the Bonds or any of them shall be lost, stolen or destroyed, the Bond  
463 Registrar may authenticate and deliver a new Bond or Bonds of like amount, date,  
464 interest rate and tenor to the Registered Owner thereof upon the owner's paying the  
465 expenses and charges of the county and the Bond Registrar in connection therewith and

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466 upon his/her filing with the Bond Registrar evidence satisfactory to the Bond Registrar  
467 that such Bond or Bonds were actually lost, stolen or destroyed and of his/her ownership  
468 thereof, and upon furnishing the county and the Bond Registrar with indemnity  
469 satisfactory to the Finance Manager and the Bond Registrar.

470 **SECTION 10. Bond Fund.**

471 A. Bond Fund and Accounts Therein. The Bond Fund has heretofore  
472 been created as a special fund of the county known as the “Limited Tax General  
473 Obligation (Public Transportation Sales Tax) Bond Redemption Fund,” consisting of  
474 three accounts: the Interest Account, the Serial Bond Principal Account and the Term  
475 Bond Principal Account. The Bond Fund shall at all times be completely segregated and  
476 set apart from all other funds and accounts of the County and shall be a trust fund for the  
477 security and payment of the principal of and interest and any premium on the Parity  
478 Bonds that are also limited tax general obligations of the county (as used in this section,  
479 “General and Parity Bonds). Except as provided in subsection D of this Section 10, all  
480 money credited to the Bond Fund is pledged and ordered to be used for the sole purpose  
481 of paying the principal of and interest and any premium on the Bonds and other Parity  
482 Bonds.

483 B. Two-Tenths Sales Tax Revenues. On the same business day that  
484 any Two-tenths Sale Tax Revenues are received by the county and deposited into the  
485 Receiving Fund, in accordance with Section 11.B hereof, the Finance Manager shall  
486 cause the following amounts to be deposited into accounts within the Bond Fund, as  
487 follows:

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488                   (i)    Interest Account. To the extent available in the Receiving  
489                   Fund, there shall be deposited into the Interest Account an amount that, together  
490                   with assessment income and other money available in the Interest Account, equals  
491                   the total amount of interest due and payable on the Parity Bonds in the next  
492                   succeeding six calendar months.

493                   (ii)   Serial Bond Principal Account. To the extent available in  
494                   the Receiving Fund, there shall be deposited into the Serial Bond Principal  
495                   Account an amount that, together with Assessment Income and other money  
496                   available in the Serial Bond Principal Account, equals the total amount of  
497                   principal due and payable on the Parity Bonds in the next succeeding twelve  
498                   calendar months.

499                   (iii)   Term Bond Principal Account. To the extent available in  
500                   the Receiving Fund, there shall be deposited into the Term Bond Principal  
501                   Account an amount that, together with Assessment Income and other money  
502                   available in the Term Bond Principal Account, equals the total amount necessary  
503                   to make any payments required in the next succeeding twelve calendar months to  
504                   retire by purchase or by redemption any Parity Bonds that are Term Bonds.

505                   C.    Payments to the Bond Registrar; Investments. Money on deposit  
506                   in the Bond Fund shall be transmitted to the Bond Registrar at such times and in such  
507                   amounts as shall be necessary to pay when due the principal of and interest and premium,  
508                   if any, on any Parity Bonds. Money in the Bond Fund shall be invested in any legal  
509                   investments of the county maturing in such amounts and at such times as the Finance

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510 Manager may determine so that payments required to be made from the Bond Fund may  
511 be made when due.

512 D. Using Bond Fund Money to Pay Rebate. Notwithstanding any  
513 provisions of this ordinance regarding the use of money deposited in the Bond Fund, such  
514 money may be withdrawn from the Bond Fund as necessary to pay the Rebate Amount.

515 **SECTION 11. Pledge of Sales Tax Revenues.**

516 A. Pledge of Two-Tenths Sales Tax Revenues. All of the Sales Tax  
517 Revenues are hereby irrevocably pledged to the punctual payment of the principal of,  
518 premium, if any, and interest on the Bonds. Such pledge shall constitute a lien on the  
519 Two-tenths Sales Tax Revenues equal to the lien on the Two-tenths Sales Tax Revenues  
520 to pay and secure the payment of the 1998 Bonds and any Future Parity Bonds, and  
521 superior to all other liens and charges on such revenues whatsoever. The county hereby  
522 covenants that for as long as any of the Bonds are outstanding it will include in its budget  
523 and levy the Public Transportation Sales Tax in an amount that will be sufficient,  
524 together with all other funds legally available for such purpose, to pay the principal of,  
525 premium, if any, and interest on the Bonds as the same shall become due. All of such  
526 taxes so collected shall be paid into the Bond Fund no later than the date such funds are  
527 required for the payment of principal of and interest on the Bonds. The full faith, credit  
528 and resources of the county are hereby irrevocably pledged for the levy and collection of  
529 the Public Transportation Sales Tax and for the prompt payment of the principal of,  
530 premium, if any, and interest on the Bonds as the same shall become due. Upon the  
531 issuance of the Bonds and the refunding and defeasance of all of the Refunded Bonds  
532 pursuant to Section 15 of this ordinance, the 1998 Bonds and any bonds issued on a

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533 parity therewith shall no longer be Subordinate Lien Bonds as defined in Ordinance No.  
534 13128, but shall have a first lien position on the Two-tenths Sales Tax Revenues.

535           B.     Receiving Fund. The Receiving Fund has heretofore been created  
536 as a special fund of the county. Upon receipt of the Sales Tax Revenues, the Finance  
537 Manager shall cause the Two-tenths Sales Tax Revenues to be deposited into the  
538 Receiving Fund to be applied as provided in Section 10.B of this ordinance. In  
539 accordance with Ordinance No. 11661 of the county, passed on January 23, 1995, any  
540 Two-tenths Sales Tax Revenues remaining in the Receiving Fund after making the  
541 payments required by Section 10.B of this ordinance shall be transferred on the same  
542 business day, as follows: (x) an amount equal to the 25% of the Two-tenths Sales Tax  
543 Revenues to the Public Transportation Operating Account to be used for operations and  
544 the payment of the Parity Bonds; and (y) the remainder thereof to the Public  
545 Transportation Construction Accounts to be used only for capital purposes, including the  
546 payment of Parity Bonds.

547           SECTION 12. Pledge of General Taxation and Credit. The county hereby  
548 further irrevocably covenants and agrees for as long as any of the Bonds are outstanding  
549 and unpaid, that each year it will include in its budget and levy an *ad valorem* tax upon  
550 all the property within the county subject to taxation in an amount that will be sufficient,  
551 together with all other revenues and money of the county legally available for such  
552 purposes (including Sales Tax Revenues and Assessment Income, if any), to pay the  
553 principal of and interest on the Bonds as the same shall become due. All of such taxes so  
554 collected shall be paid into the Bond Fund no later than the date such funds are required  
555 for the payment of principal of, premium, if any, and interest on the Bonds.

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

563           The full faith, credit and resources of the county are hereby irrevocably pledged  
564 for the annual levy and collection of such taxes and for the prompt payment of the  
565 principal of, premium, if any, and interest on the Bonds as the same shall become due.

566           **SECTION 13. Pledge of Assessment Income.** From and after such time as no  
567 Sales Tax Bonds remain outstanding under the Master Resolution and the Sales Tax  
568 Bond Fund is closed, the county hereby obligates and binds itself to set aside and pay any  
569 Assessment Income into the Bond Fund for payment of the principal of, premium, if any,  
570 and interest on the Parity Bonds without allocation to any particular series of bonds  
571 payable from the Bond Fund. Assessment Income, if any, shall be deposited into the  
572 various accounts within the Bond Fund, as received, according to the order of priority set  
573 forth in Section 10.B of this ordinance. Upon the issuance of the Bonds and the  
574 refunding and defeasance of all of the Refunded Bonds pursuant to Section 15 of this  
575 ordinance, all Sales Tax Bonds shall be deemed to no longer remain outstanding under  
576 Section 10.1 of the Master Resolution and the Sales Tax Bond Fund shall be deemed  
577 closed.

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578            **SECTION 14. Disposition of Proceeds of Bonds.** The proceeds of the Bonds  
579 shall be deposited as follows:

580            A.     The amount equal to the interest accruing on the Bonds from their  
581 dated date to the date of their Closing shall be deposited in the Interest Account in the  
582 Bond Fund.

583            B.     The balance of the proceeds of the Bonds shall be deposited in the  
584 Refunding Account (as hereinafter defined) and applied as provided in Section 15 of this  
585 ordinance.

586            **SECTION 15. Application of Refunding Bond Proceeds.**

587            A.     Refunding Plan. There is hereby authorized and established a  
588 special account of the county to be maintained with the Escrow Agent (as hereinafter  
589 defined) to be known as the “King County [appropriate year and series designation]  
590 Limited Tax General Obligation (Public Transportation Sales Tax) Refunding Bonds  
591 Refunding Account” (the “Refunding Account”). The Refunding Account shall be drawn  
592 upon for the sole purpose of paying the costs of carrying out the Refunding Plan. The  
593 proceeds of the sale of the Bonds shall be deposited into the Refunding Account to  
594 provide for refunding the Refunded Bonds, as authorized by the Refunded Bond  
595 Resolutions and to pay the costs of issuance of the Bonds.

596            Money in the Refunding Account shall be used immediately upon receipt thereof  
597 to defease the Refunded Bonds and discharge the other obligations of the county relating  
598 thereto under the Refunded Bond Resolutions by providing for the payment of the  
599 principal of and interest on the Refunded Bonds as set forth in the Refunding Plan. The  
600 county shall defease such bonds and discharge such obligations by the use of the money

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601 in the Refunding Account to purchase certain Government Obligations (which  
602 obligations so purchased are herein called “Acquired Obligations”), bearing such interest  
603 and maturing as to principal and interest in such amounts and at such times which,  
604 together with any necessary beginning cash balance, will provide for the payment of the  
605 Refunded Bonds as set forth in the Refunding Plan. Such Acquired Obligations shall be  
606 purchased at a yield not greater than the yield permitted by the Code and regulations  
607 relating to acquired obligations in connection with refunding bond issues. The county  
608 may, from time to time, transfer, or cause to be transferred, from the Refunding Account  
609 any money not thereafter required to carry out the Refunding Plan, subject to verification  
610 in writing by an independent certified public accountant that such transfer will not result  
611 in inadequate funds being available to make the required payments therefrom. The  
612 county reserves the right to substitute other securities for the Acquired Obligations in the  
613 event it may do so pursuant to Section 148 of the Code and applicable regulations  
614 thereunder, upon compliance with the conditions set forth in the Escrow Agreement.

615 In connection with the issuance of the Bonds to carry out the refunding and  
616 defeasance of the Refunded Bonds, the Finance Manager is hereby authorized to appoint  
617 as escrow agent a bank or trust company qualified by law to perform the duties described  
618 herein (the “Escrow Agent”). Any beginning cash balance and the Acquired Obligations  
619 shall be irrevocably deposited with the Escrow Agent in an amount sufficient to defease  
620 the Refunded Bonds in accordance with this Section 15.

621 The county will take such actions as are found necessary to see that all necessary  
622 and proper fees, compensation and expenses of the Escrow Agent shall be paid when due.  
623 The proper officers and agents of the county are directed to obtain from the Escrow

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624 Agent an agreement setting forth the duties, obligations and responsibilities of the  
625 Escrow Agent in connection with the redemption and retirement of the Refunded Bonds  
626 as provided herein and stating that such provisions for the payment of the fees,  
627 compensation and expenses of such Escrow Agent are satisfactory to it. To carry out the  
628 purposes of this section, the Finance Manager is authorized and directed to execute and  
629 deliver to the Escrow Agent such an escrow agreement in form approved by bond counsel  
630 to the county.

631 B. Findings of Savings and Defeasance. By the Sale Motion, the  
632 council shall set forth its findings of savings and defeasance with respect to the Refunded  
633 Bonds authorized to be refunded from the proceeds of the Bonds.

634 SECTION 16. Call for Redemption of Refunded Bonds. The county calls for  
635 redemption on January 1, 2003, all of the Refunded Bonds maturing on and after January  
636 1, 2004, at a price of 102% of par. Such call for redemption shall be irrevocable after the  
637 delivery of the Bonds to the initial purchaser thereof. The date on which the Refunded  
638 Bonds are herein called for redemption is the first date on which those bonds may be  
639 called.

640 The proper county officials are authorized and directed to give or cause to be  
641 given such notices as required, at the times and in the manner required, pursuant to the  
642 Refunded Bond Resolutions in order to effect the redemption prior to their maturity of the  
643 Refunded Bonds.

644 SECTION 17. Covenants and Warranties. The county makes the following  
645 covenants and warranties:

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

649           B.     By all necessary official action prior to or concurrently herewith,  
650 the county has duly authorized and approved the execution and delivery of, and the  
651 performance by the county of its obligations contained in, the Bonds and in this  
652 ordinance and the consummation by it of all other transactions necessary to effectuate  
653 this ordinance in connection with the issuance of the Bonds, and such authorizations and  
654 approvals are in full force and effect and have not been amended, modified or  
655 supplemented in material respect.

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

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

660           E.     The adoption of this ordinance, and compliance on the county's  
661 part with the provisions contained herein, will not conflict with or constitute a breach of  
662 or default under any constitutional provisions, law, administrative regulation, judgment,  
663 decree, loan agreement, indenture, bond, note, resolution, ordinance, motion, agreement  
664 or other instrument to which the county is a party or to which the county or any of its  
665 property or assets are otherwise subject, nor will any such adoption, execution, delivery,  
666 sale, issuance or compliance result in the creation or imposition of any lien, charge or  
667 other security interest or encumbrance of any nature whatsoever upon any of the property

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668 or assets of the county or under the terms of any such law, regulation or instrument,  
669 except as may be provided by the Bonds and this ordinance.

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

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

677 **SECTION 18. Preservation of Tax Exemption for Interest on Bonds.** The  
678 county covenants that it will take all actions necessary to prevent interest on the Bonds  
679 from being included in gross income for federal income tax purposes, and it will neither  
680 take any action nor make or permit any use of proceeds of the Bonds or other funds of the  
681 county treated as proceeds of the Bonds at any time during the term of the Bonds which  
682 will cause interest on the Bonds to be included in gross income for federal income tax  
683 purposes. The county also covenants that it will, to the extent the arbitrage rebate  
684 requirement of Section 148 of the Code is applicable to the Bonds, take all actions  
685 necessary to comply (or to be treated as having complied) with that requirement in  
686 connection with the Bonds, including the calculation and payment of any penalties that  
687 the county has elected to pay as an alternative to calculating rebatable arbitrage, and the  
688 payment of any other penalties if required under Section 148 of the Code to prevent  
689 interest on the Bonds from being included in gross income for federal income tax  
690 purposes. The county certifies that it has not been notified of any listing or proposed

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691 listing by the Internal Revenue Service to the effect that it is a bond issuer whose  
692 arbitrage certifications may not be relied upon.

693 **SECTION 19. Future Parity Bonds.**

694 A. No Additional Sales Tax Bonds. The county previously  
695 covenanted and agreed that it will issue no additional Sales Tax Bonds under the Master  
696 Resolution and will issue no others bonds or obligations with a lien upon the Two-tenths  
697 Sales Tax Revenues superior to the lien thereon of the Parity Bonds.

698 B. Future Parity Bonds (other than Refunding Bonds). The county  
699 expressly reserves the right to issue Future Parity Bonds for any lawful purpose of the  
700 county related to the System if at the time of issuing such Future Parity Bonds:

701 (i) There shall be no deficiency in the the Bond Fund.

702 (ii) There shall be on file with the clerk of the council a  
703 certificate of the Finance Manager stating that the amount of Two-tenths Sales Tax  
704 Revenues received for any period of twelve consecutive months during the eighteen  
705 months preceding the Closing date for such Future Parity Bonds was at least equal to 1.5  
706 times the maximum amount required in each calendar year that such Future Parity Bonds  
707 would be outstanding to pay:

708 (a) The principal of the Future Parity Bonds being  
709 issued and all other outstanding Parity Bonds (other than amortization of principal  
710 of Term Bonds).

711 (b) The interest on the Future Parity Bonds being issued  
712 and on all other outstanding Parity Bonds, exclusive of any interest that will be  
713 payable from the proceeds of the Future Parity Bonds to be issued.

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714 (c) The amounts required to be paid into any fund or  
715 account to amortize the principal of any of the Future Parity Bonds that are Term  
716 Bonds and all other outstanding Parity Bonds that are Term Bonds.

717 C. Future Parity Bonds that are Refunding Bonds.

718 (i) For the purpose of refunding at or prior to their maturity  
719 any outstanding Parity Bonds or any bonds or other obligations of the county payable  
720 from the Two-tenths Sales Tax Revenues, the county may at any time issue Future Parity  
721 Bonds without complying with the provisions of Section 19.B hereof; provided, however,  
722 that the county shall not issue Future Parity Bonds for such purpose under this  
723 Section 19.C unless there shall have been filed with the clerk of the council a certificate  
724 of the Finance Manager stating that immediately after the issuance of such Future Parity  
725 Bonds the annual debt service for each year that any Parity Bonds (other than the  
726 refunding bonds proposed to be issued) are then outstanding shall not be increased by  
727 more than \$5,000 by reason of the issuance of such Future Parity Bonds.

728 (ii) The principal amount of such Future Parity Bonds may  
729 include amounts necessary to pay the principal of the bonds or other obligations to be  
730 refunded, interest thereon to the date of payment or redemption thereof, any premium  
731 payable thereon upon such payment or redemption and the costs of issuance of such  
732 Future Parity Bonds. The proceeds of such Future Parity Bonds shall be held and applied  
733 in such manner, consistent with the provisions of Section 25 hereof, as is provided in the  
734 ordinance providing for the issuance of such Future Parity Bonds, so that upon the  
735 delivery of such Future Parity Bonds, the bonds or other obligations to be refunded  
736 thereby shall be deemed to be no longer outstanding.

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737 (iii) At the election of the county, the provisions of this  
738 Section 19.C shall not be applicable to the refunding at one time of all the Parity Bonds  
739 then outstanding.

740 (iv) Future Parity Bonds for the purpose of refunding  
741 outstanding Parity Bonds or bonds or other obligations of the county payable from Two-  
742 tenths Sales Tax Revenues may also be issued upon compliance with the provisions of  
743 Section 19.B hereof.

744 (v) Nothing contained in this ordinance shall prohibit or  
745 prevent, or be deemed or construed to prohibit or prevent, the county from issuing Future  
746 Parity Bonds to refund maturing Parity Bonds for the payment of which money is not  
747 otherwise available.

748 D. Subordinate Obligations. Nothing in this ordinance shall prohibit,  
749 or be deemed or construed to prohibit, the county from authorizing and issuing bonds,  
750 notes or other evidences of indebtedness for any purpose of the county related to the  
751 System payable in whole or in part from Sales Tax Revenues and secured by a lien on  
752 Two-tenths Sales Tax Revenues that is junior, subordinate and inferior to the lien thereon  
753 of the 1998 Bonds and the Bonds.

754 SECTION 20. Sale of Bonds. The Finance Manager shall determine, in  
755 consultation with the county's financial advisors, whether the Bonds shall be sold by  
756 negotiated sale or by competitive bid. The authority to issue any of the Bonds authorized  
757 hereunder shall terminate one year from the effective date of this ordinance.

758 A. Procedure for Negotiated Sale. If the Finance Manager determines  
759 that the Bonds shall be sold by negotiated sale, the Finance Manager shall, in accordance

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760 with applicable county procurement procedures, solicit one or more underwriting firms  
761 with which to negotiate the sale of the Bonds. The purchase contract for the Bonds shall  
762 establish the date, principal amount, interest payment dates, interest rates, maturity  
763 schedule and redemption provisions of such Bonds. The county council by the Sale  
764 Motion shall ratify and approve the bond purchase contract and terms for the Bonds  
765 established therein.

766           B.     Procedure for Sale by Competitive Bid. If the Finance Manager  
767 determines that the Bonds shall be sold by competitive bid, bids for the purchase of the  
768 Bonds shall be received at such time or place and by such means as the Finance Manager  
769 shall direct. The Finance Manager is authorized to prepare a notice of sale for the Bonds,  
770 establishing in such notice the date, principal amount, interest payment dates, maturity  
771 schedule and redemption provisions of such Bonds. The official notice of sale or an  
772 abridged form thereof shall be published in such newspapers or financial journals as may  
773 be deemed desirable or appropriate by the financial advisors to the county.

774           Upon the date and time established for the receipt of bids for the Bonds, the  
775 Finance Manager or his designee shall open the bids, shall cause the bids to be  
776 mathematically verified and shall report to the county council regarding the bids  
777 received. Such bids shall then be considered and acted upon by the county council in an  
778 open public meeting. The county council reserves the right to reject any and all bids for  
779 the Bonds. The county council by the Sale Motion shall approve the sale of the Bonds  
780 and establish the date, interest rates, maturity schedule and redemption provisions of the  
781 Bonds.

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782            SECTION 21. Delivery of Bonds. Following the sale of the Bonds, the county  
783 shall cause definitive Bonds to be prepared, executed and delivered to the purchaser in  
784 accordance with the provisions of this ordinance, with the approving legal opinion of  
785 municipal bond counsel regarding the Bonds.

786            If definitive Bonds are not ready for delivery by the date established for the  
787 Closing, then the Finance Manager, upon the approval of the purchaser, may cause to be  
788 issued and delivered to the purchaser one or more temporary Bonds with appropriate  
789 omissions, changes and additions. Any temporary Bond or Bonds shall be entitled and  
790 subject to the same benefits and provisions of this ordinance with respect to the payment,  
791 security and obligation thereof a definitive Bonds authorized thereby. Such temporary  
792 Bond or Bonds shall be exchangeable without cost to the owners thereof for definitive  
793 Bonds when the latter are ready for delivery.

794            SECTION 22. Official Statement. The county authorizes and directs the  
795 Finance Manager: (i) to review and approve the information contained in the preliminary  
796 official statement (the "Preliminary Official Statement") prepared in connection with the  
797 sale of the Bonds; and (ii) for the sole purpose of the Bond purchasers' compliance with  
798 Section (b)(1) of the Rule, to "deem final" that Preliminary Official Statement as of its  
799 date, except for the omission of information on offering prices, interest rates, selling  
800 compensation, delivery dates, any other terms or provisions subject to final pricing,  
801 ratings, and other terms of the Bonds dependent on such matters. After the Preliminary  
802 Official Statement has been reviewed and approved in accordance with the provisions of  
803 this section, the county hereby authorizes distribution of the Preliminary Official  
804 Statement to prospective purchasers of the Bonds.

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805           Following the sale of the Bonds in accordance with Section 20 of this ordinance,  
806           the Finance Manager is hereby authorized to review and approve on behalf of the county  
807           a final official statement with respect to the Bonds. The county agrees to cooperate with  
808           the purchaser of the Bonds to deliver or cause to be delivered, within seven business days  
809           from the date of the Sale Motion (or within such other period as may be required by  
810           applicable law) and in sufficient time to accompany any confirmation that requests  
811           payment from any customer of the purchaser, copies of the final official statement in  
812           sufficient quantity to comply with paragraph (b)(4) of the Rule and the rules of the  
813           MSRB.

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

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

821           SECTION 25. Refunding or Defeasance of the Bonds. The county may issue  
822           refunding bonds pursuant to the laws of the State of Washington or use money available  
823           from any other lawful source to pay when due the principal of and interest on the Bonds,  
824           or any portion thereof included in a refunding or defeasance plan, and to redeem and  
825           retire, refund or defease all such then-outstanding Bonds (hereinafter collectively called  
826           the “defeased Bonds”) and to pay the costs of the refunding or defeasance. If money  
827           and/or Government obligations maturing at a time or times and bearing interest in

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828 amounts (together with money, if necessary) sufficient to redeem and retire, refund or  
829 defease the defeased Bonds in accordance with their terms are set aside in a special trust  
830 fund or escrow account irrevocably pledged to that redemption, retirement or defeasance  
831 of defeased Bonds (hereinafter called the “trust account”), then all right and interest of  
832 the owners of the defeased Bonds in the covenants of this ordinance and in the funds and  
833 accounts obligated to the payment of the defeased Bonds shall cease and become void.  
834 The owners of defeased Bonds shall have the right to receive payment of the principal of  
835 and interest on the defeased Bonds from the trust account. The county shall include in  
836 the refunding or defeasance plan such provisions as the county deems necessary for the  
837 random selection of any defeased Bonds that constitute less than all of a particular  
838 maturity of the Bonds, for notice of the defeasance to be given to the owners of the  
839 defeased Bonds and to such other persons as the county shall determine, and for any  
840 required replacement of Bond certificates for defeased Bonds. The defeased Bonds shall  
841 be deemed no longer outstanding, and the county may apply any money in any other fund  
842 or account established for the payment or redemption of the defeased Bonds to any lawful  
843 purposes as it shall determine.

844           If the Bonds are registered in the name of DTC or its nominee, notice of any  
845 defeasance of Bonds shall be given to DTC in the manner prescribed in the Letter of  
846 Representations for notices of redemption of Bonds.

847           **SECTION 26. Supplemental Ordinances.** The county council from time to  
848 time and at any time may adopt an ordinance or ordinances supplemental to this  
849 ordinance which supplemental ordinance or ordinances thereafter shall become a part of  
850 this ordinance, for any one or more of the following purposes:

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851                   A.     To add to the covenants and agreements of the county in this  
852 ordinance such other covenants and agreements thereafter to be observed, which shall not  
853 adversely affect the interests of the holders and owners of any Parity Bonds, or to  
854 surrender any right or power herein reserved to or conferred upon the county.

855                   B.     To make such provisions for the purpose of curing any ambiguities  
856 or of curing, correcting or supplementing any defective provision contained in this  
857 ordinance or any ordinance authorizing Future Parity Bonds in regard to matters or  
858 questions arising under such ordinances as the county council may deem necessary or  
859 desirable and not inconsistent with such ordinances and which shall not materially  
860 adversely affect the interest of the holders and owners of Parity Bonds.

861                   SECTION 27. Severability. The covenants contained in this ordinance shall  
862 constitute contract between the county and the owners of each and every Bond. If any  
863 one or more of the covenants or agreements provided in this ordinance to be performed  
864 on the part of the county are deemed by any court of competent jurisdiction to be contrary  
865 to law, then such covenant or covenants, agreement or agreements, shall be null and void  
866 and shall be deemed separable from the remaining covenants and agreements of this  
867 ordinance and shall in no way affect the validity of the other provisions of this ordinance  
868 or of the Bonds.

869

**SECTION 28. Effective Date.** This ordinance shall be effective ten days after its

870

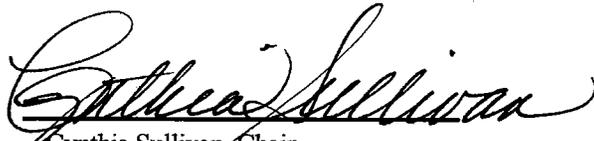
enactment, in accordance with Article II of the county charter.

871

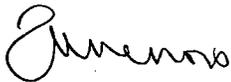
Ordinance 14490 was introduced on 9/16/2002 and passed by the Metropolitan King County Council on 9/30/2002, by the following vote:

Yes: 10 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Mr. Phillips, Mr. McKenna, Mr. Constantine, Mr. Pullen, Mr. Gossett, Ms. Hague and Mr. Irons  
No: 0  
Excused: 3 - Ms. Lambert, Mr. Pelz and Ms. Patterson

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

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KING COUNTY COUNCIL  
CLERK

APPROVED this 10 day of October 2002.



Ron Sims, County Executive

Attachments None