



King County  
Metropolitan King County Council  
Budget & Fiscal Management Committee

Agenda Item No.: 5, 6 & 7

Date: March 16, 2010

Proposed No.: 2010-0080  
2010-0081  
2010-0082

Prepared By: Patrick Hamacher

STAFF REPORT

SUBJECT:

This item would provide temporary and permanent financing for the Accountable Business Transformation project. This is essentially a ministerial act as the policy decisions surrounding moving forward with the project have already been made.

SUMMARY:

**Proposed Ordinance 2010-0080** requests authority to issue \$85 million in Bond Anticipation Notes (BANs) and Long-term General Obligation (LTGO) bonds.

**Proposed Motions 2010-0081 and 2010-0082** are placeholder motions that would be approved on the day of the sale. The details in these items are currently blank and will remain so until the terms of the bond sale are known.

BACKGROUND:

The Accountable Business Transformation program is the methodology selected by the County Executive and endorsed by the elected leadership of the county for implementing county-wide enterprise financial systems replacement. Since the merger with Metro, the County has been maintaining two accounting systems and two human resource/payroll systems (HR/Payroll). This leads to redundant use of staff resources as well as a time-consuming and inefficient reconciliation process necessary for the production of financial statements. The ABT Program Charter, approved by the Council in Motion 12364, specifically included the following problem statement:

*"Presently, the county operates with two accounting and financial reporting systems and two human resource/payroll systems. These four separate systems perform the fundamental central financial functions for the county, but are not integrated and have inefficient interfaces. County departments and agencies follow divergent policies and procedures, use inconsistent business processes and support multiple computing systems. This results in poor integration, redundant data entry, time-wasting reconciliation, and high systems maintenance, staff support and upgrade costs. While there has been*

*improvement with the PeopleSoft and Oracle systems, many of the business systems and practices are still outdated, and inflexible. Business-process improvement changes required for legal compliance, ad-hoc reporting and productivity improvements are difficult to achieve in this environment.”*

In addition to this problem statement approved by the County Council, the Executive has also indicated additional issues associated with the County’s current business practices:

*“Budget and financial management processes and reporting are inconsistent within the two systems and not easily accessed by users. Budget development process and budget monitoring are not integrated. Separate budget development processes are used for operating and capital budgets. Budget management systems for capital are inadequate and some Oracle users utilize side systems for capital budget management<sup>1</sup>.”*

The ABT program will essentially accomplish three distinct tasks; the ABT Program Management Office will: 1) work with all the County agencies to standardize business practices to conform them (as much as possible) to the Oracle and PeopleSoft software suite; 2) lead the County’s migration and implementation to move all county agencies to Oracle and PeopleSoft; and, 3) lead the selection and implementation of a budget development and monitoring module for county-wide implementation.

This current program (and other ancillary projects associated with replacing the financial systems) was born out of a prior failed effort to replace the enterprise systems project (the Financial Systems Replacement Project or FSRP). From 1998 to 2000, these prior efforts led to approximately \$42 million in County expenditures and resulted in moving one-third of the county’s payroll to the PeopleSoft system. Other aspects of the program, originally approved in the program scope were not implemented and these efforts did not lead to single software systems for financial accounting, human resources or budgeting.

There have been a number of legislative actions taken regarding what is now known as the ABT program. A brief legislative summary is included below:

- **Motion 11729** (June 2003) approved a vision and goals statement for replacement of financial, human resources and budget management systems and accepted a plan for development of an approach for dealing with roadblocks to implementation. The vision statement approved by this Motion is as follows:
  - King County’s financial, human resource, and budget management functions are fully integrated, efficient and effective, and enhance the county’s ability to provide essential services to its customers.
- **Motion 12024** (October 2004) approved policies for the program. Specifically, the following policies or goals were adopted:

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<sup>1</sup> ABT Program Charter, as adopted by Motion 12364, page 4.

- **Human Resources and Payroll Policy:** Pay all employees on a common, bi-weekly, pay cycle from a single payroll system by migrating all employees to the PeopleSoft system.
  - **Human Resources Policy:** Align all county human resource practices and procedures to ensure that business needs are met through legally defensible human resource practices.
  - **Financial Policy:** Process core county financial transactions from a single integrated system by implementing Oracle Financials countywide.
  - **Budget Policy:** Standardize and streamline operating and capital budgeting by implementing a public sector operating and capital countywide system.
- **Motion 12274** (April 2006) the County amended the 2006-2008 Strategic Technology Plan to make the ABT program the number one efficiency goal.
  - **Ordinance 15595** (September 2006) provided funding for human resources/payroll and upgrades to existing financial systems software as well as removed existing expenditure restrictions in the 2005 budget.
  - **Motion 12364** (October 2006) approved the ABT Program Charter which delineates clear responsibilities, accountability and clear lines of succession within the program. Besides the problem statements and vision statements discussed earlier, this program charter provided nine guiding principles for the program:
    - Ensure effective leadership, comprehensive stakeholder agreement and alignment with the county's goals.
    - Apply the technology governance direction for future project efforts.
    - Standardize and streamline operations and business practices to adopt best practices.
    - Consolidate and integrate the computing infrastructure to eliminate redundancy.
    - Reduce computer maintenance, management and service costs.
    - Improve customer service, decision support, and reporting capabilities.
    - Enhance existing service levels and capabilities.
    - Ensure the privacy and security of financial, human resource and budget information.
    - Commitment to organizational and "county cultural" changes must be accepted and effectively implemented.
  - **Motion 12581 & Ordinance 15903** (September 2007) approved the High Level Business Plan. This document instructed the Executive to prepare:
    - A Detailed Implementation Plan which discusses and identifies the methodology that will be used to implement the high level business design.
    - An updated cost-benefit analysis for completion of the program.

- **Motion 12863 & Ordinance 16275** (October 2008) approved the Detailed implementation plan & an appropriation for implementation of the project. This included:
  - An appropriation of \$77.5 million for staffing, software and consulting costs through 2013.
  - A multi-stepped schedule for implementation of three different modules to implement changes to human resources, financial accounting and budget.

**ANALYSIS:**

BANs are typically used by King County when projects are:

- Complex in nature, where the total project costs are not yet known,
- Expected to span several years,
- Expenditures are not equally spread out over a number of years,

Use of BANs to fund the ABT project appears to be a reasonable decision as there are still three more years of expenditures expected. The Executive currently plans to sell \$40 million in BANs in 2010 and spread the remaining amount over 2011 and 2012. A final sale, where the total of the BANs and accumulated interest will be converted into LTGO bonds is expected in 2013.

By using BANs in this case, the County can accurately sell LTGO bonds once when the final costs are known. This will reduce the county's cost of issuance and interest costs. The BANs are expected to sell for between 0.25% and 0.50% whereas the LTGO bonds will sell in excess of 4%.

As noted in the introduction, this approach is effectively a ministerial action. The Council has previously approved a total of \$86.7 million in expenditures for the ABT project and this package of legislation would put into place the financing to fund the project. This financing package is consistent with prior projects.

**Independent Capital Project Oversight**

With adoption of the 2007 annual budget, the County Council created an independent office of capital project oversight. Four projects were assigned to this new office including the ABT Program. The CPO office will have a role in overseeing the program for compliance with scope, schedule and budget as approved by the Council. The CPO will also monitor efforts to document and achieve projected cost-savings. To date there have been four quarterly reports by the CPO office on the ABT project and the office is actively monitoring the project's scope, schedule and budget.

**AMENDMENTS:**

There is the need for an amendment to Proposed Ordinance 2010-0080. When the ordinance was transmitted, there was an error in the amount needed for borrowing; the ordinance was transmitted requesting \$85 million in borrowing. However, the total of all appropriations and accumulated costs should actually be listed as \$95 million. This amount includes the total of all planning, design and implementation funds.

377142	ABT Program		
	2005	CIP	3,973,663
	2007	Supplemental	5,059,194
	2008	Appropriation	64,595,037
	2009	ABT Project Oversight	90,246
	Total		73,718,140
377222	ABT Program Contingency		12,919,007
	Total ABT Program Appropriation		86,637,147
	New Request for ABT Financing (include \$86.6 million + bond issuance costs and interest)		\$95,000,000

- **Amendment S1** includes the proper amounts in the body of the ordinance.
- **Amendment T1** corrects the amount in the title of the ordinance.

**REASONABLENESS:**

With the discussed amendments, adoption of Proposed Ordinance 2010-0080 would constitute a reasonable business decision.

Proposed Motions 2010-0081 and 2010-0082 are placeholder motions that should be passed without recommendation as the details of the sale are not yet known.

**INVITED:**

Ken Guy, Director, Finance & Business Operations Division  
 Rob Shelley, Financial Advisor, Seattle Northwest Securities  
 Dan Gottlieb, Gottlieb Fisher, Bond Counsel  
 Nigel Lewis, Senior Debt Analyst, Finance & Business Operations Division

**ATTACHMENTS:**

- Striking Amendment S1
- Title Amendment T1
- Proposed Ordinance 2010-0080
- Proposed Motion 2010-0081
- Proposed Motion 2010-0082
- Transmittal Letter
- Fiscal Note



S1

3/16/2010

Phh/bar

Sponsor: Patterson

Proposed No.: 2010-0080

1 STRIKING AMENDMENT TO PROPOSED ORDINANCE 2010-0080, VERSION

2 1

3 On page 1, beginning on line 17, strike everything through page 43, line 958, and insert:

4 "PREAMBLE:

5 The county council has previously reviewed and approved expenditures  
6 for the Accountable Business Transformation Program.

7 It is deemed necessary and advisable that the county now authorize the  
8 issuance of one or more series of its limited tax general obligation bonds  
9 in an outstanding aggregate principal amount not to exceed \$95,000,000 to  
10 provide long-term financing for the capital costs of the Accountable  
11 Business Transformation Program, and that the county now authorize the  
12 issuance and public sale of one or more series of its limited tax general  
13 obligation bond anticipation notes in an outstanding aggregate principal  
14 amount not to exceed \$95,000,000 to provide interim financing for such  
15 capital costs pending the issuance of the bonds.

16 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

20            "ABT Project" means the capital costs of implementing the Accountable Business  
21 Transformation Program.

22            "Accountable Business Transformation Program" means the program to replace  
23 the disparate budget, finance, human resources, payroll and employee benefits systems  
24 used in the county with a unified set of systems in efforts to increase efficiency and  
25 efficacy of services.

26            "BABs" means "Build America Bonds" authorized under the federal American  
27 Recovery and Reinvestment Act of 2009.

28            "Bond Fund" means, with respect to each series of the Bonds, the bond  
29 redemption account established therefor pursuant to Section 12 of this ordinance.

30            "Bond Sale Motion" means a motion of the council adopted at the time of sale of  
31 each series of the Bonds that establishes, with respect thereto, the following, among other  
32 things: the year and, if applicable, a series designation, dates, principal amounts and  
33 maturity dates, the interest rates and interest payment dates, and the redemption  
34 provisions therefor.

35            "Bonds" means the limited tax general obligation bonds of the county in an  
36 outstanding aggregate principal amount not to exceed \$95,000,000, authorized to be  
37 issued in one or more series by this ordinance to provide long-term financing for the ABT  
38 Project. Each series of Bonds may be issued as either Tax-Exempt Obligations or  
39 Taxable Obligations, as provided in Section 4.E of this ordinance.

40 "Code" means the federal Internal Revenue Code of 1986, as amended, together  
41 with corresponding and applicable final, temporary or proposed regulations and revenue  
42 rulings issued or amended with respect thereto by the United States Treasury Department  
43 or the Internal Revenue Service.

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

45 "Federal Tax Certification" means, with respect to each series of Notes or Bonds,  
46 the certificate executed by the Finance Director pertaining to the county's expectations in  
47 connection with the federal tax treatment of interest on such series of Notes or Bonds.

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

51 "Government Obligations" means "government obligations," as defined in chapter  
52 39.53 RCW, as now in existence or hereafter amended.

53 "Note Fund" means, with respect to each series of the Notes, the note redemption  
54 account established therefor pursuant to Section 12 of this ordinance.

55 "Note Sale Motion" means a motion of the council adopted at the time of sale of  
56 each series of the Notes that establishes, with respect thereto, the following, among other  
57 things: the year and, if applicable, a series designation, dates, principal amounts and  
58 maturity dates, the interest rates and interest payment dates, and the redemption  
59 provisions therefor.

60 "Notes" means the limited tax general obligation bond anticipation notes of the  
61 county in an outstanding aggregate principal amount not to exceed \$95,000,000,  
62 authorized to be issued in one or more series by this ordinance to provide interim

63 financing for the ABT Project. Each series of Notes may be issued as either Tax-Exempt  
64 Obligations or Taxable Obligations, as provided in Section 5.E of this ordinance.

65 "Official Notice of Bond Sale" means, with respect to each series of the Bonds  
66 that is sold by competitive bid, the official notice of sale therefor prepared pursuant to  
67 Section 4.E of this ordinance.

68 "Official Notice of Note Sale" means, with respect to each series of the Notes that  
69 is sold by competitive bid, the official notice of sale therefor prepared pursuant to Section  
70 5.E of this ordinance.

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

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

76 "Registrar" means the fiscal agency of the State of Washington appointed from  
77 time to time by the Washington State Finance Committee pursuant to chapter 43.80  
78 RCW.

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

81 "Taxable Obligations" means the Notes or Bonds, as applicable, of any series  
82 determined to be issued on a taxable basis (including, but not limited to, any BABs)  
83 pursuant to Section 5.E or Section 4.E of this ordinance, as applicable.

84 "Tax-Exempt Obligations" means the Notes or Bonds, as applicable, of any series  
85 determined to be issued on a tax-exempt basis pursuant to Section 5.E or Section 4.E of  
86 this ordinance, as applicable.

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

88 A. The Accountable Business Transformation Program will contribute to the  
89 health, safety and welfare of the citizens of the county.

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

97 SECTION 3. Authorization of ABT Project. The county has previously  
98 authorized the undertaking of the Accountable Business Transformation Program. The  
99 capital costs of implementing the Accountable Business Transformation Program to be  
100 funded by the ABT Project shall also include (a) capitalized interest, interest on the Notes  
101 or other interim financing for such projects pending receipt of Bond proceeds, and costs  
102 and expenses incurred in issuing the Notes and the Bonds; (b) the capitalizable costs of  
103 sales tax, acquisition and contingency allowances, financing, and any and all surveys,  
104 explorations, engineering and architectural studies, drawings, designs and specifications  
105 incidental, necessary or convenient to the implementation of the Accountable Business  
106 Transformation Program; and (c) the purchase of all materials, supplies, appliances,

107 equipment and facilities, and the permits, franchises, property and property rights and  
108 capitalizable administrative costs, necessary, incidental or convenient to the  
109 implementation of the Accountable Business Transformation Program.

110 The ABT Project may be modified where deemed advisable or necessary in the  
111 judgment of the county council, and implementation or completion of any authorized  
112 component thereof shall not be required if the county council determines that it has  
113 become inadvisable or impractical. If all of the ABT Project has been completed, or its  
114 completion duly provided for, or their completion found to be inadvisable or impractical,  
115 the county may apply any remaining proceeds of the Notes or the Bonds, or any portion  
116 thereof, to the acquisition or improvement of other county capital projects as the county  
117 council in its discretion may determine. In the event that the proceeds of the sale of the  
118 Notes and the Bonds, plus any other money of the county legally available therefor, are  
119 insufficient to accomplish all of the ABT Project, the county shall use the available funds  
120 for paying the cost of those components of the ABT Project deemed by the county  
121 council most necessary and in the best interest of the county.

122 SECTION 4. Purpose, Authorization and Description of Bonds.

123 A. Purpose and Authorization of Bonds. The county authorizes the issuance  
124 of the Bonds to provide long-term financing the ABT Project. The long-term financing  
125 provided by the Bonds may be in the form of new money financing for the ABT Project,  
126 or in the form of a current refunding of outstanding Notes, or any combination thereof.

127 B. Description of Bonds. The Bonds may be issued in one or more series so  
128 long as the aggregate principal amount of the Bonds to be outstanding on the date of  
129 issuance of each series of the Bonds does not to exceed the remainder of \$95,000,000 less

130 the aggregate principal amount of any Notes to be outstanding on the date of issuance of  
131 such series of the Bonds. Each series of the Bonds shall be designated "King County,  
132 Washington, Limited Tax General Obligation Bonds," with the year and any applicable  
133 series designation and with the additional designation of "Taxable" for any series of  
134 Bonds issued as Taxable Obligations, all as established by the related Bond Sale Motion.  
135 Each series of the Bonds shall be dated as of such date, shall mature on the date or dates  
136 in each of the years and in the principal amounts, shall bear interest (computed on the  
137 basis of a 360-day year of twelve 30-day months) from their date or the most recent  
138 interest payment date to which interest has been paid or duly provided for, whichever is  
139 later, at the rates and payable on such dates, and shall be subject to redemption prior to  
140 maturity in the amounts, in the manner and at the prices, and shall be subject to such  
141 other terms and provisions as the county shall establish by the related Bond Sale Motion.  
142 Each series of the Bonds shall be fully registered as to both principal and interest, shall be  
143 in the denomination of \$5,000 each or any integral multiple thereof (but no Bond shall  
144 represent more than one maturity), shall be numbered separately in such manner and with  
145 any additional designation as the Registrar deems necessary for purposes of  
146 identification.

147 C. Initial Immobilization of Bonds; Depository Provisions. The Bonds of  
148 each series shall initially be held in fully immobilized form by DTC acting as depository  
149 pursuant to the terms and conditions set forth in the Blanket Issuer Letter of  
150 Representations heretofore executed on behalf of the county. Neither the county nor the  
151 Registrar shall have any responsibility or obligation to DTC participants or the persons  
152 for whom they act as nominees with respect to such Bonds with respect to the accuracy of

153 any records maintained by DTC or any DTC participant, the payment by DTC or any  
154 DTC participant of any amount in respect of principal or redemption price or interest on  
155 such Bonds, any notice that is permitted or required to be given to registered owners  
156 under this ordinance (except such notice as is required to be given by the county to the  
157 Registrar or to DTC), the selection by DTC or any DTC participant of any person to  
158 receive payment in the event of a partial redemption of such Bonds or any consent given  
159 or other action taken by DTC as owner of such Bonds.

160         The Bonds of each series shall initially be issued in denominations equal to the  
161 aggregate principal amount of each maturity and initially shall be registered in the name  
162 of CEDE & Co., as the nominee of DTC. Such Bonds so registered shall be held in fully  
163 immobilized form by DTC as depository. For so long as any such Bonds are held in fully  
164 immobilized form, DTC, its successor or any substitute depository appointed by the  
165 county, as applicable, shall be deemed to be the registered owner for all purposes  
166 hereunder and all references to registered owners, bondowners, bondholders, owners or  
167 the like shall mean DTC or its nominees and shall not mean the owners of any beneficial  
168 interests in the Bonds. Registered ownership of such Bonds, or any portions thereof, may  
169 not thereafter be transferred except:

170             (1) To any successor of DTC or its nominee, if that successor shall be  
171 qualified under any applicable laws to provide the services proposed to be provided by it;

172             (2) To any substitute depository appointed by the county pursuant to  
173 this subsection or such substitute depository's successor; or

174             (3) To any person as herein provided if such Bonds are no longer held  
175 in immobilized form.

176           Upon the resignation of DTC or its successor (or any substitute depository or its  
177 successor) from its functions as depository, or a determination by the county that it is no  
178 longer in the best interests of beneficial owners of such Bonds to continue the system of  
179 book entry transfers through DTC or its successor (or any substitute depository or its  
180 successor), the county may appoint a substitute depository. Any such substitute  
181 depository shall be qualified under any applicable laws to provide the services proposed  
182 to be provided by it.

183           In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of  
184 this subsection, the Registrar, upon receipt of all outstanding Bonds of such series  
185 together with a written request on behalf of the county, shall issue a single new Bond  
186 certificate for each maturity of Bonds of such series then outstanding, registered in the  
187 name of such successor or such substitute depository, or their nominees, as the case may  
188 be, all as specified in such written request of the county.

189           In the event that DTC or its successor (or substitute depository or its successor)  
190 resigns from its functions as depository, and no substitute depository can be obtained; or  
191 the county determines that it is in the best interests of the beneficial owners of the Bonds  
192 of any series that they be able to obtain Bond certificates, the ownership of such Bonds  
193 may be transferred to any person as herein provided, and such Bonds shall no longer be  
194 held in fully immobilized form. The county shall deliver a written request to the  
195 Registrar, together with a supply of definitive Bonds of such series, to issue Bonds of  
196 such series as herein provided in any authorized denomination. Upon receipt of all then  
197 outstanding Bonds of any series by the Registrar, together with a written request on  
198 behalf of the county to the Registrar, new Bonds of such series shall be issued in such

199 denominations and registered in the names of such persons as are requested in such a  
200 written request.

201 D. Place, Manner and Medium of Payment. Both principal of and interest on  
202 the Bonds shall be payable in lawful money of the United States of America. For so long  
203 as any outstanding Bonds are registered in the name of CEDE & Co., or its registered  
204 assigns, as nominee of DTC, payments of principal of and interest on such Bonds shall be  
205 made in next day funds on the date such payment is due and payable at the place and in  
206 the manner provided in the Letter of Representations. =

207 In the event that the Bonds of any series are no longer held in fully immobilized  
208 form by DTC or its successor (or substitute depository or its successor), interest on such  
209 Bonds shall be paid by checks or drafts mailed, or by wire transfer, to the owners of such  
210 Bonds at the addresses for such owners appearing on the Register on the 15th day of the  
211 calendar month preceding the interest payment date. Wire transfer will be made only if  
212 so requested in writing and if the owner owns at least \$1,000,000 par value of such  
213 Bonds. Principal of the Bonds shall be payable at maturity or on such dates as may be  
214 fixed for prior redemption upon presentation and surrender of such Bonds by the owners  
215 to the Registrar.

216 E. Sale of Bonds. The county hereby authorizes the public sale of the Bonds.  
217 The Bonds shall be sold in one or more series, any of which may be sold in a combined  
218 offering with other bonds and/or notes of the county, at the option of the Finance  
219 Director. The Finance Director shall determine, in consultation with the county's  
220 financial advisors, whether each series of the Bonds shall be sold by negotiated sale or

221 competitive bid, and whether such series of Bonds shall be issued and sold as Tax-  
222 Exempt Obligations or Taxable Obligations.

223 If the Finance Director determines that any series of the Bonds shall be sold by  
224 negotiated sale, the Finance Director shall, in accordance with applicable county  
225 procurement procedures, solicit one or more underwriting firms with which to negotiate  
226 the sale of the Bonds. The purchase contract for each series of the Bonds shall specify  
227 whether the Bonds of such series are being issued and sold as Tax-Exempt Obligations or  
228 Taxable Obligations, and shall also establish the year and any applicable series  
229 designation, date, principal amounts and maturity dates, interest rates and interest  
230 payment dates, redemption provisions and delivery date for such series of the Bonds, so  
231 long as the aggregate principal amount of the Bonds to be outstanding on the date of  
232 issuance of such series of the Bonds does not exceed the remainder of \$95,000,000 less  
233 the aggregate principal amount of any Notes to be outstanding on the date of issuance of  
234 such series of the Bonds. The county council, by Bond Sale Motion, shall approve the  
235 bond purchase contract and ratify whether the Bonds of such series are being issued and  
236 sold as Tax-Exempt Obligations or Taxable Obligations and the other terms for the series  
237 of the Bonds established thereby.

238 If the Finance Director determines that any series of the Bonds shall be sold by  
239 competitive bid, bids for the purchase of each series of the Bonds shall be received at  
240 such time and place and by such means as the Finance Director shall direct.

241 Upon the date and time established for the receipt of bids for each series of the  
242 Bonds, the Finance Director or his designee shall open the bids for the Bonds, shall cause  
243 the bids to be mathematically verified and shall report to the county council regarding the



267 STATE OF WASHINGTON  
268 KING COUNTY  
269 LIMITED TAX GENERAL OBLIGATION BOND,  
270 [Year][, Series][TAXABLE]

271 INTEREST RATE: MATURITY DATE: CUSIP NO. :

272 REGISTERED OWNER:

273 PRINCIPAL AMOUNT:

274 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to  
275 owe and for value received promises to pay to the registered owner identified above, or  
276 registered assigns, on the Maturity Date specified above, the Principal Amount specified  
277 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-  
278 day months) from \_\_\_\_\_, or the most recent date to which interest has been  
279 paid or duly provided for until payment of this Bond at the Interest Rate set forth above,  
280 payable on \_\_\_\_\_, and semiannually thereafter on the \_\_\_\_ day of each succeeding  
281 \_\_\_\_\_ and \_\_\_\_\_ to the maturity or prior redemption of this Bond.

282 Both principal of and interest on this Bond are payable in lawful money of the  
283 United States of America. While Bonds are held on immobilized "book entry" system of  
284 registration, the principal of this Bond is payable to the order of the registered owner in  
285 same day funds received by the registered owner on the maturity date of this Bond, and  
286 the interest on this Bond is payable to the order of the registered owner in same day funds  
287 received by the registered owner on each interest payment date. When Bonds are no  
288 longer held in an immobilized "book entry" registration system, the principal shall be  
289 paid to the registered owner or nominee of such owner upon presentation and surrender

290 of this Bond to the fiscal agency of the State of Washington (the "Registrar"), and the  
291 interest shall be paid by mailing a check or draft (on the date such interest is due) to the  
292 registered owner or nominee of such owner at the address shown on the registration  
293 books maintained by the Registrar (the "Register") as of the 15th day of the month prior  
294 to the interest payment date; provided, however, that if so requested in writing by the  
295 registered owner of at least \$1,000,000 par value of the Bonds, interest will be paid by  
296 wire transfer.

297 This Bond is one of an authorized issue of Bonds of like date and tenor, except as  
298 to number, amount, rate of interest and date of maturity[, and redemption provisions], in  
299 the aggregate principal amount of \$\_\_\_\_\_, and is issued to provide long-term  
300 financing for the ABT Project defined and described in King County Ordinance \_\_\_\_\_  
301 (the "Bond Ordinance"). Capitalized words and phrases used but not defined herein shall  
302 have the meanings set forth in the Bond Ordinance.

303 The Bonds of this issue are issued under and in accordance with the provisions of  
304 the Constitution and applicable statutes of the State of Washington, the County Charter  
305 and applicable ordinances duly adopted by the County.

306 [The Bonds of this issue are subject to redemption prior to maturity as follows:  
307 (information to come from related Bond Sale Motion)].

308 The County has irrevocably covenanted in the Bond Ordinance that, for as long as  
309 any of the Bonds are outstanding and unpaid, each year it will include in its budget and  
310 levy an *ad valorem* tax within the constitutional and statutory tax limitations provided by  
311 law without a vote of the people upon all the property within the County subject to  
312 taxation in an amount that will be sufficient, together with all other revenues, taxes and

313 money of the County legally available for such purposes, to pay the principal of and  
314 interest on the Bonds as the same shall become due. The County has irrevocably pledged  
315 its full faith, credit and resources for the annual levy and collection of such taxes and for  
316 the prompt payment of the principal of and interest on the Bonds as the same shall  
317 become due.

318         The pledge of tax levies for repayment of principal of and interest on the Bonds  
319 may be discharged prior to maturity of the Bonds by making provisions for the payment  
320 thereof on the terms and conditions set forth in the Bond Ordinance. —

321         This Bond shall not be valid or become obligatory for any purpose or be entitled  
322 to any security or benefit under the Bond Ordinance until the Certificate of  
323 Authentication hereon shall have been manually signed by the Registrar.

324         It is hereby certified that all acts, conditions and things required by the  
325 Constitution and statutes of the State of Washington and the Charter and ordinances of  
326 the County to exist, to have happened, been done and performed precedent to and in the  
327 issuance of this Bond have happened, been done and performed and that the issuance of  
328 this Bond and the Bonds of this series does not violate any constitutional, statutory or  
329 other limitation upon the amount of bonded indebtedness that the County may incur.

330         [Add so long as Bonds are held in fully immobilized form by DTC: Unless this  
331 certificate is presented by an authorized representative of The Depository Trust  
332 Company, a New York corporation ("DTC"), to the Registrar for registration of transfer,  
333 exchange or payment, and any certificate issued is registered in the name of Cede & Co.  
334 or in such other name as is requested by an authorized representative of DTC (and any  
335 payment is made to Cede & Co. or to such other entity as is requested by an authorized

336 representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR  
337 VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as  
338 the registered owner hereof, Cede & Co., has an interest herein.]

339 IN WITNESS WHEREOF, the County has caused this Bond to be executed by  
340 the manual or facsimile signatures of the County Executive and the Clerk of the County  
341 Council, and the seal of the County to be impressed or imprinted hereon, as of this  
342 [ ] day of [ ].

343 KING COUNTY, WASHINGTON

344 By \_\_\_\_\_

345 County Executive

346 ATTEST:

347 \_\_\_\_\_

348 Clerk of the Council

349 The Registrar's Certificate of Authentication on the Bonds shall be in substantially  
350 the following form:

351 CERTIFICATE OF AUTHENTICATION

352 This Bond is one of the King County, Washington, Limited Tax General  
353 Obligation Bonds, [Year][, Series][TAXABLE], described in the within mentioned Bond  
354 Ordinance.

355 WASHINGTON STATE FISCAL

356 AGENCY, as Registrar

357 By \_\_\_\_\_

358 Authorized Officer

359 ASSIGNMENT

360 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers

361 unto

362 \_\_\_\_\_

363 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

364 NUMBER OF TRANSFEREE

365 [ ]

366 \_\_\_\_\_

367 (Please print or typewrite name and address, including zip code of Transferee)

368 \_\_\_\_\_

369 the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_

370 \_\_\_\_\_, or its successor, as Registrar to transfer said Bond on the

371 books kept for registration thereof with full power of substitution in the premises.

372 DATED: \_\_\_\_\_, \_\_\_\_\_

373 \_\_\_\_\_

374 NOTE: The signature on this

375 Assignment must correspond with

376 the name of the registered owner as

377 it appears upon the face of the within

378 note in every particular, without

379 alteration or enlargement or any

380 change whatever.

381 SIGNATURE GUARANTEED:

382

383 NOTE: Signature must be guaranteed by an eligible guarantor.

384 G. Delivery of Bonds. Following the sale of each series of the Bonds, the  
385 county shall cause definitive Bonds of such series to be prepared, executed and delivered,  
386 which Bonds may be wordprocessed, typewritten, lithographed or printed.

387 If definitive Bonds of any series are not ready for delivery by the date established  
388 for their delivery to the initial purchasers thereof, then the Finance Director, upon the  
389 approval of the purchasers, may cause to be issued and delivered to the purchasers one or  
390 more temporary Bonds of the same series with appropriate omissions, changes and  
391 additions. Any such temporary Bond or Bonds shall be entitled and subject to the same  
392 benefits and provisions of this ordinance with respect to the payment, security and  
393 obligation thereof as definitive Bonds authorized thereby. Such temporary Bond or  
394 Bonds shall be exchangeable without cost to the owners thereof for definitive Bonds of  
395 the same series when the latter are ready for delivery.

396 H. Execution of Bonds. The Bonds shall be executed on behalf of the county  
397 with the manual or facsimile signatures of the county executive and the clerk of the  
398 council, and shall have the seal of the county impressed or imprinted thereon.

399 In case either or both of the officers who shall have executed the Bonds shall  
400 cease to be an officer or officers of the county before the Bonds so signed shall have been  
401 authenticated or delivered by the Registrar, or issued by the county, such Bonds may  
402 nevertheless be authenticated, delivered and issued and upon such authentication,  
403 delivery and issuance, shall be as binding upon the county as though those who signed  
404 the same had continued to be such officers of the county. Any Bond also may be signed

405 and attested on behalf of the county by such persons as at the actual date of execution of  
406 such Bond shall be the proper officers of the county although at the original date of such  
407 Bond any such person shall not have been such officer of the county.

408 Only such Bonds as shall bear thereon a Certificate of Authentication in the form  
409 hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for  
410 any purpose or entitled to the benefits of this ordinance. Such Certificate of  
411 Authentication shall be conclusive evidence that the Bonds so authenticated have been  
412 duly executed, authenticated and delivered hereunder and are entitled to the benefits of  
413 this ordinance.

414 SECTION 5. Purpose, Authorization and Description of Notes.

415 A. Purpose and Authorization of Notes. The county authorizes the issuance  
416 of the Notes to provide interim financing for the ABT Project. The interim financing  
417 provided by the Notes may be in the form of new money financing for the ABT Project,  
418 or in the form of a current refunding (a "rollover") of outstanding Notes pending the  
419 issuance of Bonds and the receipt of Bond proceeds to provide long-term financing  
420 therefor, or any combination thereof.

421 B. Description of Notes. The Notes may be issued in one or more series so  
422 long as the aggregate principal amount of the Notes to be outstanding on the date of  
423 issuance of each series of the Notes does not to exceed the remainder of \$95,000,000 less  
424 the aggregate principal amount of any Bonds to be outstanding on the date of issuance of  
425 such series of the Notes. Each series of the Notes shall be designated "King County,  
426 Washington, Limited Tax General Obligation Bond Anticipation Notes," with the year  
427 and any applicable series designation and with the additional designation of "Taxable" for

428 any series of Notes issued as Taxable Obligations, all as established by the related Note  
429 Sale Motion. Each series of the Notes shall be dated as of such date, shall mature on the  
430 date or dates in each of the years and in the principal amounts, shall bear interest  
431 (computed on the basis of a 360-day year of twelve 30-day months) from their date or the  
432 most recent interest payment date to which interest has been paid or duly provided for,  
433 whichever is later, at the rates and payable on such dates, and shall be subject to  
434 redemption prior to maturity in the amounts, in the manner and at the prices, and shall be  
435 subject to such other terms and provisions as the county shall establish by the related  
436 Note Sale Motion. Each series of the Notes shall be fully registered as to both principal  
437 and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof  
438 (but no Note shall represent more than one maturity), shall be numbered separately in  
439 such manner and with any additional designation as the Registrar deems necessary for  
440 purposes of identification.

441 C. Initial Immobilization of Notes; Depository Provisions. The Notes of each  
442 series shall initially be held in fully immobilized form by DTC acting as depository  
443 pursuant to the terms and conditions set forth in the Blanket Issuer Letter of  
444 Representations heretofore executed on behalf of the county. Neither the county nor the  
445 Registrar shall have any responsibility or obligation to DTC participants or the persons  
446 for whom they act as nominees with respect to such Notes with respect to the accuracy of  
447 any records maintained by DTC or any DTC participant, the payment by DTC or any  
448 DTC participant of any amount in respect of principal or redemption price or interest on  
449 such Notes, any notice that is permitted or required to be given to registered owners  
450 under this ordinance (except such notice as is required to be given by the county to the

451 Registrar or to DTC), the selection by DTC or any DTC participant of any person to  
452 receive payment in the event of a partial redemption of such Notes or any consent given  
453 or other action taken by DTC as owner of such Notes.

454           The Notes of each series shall initially be issued in denominations equal to the  
455 aggregate principal amount of each maturity and initially shall be registered in the name  
456 of CEDE & Co., as the nominee of DTC. Such Notes so registered shall be held in fully  
457 immobilized form by DTC as depository. For so long as any such Notes are held in fully  
458 immobilized form, DTC, its successor or any substitute depository appointed by the  
459 county, as applicable, shall be deemed to be the registered owner for all purposes  
460 hereunder and all references to registered owners, noteowners, noteholders, owners or the  
461 like shall mean DTC or its nominees and shall not mean the owners of any beneficial  
462 interests in the Notes. Registered ownership of such Notes, or any portions thereof, may  
463 not thereafter be transferred except:

- 464           (1) To any successor of DTC or its nominee, if that successor shall be  
465 qualified under any applicable laws to provide the services proposed to be provided by it;
- 466           (2) To any substitute depository appointed by the county pursuant to  
467 this subsection or such substitute depository's successor; or
- 468           (3) To any person as herein provided if such Notes are no longer held  
469 in immobilized form.

470           Upon the resignation of DTC or its successor (or any substitute depository or its  
471 successor) from its functions as depository, or a determination by the county that it is no  
472 longer in the best interests of beneficial owners of such Notes to continue the system of  
473 book entry transfers through DTC or its successor (or any substitute depository or its

474 successor), the county may appoint a substitute depository. Any such substitute  
475 depository shall be qualified under any applicable laws to provide the services proposed  
476 to be provided by it.

477 In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of  
478 this subsection, the Registrar, upon receipt of all outstanding Notes of such series  
479 together with a written request on behalf of the county, shall issue a single new Note  
480 certificate for each maturity of Notes of such series then outstanding, registered in the  
481 name of such successor or such substitute depository, or their nominees, as the case may  
482 be, all as specified in such written request of the county.

483 In the event that DTC or its successor (or substitute depository or its successor)  
484 resigns from its functions as depository, and no substitute depository can be obtained; or  
485 the county determines that it is in the best interests of the beneficial owners of the Notes  
486 of any series that they be able to obtain Note certificates, the ownership of such Notes  
487 may be transferred to any person as herein provided, and such Notes shall no longer be  
488 held in fully immobilized form. The county shall deliver a written request to the  
489 Registrar, together with a supply of definitive Notes of such series, to issue Notes of such  
490 series as herein provided in any authorized denomination. Upon receipt of all then  
491 outstanding Notes of such series by the Registrar, together with a written request on  
492 behalf of the county to the Registrar, new Notes of such series shall be issued in such  
493 denominations and registered in the names of such persons as are requested in such a  
494 written request.

495 D. Place, Manner and Medium of Payment. Both principal of and interest on  
496 the Notes shall be payable in lawful money of the United States of America. For so long

497 as any outstanding Notes are registered in the name of CEDE & Co., or its registered  
498 assigns, as nominee of DTC, payments of principal of and interest on such Notes shall be  
499 made in next day funds on the date such payment is due and payable at the place and in  
500 the manner provided in the Letter of Representations.

501 In the event that the Notes of any series are no longer held in fully immobilized  
502 form by DTC or its successor (or substitute depository or its successor); interest on such  
503 Notes shall be paid by checks or drafts mailed, or by wire transfer, to the owners of such  
504 Notes at the addresses for such owners appearing on the Register on the 15th day of the  
505 calendar month preceding the interest payment date. Wire transfer will be made only if  
506 so requested in writing and if the owner owns at least one million dollars (\$1,000,000)  
507 par value of such Notes. Principal of the Notes shall be payable at maturity or on such  
508 dates as may be fixed for prior redemption upon presentation and surrender of such Notes  
509 by the owners to the Registrar.

510 E. Sale of Notes. The county hereby authorizes the public sale of the Notes.  
511 The Notes shall be sold in one or more series, any of which may be sold in a combined  
512 offering with other bonds and/or notes of the county, at the option of the Finance  
513 Director. The Finance Director shall determine, in consultation with the county's  
514 financial advisors, whether each series of the Notes shall be sold by negotiated sale or  
515 competitive bid, and whether such series of Notes shall be issued and sold as Tax-Exempt  
516 Obligations or Taxable Obligations.

517 If the Finance Director determines that any series of the Notes shall be sold by  
518 negotiated sale, the Finance Director shall, in accordance with applicable county  
519 procurement procedures, solicit one or more underwriting firms with which to negotiate

520 the sale of the Notes. The purchase contract for each series of the Notes shall specify  
521 whether the Notes of such series are being issued and sold as Tax-Exempt Obligations or  
522 Taxable Obligations, and shall also establish the year and any applicable series  
523 designation, date, principal amounts and maturity dates, interest rates and interest  
524 payment dates, redemption provisions and delivery date for such series of the Notes, so  
525 long as the aggregate principal amount of the Notes to be outstanding on the date of  
526 issuance of such series of the Notes does not exceed the remainder of \$95,000,000 less  
527 the aggregate principal amount of any Bonds to be outstanding on the date of issuance of  
528 such series of the Notes. The county council, by Note Sale Motion, shall approve the  
529 Note purchase contract and ratify whether the Notes of such series are being issued and  
530 sold as Tax-Exempt Obligations or Taxable Obligations and the other terms for such  
531 series of the Notes established thereby.

532 If the Finance Director determines that any series of the Notes shall be sold by  
533 competitive bid, bids for the purchase of each series of the Notes shall be received at such  
534 time and place and by such means as the Finance Director shall direct.

535 Upon the date and time established for the receipt of bids for each series of the  
536 Notes, the Finance Director or his designee shall open the bids for the Notes, shall cause  
537 the bids to be mathematically verified and shall report to the county council regarding the  
538 bids received. Such bids shall then be considered and acted upon by the county council  
539 in an open public meeting. The county council reserves the right to reject any and all  
540 bids for any series of the Notes. The county council shall, by Note Sale Motion, ratify  
541 and confirm whether the Notes of such series are being issued and sold as Tax-Exempt  
542 Obligations or Taxable Obligations, and shall also ratify and confirm the year and any

543 applicable series designation, date, principal amounts and maturity dates, interest rates  
544 and interest payment dates, redemption provisions and delivery date for such series of the  
545 Notes, and accept the bid for the purchase of such series of the Notes.

546 The Finance Director is hereby authorized and directed to prepare an Official  
547 Notice of Note Sale for each series of the Notes to be sold pursuant to competitive bid,  
548 which notice shall be filed with the clerk of the council and shall be ratified and  
549 confirmed by the Note Sale Motion therefor. The Finance Director is hereby authorized  
550 to specify whether the Notes of such series are being issued and sold as Tax-Exempt  
551 Obligations or Taxable Obligations and also to establish the year and any applicable  
552 series designation, date, principal amounts and maturity dates, interest payment dates,  
553 redemption provisions and delivery date for such series of the Notes in such Official  
554 Notice of Note Sale so long as the aggregate principal amount of the Notes to be  
555 outstanding on the date of issuance of such series of the Notes does not exceed the  
556 remainder of \$95,000,000 less the aggregate principal amount of any Bonds to be  
557 outstanding on the date of issuance of such series of the Notes.

558 F. Form of Notes. The Notes shall be in substantially the following form:

559 NO. \$ \_\_\_\_\_

560 UNITED STATES OF AMERICA

561 STATE OF WASHINGTON

562 KING COUNTY

563 LIMITED TAX GENERAL OBLIGATION

564 BOND ANTICIPATION NOTE, [Year][, Series][TAXABLE]

565 INTEREST RATE: MATURITY DATE: CUSIP NO. :

566 REGISTERED OWNER:

567 PRINCIPAL AMOUNT:

568 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to  
569 owe and for value received promises to pay to the registered owner identified above, or  
570 registered assigns, on the Maturity Date specified above, the Principal Amount specified  
571 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-  
572 day months) from [\_\_\_\_\_], at the Interest Rate set forth above, payable on  
573 \_\_\_\_\_.

574 Both principal of and interest on this Note are payable in lawful money of the  
575 United States of America. While Notes are held on immobilized "book entry" system of  
576 registration, the principal of this Note is payable to the order of the registered owner in  
577 same day funds received by the registered owner on the maturity date of this Note, and  
578 the interest on this Note is payable to the order of the registered owner in same day funds  
579 received by the registered owner on each interest payment date. When Notes are no  
580 longer held in an immobilized "book entry" registration system, the principal shall be  
581 paid to the registered owner or nominee of such owner upon presentation and surrender  
582 of this Note at the fiscal agency of the State of Washington (the "Registrar"), and the  
583 interest shall be paid by mailing a check or draft (on the date such interest is due) to the  
584 registered owner or nominee of such owner at the address shown on the registration  
585 books maintained by the Registrar (the "Register") as of the 15th day of the month prior  
586 to the interest payment date; provided, however that if so requested in writing by the  
587 registered owner of at least \$1,000,000 par value of the Notes, interest will be paid by  
588 wire transfer.

589 This Note is one of an authorized issue of Notes of like date and tenor, except as  
590 to number and amount[, rate of interest and date of maturity], in the aggregate principal  
591 amount of \$ \_\_\_\_\_, and is issued to provide interim financing for the ABT  
592 Project defined and described in King County Ordinance \_\_\_\_\_ (the "Note Ordinance").  
593 Capitalized words and phrases used but not defined herein shall have the meanings set  
594 forth in the Note Ordinance.

595 The Notes of this issue are issued under and in accordance with the provisions of  
596 the Constitution and applicable statutes of the State of Washington, the County Charter  
597 and applicable ordinances duly adopted by the County.

598 [The Notes are subject to redemption prior to their maturity as follows:  
599 (information to come related Note Sale Motion)].

600 The County has irrevocably covenanted in the Note Ordinance that, for as long as  
601 the Notes are outstanding and unpaid, each year it will include in its budget and levy an  
602 *ad valorem* tax within the constitutional and statutory tax limitations provided by law  
603 without a vote of the people upon all the property within the County subject to taxation in  
604 an amount that will be sufficient, together with all other revenues, taxes and money of the  
605 County legally available for such purposes, to pay the principal of and interest on the  
606 Notes as the same shall become due. The County has irrevocably pledged its full faith,  
607 credit and resources for the annual levy and collection of such taxes and for the prompt  
608 payment of the principal of and interest on the Notes as the same shall become due.

609 The pledge of tax levies for repayment of principal of and interest on the Notes  
610 may be discharged prior to maturity of the Notes by making provisions for the payment  
611 thereof on the terms and conditions set forth in the Note Ordinance.

612 This Note shall not be valid or become obligatory for any purpose or be entitled to  
613 any security or benefit under the Note Ordinance until the Certificate of Authentication  
614 hereon shall have been manually signed by the Registrar.

615 It is hereby certified that all acts, conditions and things required by the  
616 Constitution and statutes of the State of Washington and the Charter and ordinances of  
617 the County to exist, to have happened, been done and performed precedent to and in the  
618 issuance of this Note have happened, been done and performed and that the issuance of  
619 this Note and the Notes of this series does not violate any constitutional, statutory or  
620 other limitation upon the amount of bonded indebtedness that the County may incur.

621 [Add so long as Notes are held in fully immobilized form by DTC: Unless this  
622 certificate is presented by an authorized representative of The Depository Trust  
623 Company, a New York corporation ("DTC"), to the Registrar for registration of transfer,  
624 exchange or payment, and any certificate issued is registered in the name of Cede & Co.  
625 or in such other name as is requested by an authorized representative of DTC (and any  
626 payment is made to Cede & Co. or to such other entity as is requested by an authorized  
627 representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR  
628 VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as  
629 the registered owner hereof, Cede & Co., has an interest herein.]

630 IN WITNESS WHEREOF, the County has caused this Note to be executed by the  
631 manual or facsimile signatures of the County Executive and the Clerk of the County  
632 Council, and the seal of the County to be impressed or imprinted hereon, as of this  
633 [ ] day of [ ].

634 KING COUNTY, WASHINGTON

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By \_\_\_\_\_

County Executive

ATTEST:

\_\_\_\_\_

Clerk of the Council

The Registrar's Certificate of Authentication on the Notes shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

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

WASHINGTON STATE FISCAL  
AGENCY, as Registrar

By \_\_\_\_\_

Authorized Officer

ASSIGNMENT

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

\_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

NUMBER OF TRANSFEREE

[       ]

\_\_\_\_\_

658 (Please print or typewrite name and address, including zip code of Transferee)

659 \_\_\_\_\_

660 the within Note and does hereby irrevocably constitute and appoint \_\_\_\_\_

661 \_\_\_\_\_, or its successor, as Registrar to transfer said Note on the

662 books kept for registration thereof with full power of substitution in the premises.

663 DATED: \_\_\_\_\_, \_\_\_\_\_.

664 \_\_\_\_\_

665 NOTE: The signature on this  
666 Assignment must correspond with  
667 the name of the registered owner as  
668 it appears upon the face of the within  
669 Note in every particular, without  
670 alteration or enlargement or any  
671 change whatever.

672 SIGNATURE GUARANTEED:

673 \_\_\_\_\_

674 NOTE: Signature must be guaranteed by an eligible guarantor.

675 G. Delivery of Notes. Following the sale of each series of the Notes, the  
676 county shall cause definitive Notes of such series to be prepared, executed and delivered,  
677 which Notes may be wordprocessed, typewritten, lithographed or printed.

678 If definitive Notes of any series are not ready for delivery by the date established  
679 for their delivery to the initial purchasers thereof, then the Finance Director, upon the  
680 approval of the purchasers, may cause to be issued and delivered to the purchasers one or

681 more temporary Notes of the same series with appropriate omissions, changes and  
682 additions. Any such temporary Note or Notes shall be entitled and subject to the same  
683 benefits and provisions of this ordinance with respect to the payment, security and  
684 obligation thereof as definitive Notes authorized thereby. Such temporary Note or Notes  
685 shall be exchangeable without cost to the owners thereof for definitive Notes of the same  
686 series when the latter are ready for delivery.

687 H. Execution of Notes. The Notes shall be executed on behalf of the county  
688 with the manual or facsimile signatures of the county executive and the clerk of the  
689 council, and shall have the seal of the county impressed or imprinted thereon.

690 In case either or both of the officers who shall have executed the Notes shall cease  
691 to be an officer or officers of the county before the Notes so signed shall have been  
692 authenticated or delivered by the Registrar, or issued by the county, such Notes may  
693 nevertheless be authenticated, delivered and issued and upon such authentication,  
694 delivery and issuance, shall be as binding upon the county as though those who signed  
695 the same had continued to be such officers of the county. Any Note also may be signed  
696 and attested on behalf of the county by such persons as at the actual date of execution of  
697 such Note shall be the proper officers of the county although at the original date of such  
698 Note any such person shall not have been such officer of the county.

699 Only such Notes as shall bear thereon a Certificate of Authentication in the form  
700 hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for  
701 any purpose or entitled to the benefits of this ordinance. Such Certificate of  
702 Authentication shall be conclusive evidence that the Notes so authenticated have been

703 duly executed, authenticated and delivered hereunder and are entitled to the benefits of  
704 this ordinance.

705         SECTION 6. Open Market Purchase. The county reserves the right to purchase  
706 any or all of the Notes or the Bonds of any series on the open market at any time and at  
707 any price.

708         SECTION 7. Registration, Transfer and Exchange of Notes and Bonds. The  
709 county hereby adopts for the Notes and the Bonds the system of registration specified and  
710 approved by the Washington State Finance Commission. The Registrar shall keep, or  
711 cause to be kept, at its principal corporate trust office, sufficient books for the registration  
712 and transfer of the Notes and the Bonds, which shall at all times be open to inspection by  
713 the county. Such Register shall contain the name and mailing address of the owner (or  
714 nominee thereof) of each Note and Bond, and the principal amount and number of Notes  
715 held by each owner or nominee. The Registrar is authorized, on behalf of the county, to  
716 authenticate and deliver Notes and Bonds transferred or exchanged for other Notes and  
717 Bonds, respectively, in accordance with the provisions thereof and this ordinance, and to  
718 carry out all of the Registrar's powers and duties under this ordinance.

719         The Registrar shall be responsible for its representations contained in the  
720 Certificate of Authentication on the Notes and the Bonds. The Registrar may become the  
721 owner of Notes or Bonds with the same rights it would have if it were not the Registrar,  
722 and to the extent permitted by law may act as depository for and permit any of its officers  
723 or directors to act as a member of, or in any other capacity with respect to, any committee  
724 formed to protect the rights of Note or Bond owners.

725           Upon surrender thereof to the Registrar; the Notes of each series are exchangeable  
726 for other Notes of the same series, maturity and interest rate and for the same aggregate  
727 principal amount, in any authorized denomination, and the Bonds of each series are  
728 exchangeable for other Bonds of the same series, maturity and interest rate and for the  
729 same aggregate principal amount, in any authorized denomination. Notes and Bonds may  
730 be transferred only if endorsed in the manner provided thereon and surrendered to the  
731 Registrar. Upon such surrender, the Registrar shall cancel the surrendered Note or Bond  
732 and shall authenticate and deliver, without charge to the owner or transferee therefor  
733 (other than taxes, if any, payable on account of such transfer), one or more (at the option  
734 of the new registered owner) new Notes or Bonds, as applicable, of the same series,  
735 maturity and interest rate and for the same aggregate principal amount, in any authorized  
736 denomination, naming as registered owner the person or persons listed as the assignee on  
737 the assignment form appearing on the canceled and surrendered Note or Bond, in  
738 exchange therefor. The Registrar shall not be obligated to transfer or exchange any Note  
739 or Bond during the period beginning at the opening of business on the 15th day of the  
740 month next preceding the maturity date thereof and ending at the close of business on  
741 such maturity date.

742           The county and the Registrar, each in its discretion, may deem and treat the  
743 registered owner of each Note and Bond as the absolute owner thereof for all purposes,  
744 and neither the county nor the Registrar shall be affected by any notice to the contrary.

745           SECTION 8. Mutilated, Lost, Stolen or Destroyed Notes and Bonds. If any Note  
746 or Bond shall become mutilated, the Registrar shall authenticate and deliver one or more  
747 (at the option of the new registered owner) new Notes or Bonds, as applicable, of the

748 same series, maturity and interest rate and for the same aggregate principal amount, in  
749 any authorized denomination, in exchange and substitution therefor, upon the owner's  
750 paying the expenses and charges of the county and the Registrar in connection therewith  
751 and upon surrender to the Registrar of the mutilated Note or Bond. Every mutilated Note  
752 or Bond so surrendered shall be canceled and destroyed by the Registrar.

753         If any Note or Bond shall be lost, stolen or destroyed, the Registrar may  
754 authenticate and deliver one or more (at the option of the new registered owner) new  
755 Notes or Bonds, as applicable, of the same series, maturity and interest rate and for the  
756 same aggregate principal amount, in any authorized denomination, to the registered  
757 owner thereof upon the owner's paying the expenses and charges of the county and the  
758 Registrar in connection therewith and upon his/her filing with the Registrar evidence  
759 satisfactory to the Registrar that such Note or Bond was actually lost, stolen or destroyed  
760 and of his/her ownership thereof, and upon furnishing the county and the Registrar with  
761 indemnity satisfactory to the Finance Director and the Registrar.

762         SECTION 9. Pledge of Taxation and Credit. The county hereby irrevocably  
763 covenants and agrees for as long as any of the Notes or the Bonds are outstanding and  
764 unpaid, that each year it will include in its budget and levy an *ad valorem* tax within the  
765 constitutional and statutory tax limitations provided by law without a vote of the people  
766 upon all the property within the county subject to taxation in an amount that will be  
767 sufficient, together with all other revenues, taxes and money of the county legally  
768 available for such purposes, to pay the principal of and interest on the Notes and the  
769 Bonds as the same shall become due.

770           The county hereby irrevocably pledges that the annual tax provided for herein to  
771 be levied for the payment of such principal and interest shall be within and as a part of  
772 the tax levy to counties without a vote of the people, and that a sufficient portion of each  
773 annual levy to be levied and collected by the county prior to the full payment of the  
774 principal of and interest on the Notes and Bonds will be and is hereby irrevocably set  
775 aside, pledged and appropriated for the payment of the principal of and interest on the  
776 Notes and the Bonds.

777           The full faith, credit and resources of the county are hereby irrevocably pledged  
778 for the annual levy and collection of said taxes and for the prompt payment of the  
779 principal of and interest on the Notes and the Bonds as the same shall become due.

780           SECTION 10. Federal Tax Law Covenants. The county shall comply with the  
781 provisions of this section with respect to each series of the Notes and the Bonds that are  
782 issued as Tax-Exempt Obligations or BABs unless, in the written opinion of nationally-  
783 recognized bond counsel to the county, such compliance is not required.

784           The county hereby covenants that it will not make any use of the proceeds from  
785 the sale of such series of the Notes or the Bonds that are issued as Tax-Exempt  
786 Obligations or BABs or any other funds of the county that may be deemed to be proceeds  
787 of such series of the Notes or the Bonds pursuant to Section 148 of the Code and the  
788 applicable regulations thereunder that will cause such series of the Notes or the Bonds to  
789 be "arbitrage bonds" within the meaning of said Section and said regulations. The county  
790 will comply with the applicable requirements of Section 148 of the Code (or any  
791 successor provision thereof applicable to such series of the Notes or the Bonds) and the  
792 applicable regulations thereunder throughout the term of such series of the Notes or the

793 Bonds. In particular, the county will compute, if necessary, and pay the Rebate Amount,  
794 if any, to the United States of America at the times and in the amounts necessary to meet  
795 the requirements of the Code, as set forth in the related Federal Tax Certification for such  
796 series of the Notes or the Bonds.

797 The county further covenants that it will not take any action or permit any action  
798 to be taken that would cause any series of the Notes or the Bonds that are issued as Tax-  
799 Exempt Obligations or BABs to constitute "private activity bonds" under Section 141 of  
800 the Code.

801 SECTION 11. Other Covenants and Warranties. The county makes the following  
802 additional covenants and warranties:

803 A. The county has full legal right, power and authority to adopt this  
804 ordinance, to sell, issue and deliver each series of the Notes and the Bonds as provided  
805 herein, and to carry out and consummate all other transactions contemplated by this  
806 ordinance.

807 B. By all necessary official action prior to or concurrently herewith, the  
808 county has duly authorized and approved the execution and delivery of, and the  
809 performance by the county of its obligations contained in the Notes, the Bonds and this  
810 ordinance and the consummation by it of all other transactions necessary to effectuate  
811 this ordinance in connection with the issuance of each series of the Notes and the Bonds,  
812 and such authorizations and approvals are in full force and effect and have not been  
813 amended, modified or supplemented in any material respect.

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

816 D. When issued, sold, authenticated and delivered, each series of the Notes  
817 and the Bonds will constitute legal, valid and binding general obligations of the county.

818 E. Until all Notes and Bonds of a series shall have been surrendered and  
819 canceled, the county will maintain or cause to be maintained a system of registration of  
820 the Notes and the Bonds of such series that complies with the applicable provisions of the  
821 Code.

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

828 G. The county finds and covenants that the Notes and the Bonds of each  
829 series are issued within all statutory and constitutional debt limitations applicable to the  
830 county.

831 SECTION 12. Note and Bond Funds. There has heretofore been created in the  
832 office of the Finance Director a special fund known as the "King County Limited Tax  
833 General Obligation Bond Redemption Fund" to be drawn upon for the purpose of paying  
834 the principal of and interest on the limited tax general obligation bonds of the county.  
835 There is hereby authorized to be created within said fund a special account for each series  
836 of the Notes to be known as the "Limited Tax General Obligation Bond Anticipation  
837 Note Redemption Account, [Year][, Series][Taxable]" (each, a "Note Fund"), and a

838 special account for each series of the Bonds to be known as the "Limited Tax General  
839 Obligation Bond Redemption Account, [Year][, Series][Taxable]" (each, a "Bond Fund").

840 Any accrued interest on any series of the Notes or the Bonds shall be deposited in  
841 the related Note Fund or Bond Fund, as applicable, at the time of delivery of such series  
842 of the Notes or the Bonds and shall be applied to the payment of interest thereon.

843 The taxes hereafter levied for the purpose of paying principal of and interest on  
844 each series of the Notes or the Bonds and other funds to be used to pay such series of the  
845 Notes or the Bonds shall be deposited in the related Note Fund or Bond Fund, as  
846 applicable, no later than the date such funds are required for the payment of principal of  
847 and interest on such series of the Notes or the Bonds; provided, however, that if the  
848 payment of principal of and interest on any series of the Notes or the Bonds is required  
849 prior to the receipt of such levied taxes, the county may make an interfund loan to the  
850 related Note Fund or Bond Fund, as applicable, pending actual receipt of such taxes.

851 Each Note Fund and Bond Fund shall be drawn upon for the purpose of paying the  
852 principal of and interest on the related series of the Notes or the Bonds, as applicable.

853 Money in each Note Fund and Bond Fund not needed to pay the interest or principal next  
854 coming due may temporarily be deposited in such institutions or invested in such  
855 obligations as may be lawful for the investment of county funds. Each Note Fund and  
856 Bond Fund shall be a second tier fund in accordance with Ordinance 7112 and K.C.C.  
857 chapter 4.10.

858 SECTION 13. Application of Note and Bond Proceeds—New Money. There has  
859 heretofore been created the ABT BAN Subfund within the OIRM Capital Projects Fund.

860 This subfund is a first tier fund managed by the county's chief information officer. The

861 exact amount of proceeds from the sale of any series of the Notes or the Bonds to be  
862 deposited into the ABT BAN Subfund to provide new money financing for the ABT  
863 Project shall be determined by the Finance Director upon the sale of such series of the  
864 Notes or the Bonds. Any amounts so deposited may be used to repay interim borrowing  
865 (other than the Notes) used to pay the costs of the ABT Project.

866 SECTION 14. Application of Note and Bond Proceeds—Current Refundings.

867 The exact amount of proceeds from the sale of any series of the Notes or the Bonds to be  
868 deposited into the Note Fund for another series of the Notes and applied to the payment  
869 of the principal of and interest on such other series of the Notes and the costs related to  
870 the current refunding thereof shall be determined by the Finance Director upon the sale of  
871 such series of the Notes or the Bonds.

872 SECTION 15. Application of Note Proceeds—General. Funds deposited in the  
873 funds and accounts described in Sections 12 and 13 of this ordinance shall be invested as  
874 permitted by law for the sole benefit of such funds and accounts. Irrespective of the  
875 general provisions of Ordinance 7112 and K.C.C. chapter 4.10, the county current  
876 expense fund shall not receive any earnings attributable to such funds and accounts.  
877 Money other than proceeds of the Notes and Bonds may be deposited in the funds and  
878 accounts described in Sections 12 and 13 of this ordinance; provided, however, that  
879 proceeds of each series of the Notes or the Bonds that are issued as Tax-Exempt  
880 Obligations or BABs, and the earnings thereon, shall be accounted for separately for  
881 purposes of the arbitrage rebate computations required to be made under the Code. For  
882 purposes of such computations, Note proceeds shall be deemed to have been expended  
883 first, then Bond proceeds, and then any other funds.

884           SECTION 16. Preliminary Official Statements and Final Official Statements.

885   The county hereby authorizes and directs the Finance Director: (i) to review and approve  
886   the information contained in the preliminary official statement (each, a "Preliminary  
887   Official Statement") prepared in connection with the sale of each series of the Notes or  
888   the Bonds; and (ii) for the sole purpose of compliance by the purchasers of such series of  
889   the Notes or the Bonds with subsection (b)(1) of the Rule, to "deem final" the related  
890   Preliminary Official Statement as of its date, except for the omission of information on  
891   offering prices, interest rates, selling compensation, delivery dates, any other terms or  
892   provisions required by the county to be specified in a competitive bid, ratings, other terms  
893   of such series of the Notes or the Bonds dependent on such matters and the identity of the  
894   purchasers. After each Preliminary Official Statement has been reviewed and approved  
895   in accordance with the provisions of this section, the county hereby authorizes the  
896   distribution of such Preliminary Official Statement to prospective purchasers of such  
897   related series of the Notes or the Bonds.

898           Following the sale of each series of the Notes or the Bonds, the Finance Director  
899   is hereby authorized to review and approve on behalf of the county a final official  
900   statement with respect to such series of the Notes or the Bonds. The county agrees to  
901   cooperate with the successful bidder for each series of the Notes or the Bonds to deliver  
902   or cause to be delivered, within seven business days from the date of the Note Sale  
903   Motion or Bond Sale Motion, as appropriate, and in sufficient time to accompany any  
904   confirmation that requests payment from any customer of such successful bidder, copies  
905   of a final official statement pertaining to such Notes or Bonds in sufficient quantity to

906 comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities  
907 Rulemaking Board.

908       SECTION 17. Undertaking to Provide Ongoing Disclosure. The county council  
909 will set forth an undertaking for ongoing disclosure with respect to each series of the  
910 Notes or the Bonds, as required by subsection (b)(5) of the Rule, in the Note Sale Motion  
911 or the Bond Sale Motion therefor, as appropriate.

912       SECTION 18. General Authorization. The appropriate county officials, agents  
913 and representatives are hereby authorized and directed to do everything necessary for the  
914 prompt sale, issuance, execution and delivery of each series of the Notes and each series  
915 of the Bonds, and for the proper use and application of the proceeds of the sale thereof.

916       SECTION 19. Refunding or Defeasance of Notes and Bonds. The county may  
917 issue refunding obligations pursuant to the laws of the State of Washington or use money  
918 available from any other lawful source to pay when due the principal of and interest on  
919 any series of the Notes or the Bonds, or any portion thereof included in a refunding or  
920 defeasance plan, and to redeem and retire, refund or defease all such then-outstanding  
921 Notes or Bonds, as appropriate, and to pay the costs of the refunding or defeasance.

922       In the event that money and/or noncallable Government Obligations maturing at  
923 such time or times and bearing interest to be earned thereon in amounts (together with  
924 such money, if necessary) sufficient to redeem and retire, refund or defease part or all of  
925 the Notes or Bonds in accordance with their terms, are set aside in a special account of  
926 the county to effect such redemption and retirement, and such money and the principal of  
927 and interest on such Government Obligations are irrevocably set aside and pledged for  
928 such purpose, then no further payments need be made into the Note Fund or any Bond

929 Fund, as appropriate, for the payment of the principal of and interest on the Notes or  
930 Bonds so provided for, and such Notes or Bonds shall cease to be entitled to any lien,  
931 benefit or security of this ordinance except the right to receive the money so set aside and  
932 pledged, and such Notes or Bonds shall be deemed not to be outstanding hereunder.

933           Within 30 days of the defeasance of any of the Notes or Bonds, the county shall  
934 provide or cause to be provided notice of defeasance of such Notes or Bonds to the  
935 registered owners thereof and to the Municipal Securities Rulemaking Board, in  
936 accordance with the undertaking for ongoing disclosure to be adopted pursuant to Section  
937 17 of this ordinance.

938           SECTION 20. Contract; Severability. The covenants applicable to the Notes  
939 contained in this ordinance shall constitute a contract between the county and the owners  
940 of each and every Note, and the covenants applicable to the Bonds contained in this  
941 ordinance shall constitute a contract between the county and the owners of each and  
942 every Bond. If any one or more of the covenants or agreements provided in this  
943 ordinance to be performed on the part of the county shall be declared by any court of  
944 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement  
945 or agreements, shall be null and void and shall be deemed separable from the remaining  
946 covenants and agreements of this ordinance and shall in no way affect the validity of the  
947 other provisions of this ordinance, the Notes or the Bonds."

948 **EFFECT: XXXXXXXXXXXXXXXXXXXXXXX**

T1

3/16/2010

Phh/bar

Sponsor: Patterson

Proposed No.: 2010-0080

1 **TITLE AMENDMENT TO PROPOSED ORDINANCE 2010-0080, VERSION 1**

2 On page 1, beginning on line 1, strike everything through page 1, line 16, and insert:

3 "AN ORDINANCE authorizing the issuance and public  
4 sale of one or more series of limited tax general obligation  
5 bonds of the county in an outstanding aggregate principal  
6 amount not to exceed \$95,000,000 to provide long-term  
7 financing for the capital costs of the Accountable Business  
8 Transformation Program; authorizing the issuance and  
9 public sale of one or more series of limited tax general  
10 obligation bond anticipation notes of the county in an  
11 outstanding aggregate principal amount not to exceed  
12 \$95,000,000 to provide interim financing for such capital  
13 costs pending the sale of such bonds; providing for the  
14 disposition of the proceeds of sale of the notes; establishing  
15 funds for the receipt and expenditure of note proceeds and  
16 for the payment of the notes; and providing for the annual

17                   levy of taxes to pay the principal thereof and interest

18                   thereon."

19   **EFFECT: Amends the title to reflect Striking Amendment S1.**



KING COUNTY  
Signature Report

March 1, 2010

Ordinance

Proposed No. 2010-0080.1

Sponsors Patterson

1 AN ORDINANCE authorizing the issuance and public sale  
2 of one or more series of limited tax general obligation  
3 bonds of the county in an outstanding aggregate principal  
4 amount not to exceed \$85,000,000 to provide long-term  
5 financing for the capital costs of the Accountable Business  
6 Transformation Program; authorizing the issuance and  
7 public sale of one or more series of limited tax general  
8 obligation bond anticipation notes of the county in an  
9 outstanding aggregate principal amount not to exceed  
10 \$85,000,000 to provide interim financing for such capital  
11 costs pending the sale of such bonds; providing for the  
12 disposition of the proceeds of sale of the notes; establishing  
13 funds for the receipt and expenditure of note proceeds and  
14 for the payment of the notes; and providing for the annual  
15 levy of taxes to pay the principal thereof and interest  
16 thereon.

17 PREAMBLE:

18 The county council has previously reviewed and approved expenditures  
19 for the Accountable Business Transformation Program.

20 It is deemed necessary and advisable that the county now authorize the  
21 issuance of one or more series of its limited tax general obligation bonds  
22 in an outstanding aggregate principal amount not to exceed \$85,000,000 to  
23 provide long-term financing for the capital costs of the Accountable  
24 Business Transformation Program, and that the county now authorize the  
25 issuance and public sale of one or more series of its limited tax general  
26 obligation bond anticipation notes in an outstanding aggregate principal  
27 amount not to exceed \$85,000,000 to provide interim financing for such  
28 capital costs pending the issuance of the bonds.

29 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

33 “ABT Project” means the capital costs of implementing the Accountable Business  
34 Transformation Program.

35 “Accountable Business Transformation Program” means the program to replace  
36 the disparate budget, finance, human resources, payroll and employee benefits systems  
37 used in the county with a unified set of systems in efforts to increase efficiency and  
38 efficacy of services.

39 “BABs” means “Build America Bonds” authorized under the federal American  
40 Recovery and Reinvestment Act of 2009.

41 “Bond Fund” means, with respect to each series of the Bonds, the bond  
42 redemption account established therefor pursuant to Section 12 hereof.

43           “Bond Sale Motion” means a motion of the council adopted at the time of sale of  
44 each series of the Bonds that establishes, with respect thereto, the following, among other  
45 things: the year and, if applicable, a series designation, dates, principal amounts and  
46 maturity dates, the interest rates and interest payment dates, and the redemption  
47 provisions therefor.

48           “Bonds” means the limited tax general obligation bonds of the county in an  
49 outstanding aggregate principal amount not to exceed \$85,000,000, authorized to be  
50 issued in one or more series by this ordinance to provide long-term financing for the ABT  
51 Project. Each series of Bonds may be issued as either Tax-Exempt Obligations or  
52 Taxable Obligations, as provided in Section 4.E of this ordinance.

53           “Code” means the federal Internal Revenue Code of 1986, as amended, together  
54 with corresponding and applicable final, temporary or proposed regulations and revenue  
55 rulings issued or amended with respect thereto by the United States Treasury Department  
56 or the Internal Revenue Service.

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

58           “Federal Tax Certification” means, with respect to each series of Notes or Bonds,  
59 the certificate executed by the Finance Director pertaining to the county’s expectations in  
60 connection with the federal tax treatment of interest on such series of Notes or Bonds.

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

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

66 “Note Fund” means, with respect to each series of the Notes, the note redemption  
67 account established therefor pursuant to Section 12 hereof.

68 “Note Sale Motion” means a motion of the council adopted at the time of sale of  
69 each series of the Notes that establishes, with respect thereto, the following, among other  
70 things: the year and, if applicable, a series designation, dates, principal amounts and  
71 maturity dates, the interest rates and interest payment dates, and the redemption  
72 provisions therefor.

73 “Notes” means the limited tax general obligation bond anticipation notes of the  
74 county in an outstanding aggregate principal amount not to exceed \$85,000,000,  
75 authorized to be issued in one or more series by this ordinance to provide interim  
76 financing for the ABT Project. Each series of Notes may be issued as either Tax-Exempt  
77 Obligations or Taxable Obligations, as provided in Section 5.E of this ordinance.

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

81 “Official Notice of Note Sale” means, with respect to each series of the Notes that  
82 is sold by competitive bid, the official notice of sale therefor prepared pursuant to Section  
83 5.E hereof.

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

87 “Register” means the registration books maintained by the Registrar for purposes  
88 of identifying ownership of the Notes and the Bonds.

89 “Registrar” means the fiscal agency of the State of Washington appointed from  
90 time to time by the Washington State Finance Committee pursuant to chapter 43.80  
91 RCW.

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

94 “Taxable Obligations” means the Notes or Bonds, as applicable, of any series  
95 determined to be issued on a taxable basis (including, but not limited to, any BABs)  
96 pursuant to Section 5.E or Section 4.E of this ordinance, as applicable. —

97 “Tax-Exempt Obligations” means the Notes or Bonds, as applicable, of any series  
98 determined to be issued on a tax-exempt basis pursuant to Section 5.E or Section 4.E of  
99 this ordinance, as applicable.

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

102 A. The Accountable Business Transformation Program will contribute to the  
103 health, safety and welfare of the citizens of the county.

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

111           SECTION 3. Authorization of ABT Project. The county has previously  
112 authorized the undertaking of the Accountable Business Transformation Program. The  
113 capital costs of implementing the Accountable Business Transformation Program to be  
114 funded by the ABT Project shall also include (a) capitalized interest, interest on the Notes  
115 or other interim financing for such projects pending receipt of Bond proceeds, and costs  
116 and expenses incurred in issuing the Notes and the Bonds; (b) the capitalizable costs of  
117 sales tax, acquisition and contingency allowances, financing, and any and all surveys,  
118 explorations, engineering and architectural studies, drawings, designs and specifications  
119 incidental, necessary or convenient to the implementation of the Accountable Business  
120 Transformation Program; and (c) the purchase of all materials, supplies, appliances,  
121 equipment and facilities, and the permits, franchises, property and property rights and  
122 capitalizable administrative costs, necessary, incidental or convenient to the  
123 implementation of the Accountable Business Transformation Program.

124           The ABT Project may be modified where deemed advisable or necessary in the  
125 judgment of the county council, and implementation or completion of any authorized  
126 component thereof shall not be required if the county council determines that it has  
127 become inadvisable or impractical. If all of the ABT Project has been completed, or its  
128 completion duly provided for, or their completion found to be inadvisable or impractical,  
129 the county may apply any remaining proceeds of the Notes or the Bonds, or any portion  
130 thereof, to the acquisition or improvement of other county capital projects as the county  
131 council in its discretion may determine. In the event that the proceeds of the sale of the  
132 Notes and the Bonds, plus any other money of the county legally available therefor, are  
133 insufficient to accomplish all of the ABT Project, the county shall use the available funds

134 for paying the cost of those components of the ABT Project deemed by the county  
135 council most necessary and in the best interest of the county.

136 SECTION 4. Purpose, Authorization and Description of Bonds.

137 A. Purpose and Authorization of Bonds. The county authorizes the issuance  
138 of the Bonds to provide long-term financing the ABT Project. The long-term financing  
139 provided by the Bonds may be in the form of new money financing for the ABT Project,  
140 or in the form of a current refunding of outstanding Notes, or any combination thereof.

141 B. Description of Bonds. The Bonds may be issued in one or more series so  
142 long as the aggregate principal amount of the Bonds to be outstanding on the date of  
143 issuance of each series of the Bonds does not to exceed the remainder of \$85,000,000 less  
144 the aggregate principal amount of any Notes to be outstanding on the date of issuance of  
145 such series of the Bonds. Each series of the Bonds shall be designated "King County,  
146 Washington, Limited Tax General Obligation Bonds," with the year and any applicable  
147 series designation and with the additional designation of "Taxable" for any series of  
148 Bonds issued as Taxable Obligations, all as established by the related Bond Sale Motion.  
149 Each series of the Bonds shall be dated as of such date, shall mature on the date or dates  
150 in each of the years and in the principal amounts, shall bear interest (computed on the  
151 basis of a 360-day year of twelve 30-day months) from their date or the most recent  
152 interest payment date to which interest has been paid or duly provided for, whichever is  
153 later, at the rates and payable on such dates, and shall be subject to redemption prior to  
154 maturity in the amounts, in the manner and at the prices, and shall be subject to such  
155 other terms and provisions as the county shall establish by the related Bond Sale Motion.  
156 Each series of the Bonds shall be fully registered as to both principal and interest, shall be

157 in the denomination of \$5,000 each or any integral multiple thereof (but no Bond shall  
158 represent more than one maturity), shall be numbered separately in such manner and with  
159 any additional designation as the Registrar deems necessary for purposes of  
160 identification.

161 C. Initial Immobilization of Bonds; Depository Provisions. The Bonds of  
162 each series shall initially be held in fully immobilized form by DTC acting as depository  
163 pursuant to the terms and conditions set forth in the Blanket Issuer Letter of  
164 Representations heretofore executed on behalf of the county. Neither the county nor the  
165 Registrar shall have any responsibility or obligation to DTC participants or the persons  
166 for whom they act as nominees with respect to such Bonds with respect to the accuracy of  
167 any records maintained by DTC or any DTC participant, the payment by DTC or any  
168 DTC participant of any amount in respect of principal or redemption price or interest on  
169 such Bonds, any notice that is permitted or required to be given to registered owners  
170 under this ordinance (except such notice as is required to be given by the county to the  
171 Registrar or to DTC), the selection by DTC or any DTC participant of any person to  
172 receive payment in the event of a partial redemption of such Bonds or any consent given  
173 or other action taken by DTC as owner of such Bonds.

174 The Bonds of each series shall initially be issued in denominations equal to the  
175 aggregate principal amount of each maturity and initially shall be registered in the name  
176 of CEDE & Co., as the nominee of DTC. Such Bonds so registered shall be held in fully  
177 immobilized form by DTC as depository. For so long as any such Bonds are held in fully  
178 immobilized form, DTC, its successor or any substitute depository appointed by the  
179 county, as applicable, shall be deemed to be the registered owner for all purposes

180 hereunder and all references to registered owners, bondowners, bondholders, owners or  
181 the like shall mean DTC or its nominees and shall not mean the owners of any beneficial  
182 interests in the Bonds. Registered ownership of such Bonds, or any portions thereof, may  
183 not thereafter be transferred except:

184 (1) To any successor of DTC or its nominee, if that successor shall be  
185 qualified under any applicable laws to provide the services proposed to be provided by it;

186 (2) To any substitute depository appointed by the county pursuant to  
187 this subsection or such substitute depository's successor; or

188 (3) To any person as herein provided if such Bonds are no longer held  
189 in immobilized form.

190 Upon the resignation of DTC or its successor (or any substitute depository or its  
191 successor) from its functions as depository, or a determination by the county that it is no  
192 longer in the best interests of beneficial owners of such Bonds to continue the system of  
193 book entry transfers through DTC or its successor (or any substitute depository or its  
194 successor), the county may appoint a substitute depository. Any such substitute  
195 depository shall be qualified under any applicable laws to provide the services proposed  
196 to be provided by it.

197 In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of  
198 this subsection, the Registrar, upon receipt of all outstanding Bonds of such series  
199 together with a written request on behalf of the county, shall issue a single new Bond  
200 certificate for each maturity of Bonds of such series then outstanding, registered in the  
201 name of such successor or such substitute depository, or their nominees, as the case may  
202 be, all as specified in such written request of the county.

203           In the event that DTC or its successor (or substitute depository or its successor)  
204           resigns from its functions as depository, and no substitute depository can be obtained; or  
205           the county determines that it is in the best interests of the beneficial owners of the Bonds  
206           of any series that they be able to obtain Bond certificates, the ownership of such Bonds  
207           may be transferred to any person as herein provided, and such Bonds shall no longer be  
208           held in fully immobilized form. The county shall deliver a written request to the  
209           Registrar, together with a supply of definitive Bonds of such series, to issue Bonds of  
210           such series as herein provided in any authorized denomination. Upon receipt of all then  
211           outstanding Bonds of any series by the Registrar, together with a written request on  
212           behalf of the county to the Registrar, new Bonds of such series shall be issued in such  
213           denominations and registered in the names of such persons as are requested in such a  
214           written request.

215           D.     Place, Manner and Medium of Payment. Both principal of and interest on  
216           the Bonds shall be payable in lawful money of the United States of America. For so long  
217           as any outstanding Bonds are registered in the name of CEDE & Co., or its registered  
218           assigns, as nominee of DTC, payments of principal of and interest on such Bonds shall be  
219           made in next day funds on the date such payment is due and payable at the place and in  
220           the manner provided in the Letter of Representations.

221           In the event that the Bonds of any series are no longer held in fully immobilized  
222           form by DTC or its successor (or substitute depository or its successor), interest on such  
223           Bonds shall be paid by checks or drafts mailed, or by wire transfer, to the owners of such  
224           Bonds at the addresses for such owners appearing on the Register on the 15th day of the  
225           calendar month preceding the interest payment date. Wire transfer will be made only if

226 so requested in writing and if the owner owns at least \$1,000,000 par value of such  
227 Bonds. Principal of the Bonds shall be payable at maturity or on such dates as may be  
228 fixed for prior redemption upon presentation and surrender of such Bonds by the owners  
229 to the Registrar.

230 E. Sale of Bonds. The county hereby authorizes the public sale of the Bonds.  
231 The Bonds shall be sold in one or more series, any of which may be sold in a combined  
232 offering with other bonds and/or notes of the county, at the option of the Finance  
233 Director. The Finance Director shall determine, in consultation with the county's  
234 financial advisors, whether each series of the Bonds shall be sold by negotiated sale or  
235 competitive bid, and whether such series of Bonds shall be issued and sold as Tax-  
236 Exempt Obligations or Taxable Obligations.

237 If the Finance Director determines that any series of the Bonds shall be sold by  
238 negotiated sale, the Finance Director shall, in accordance with applicable county  
239 procurement procedures, solicit one or more underwriting firms with which to negotiate  
240 the sale of the Bonds. The purchase contract for each series of the Bonds shall specify  
241 whether the Bonds of such series are being issued and sold as Tax-Exempt Obligations or  
242 Taxable Obligations, and shall also establish the year and any applicable series  
243 designation, date, principal amounts and maturity dates, interest rates and interest  
244 payment dates, redemption provisions and delivery date for such series of the Bonds, so  
245 long as the aggregate principal amount of the Bonds to be outstanding on the date of  
246 issuance of such series of the Bonds does not exceed the remainder of \$85,000,000 less  
247 the aggregate principal amount of any Notes to be outstanding on the date of issuance of  
248 such series of the Bonds. The county council, by Bond Sale Motion, shall approve the

249 bond purchase contract and ratify whether the Bonds of such series are being issued and  
250 sold as Tax-Exempt Obligations or Taxable Obligations and the other terms for the series  
251 of the Bonds established thereby.

252           If the Finance Director determines that any series of the Bonds shall be sold by  
253 competitive bid, bids for the purchase of each series of the Bonds shall be received at  
254 such time and place and by such means as the Finance-Director shall direct.

255           Upon the date and time established for the receipt of bids for each series of the  
256 Bonds, the Finance Director or his designee shall open the bids for the Bonds, shall cause  
257 the bids to be mathematically verified and shall report to the county council regarding the  
258 bids received. Such bids shall then be considered and acted upon by the county council  
259 in an open public meeting. The county council reserves the right to reject any and all  
260 bids for any series of the Bonds. The county council shall, by Bond Sale Motion, ratify  
261 and confirm whether the Bonds of such series are being issued and sold as Tax-Exempt  
262 Obligations or Taxable Obligations, and shall also ratify and confirm the year and any  
263 applicable series designation, date, principal amounts and maturity dates, interest rates  
264 and interest payment dates, redemption provisions and delivery date for such series of the  
265 Bonds, and accept the bid for the purchase of such series of the Bonds.

266           The Finance Director is hereby authorized and directed to prepare an Official  
267 Notice of Bond Sale for each series of the Bonds to be sold pursuant to competitive bid,  
268 which notice shall be filed with the clerk of the council and shall be ratified and  
269 confirmed by the Bond Sale Motion therefor. The Finance Director is hereby authorized  
270 to specify whether the Bonds of such series are being issued and sold as Tax-Exempt  
271 Obligations or Taxable Obligations and also to establish the year and any applicable

272 series designation, date, principal amounts and maturity dates, interest payment dates,  
273 redemption provisions and delivery date for such series of the Bonds in such Official  
274 Notice of Bond Sale so long as the aggregate principal amount of the Bonds to be  
275 outstanding on the date of issuance of such series of the Bonds does not exceed the  
276 remainder of \$85,000,000 less the aggregate principal amount of any Notes to be  
277 outstanding on the date of issuance of such series of the Bonds.

278 F. Form of Bonds. The Bonds shall be in substantially the following form:

279 NO. \_\_\_\_\_ \$ \_\_\_\_\_

280 UNITED STATES OF AMERICA

281 STATE OF WASHINGTON

282 KING COUNTY

283 LIMITED TAX GENERAL OBLIGATION BOND,

284 [Year][, Series][TAXABLE]

285 INTEREST RATE: MATURITY DATE: CUSIP NO. :

286 REGISTERED OWNER:

287 PRINCIPAL AMOUNT:

288 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to  
289 owe and for value received promises to pay to the registered owner identified above, or  
290 registered assigns, on the Maturity Date specified above, the Principal Amount specified  
291 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-  
292 day months) from \_\_\_\_\_, or the most recent date to which interest has been  
293 paid or duly provided for until payment of this Bond at the Interest Rate set forth above,

294 payable on \_\_\_\_\_, and semiannually thereafter on the \_\_\_\_ day of each succeeding  
295 \_\_\_\_\_ and \_\_\_\_\_ to the maturity or prior redemption of this Bond.

296 Both principal of and interest on this Bond are payable in lawful money of the  
297 United States of America. While Bonds are held on immobilized “book entry” system of  
298 registration, the principal of this Bond is payable to the order of the registered owner in  
299 same day funds received by the registered owner on the maturity date of this Bond, and  
300 the interest on this Bond is payable to the order of the registered owner in same day funds  
301 received by the registered owner on each interest payment date. When Bonds are no  
302 longer held in an immobilized “book entry” registration system, the principal shall be  
303 paid to the registered owner or nominee of such owner upon presentation and surrender  
304 of this Bond to the fiscal agency of the State of Washington (the “Registrar”), and the  
305 interest shall be paid by mailing a check or draft (on the date such interest is due) to the  
306 registered owner or nominee of such owner at the address shown on the registration  
307 books maintained by the Registrar (the “Register”) as of the 15th day of the month prior  
308 to the interest payment date; provided, however, that if so requested in writing by the  
309 registered owner of at least \$1,000,000 par value of the Bonds, interest will be paid by  
310 wire transfer.

311 This Bond is one of an authorized issue of Bonds of like date and tenor, except as  
312 to number, amount, rate of interest and date of maturity[, and redemption provisions],in  
313 the aggregate principal amount of \$ \_\_\_\_\_, and is issued to provide long-term  
314 financing for the ABT Project defined and described in King County Ordinance \_\_\_\_\_  
315 (the “Bond Ordinance”). Capitalized words and phrases used but not defined herein shall  
316 have the meanings set forth in the Bond Ordinance.

317           The Bonds of this issue are issued under and in accordance with the provisions of  
318 the Constitution and applicable statutes of the State of Washington, the County Charter  
319 and applicable ordinances duly adopted by the County.

320           [The Bonds of this issue are subject to redemption prior to maturity as follows:  
321 (information to come from related Bond Sale Motion)].

322           The County has irrevocably covenanted in the Bond Ordinance that, for as long as  
323 any of the Bonds are outstanding and unpaid, each year it will include in its budget and  
324 levy an *ad valorem* tax within the constitutional and statutory tax limitations provided by  
325 law without a vote of the people upon all the property within the County subject to  
326 taxation in an amount that will be sufficient, together with all other revenues, taxes and  
327 money of the County legally available for such purposes, to pay the principal of and  
328 interest on the Bonds as the same shall become due. The County has irrevocably pledged  
329 its full faith, credit and resources for the annual levy and collection of such taxes and for  
330 the prompt payment of the principal of and interest on the Bonds as the same shall  
331 become due.

332           The pledge of tax levies for repayment of principal of and interest on the Bonds  
333 may be discharged prior to maturity of the Bonds by making provisions for the payment  
334 thereof on the terms and conditions set forth in the Bond Ordinance.

335           This Bond shall not be valid or become obligatory for any purpose or be entitled  
336 to any security or benefit under the Bond Ordinance until the Certificate of  
337 Authentication hereon shall have been manually signed by the Registrar.

338           It is hereby certified that all acts, conditions and things required by the  
339 Constitution and statutes of the State of Washington and the Charter and ordinances of

340 the County to exist, to have happened, been done and performed precedent to and in the  
341 issuance of this Bond have happened, been done and performed and that the issuance of  
342 this Bond and the Bonds of this series does not violate any constitutional, statutory or  
343 other limitation upon the amount of bonded indebtedness that the County may incur.

344 [Add so long as Bonds are held in fully immobilized form by DTC: Unless this  
345 certificate is presented by an authorized representative of The Depository Trust  
346 Company, a New York corporation ("DTC"), to the Registrar for registration of transfer,  
347 exchange or payment, and any certificate issued is registered in the name of Cede & Co.  
348 or in such other name as is requested by an authorized representative of DTC (and any  
349 payment is made to Cede & Co. or to such other entity as is requested by an authorized  
350 representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR  
351 VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as  
352 the registered owner hereof, Cede & Co., has an interest herein.]

353 IN WITNESS WHEREOF, the County has caused this Bond to be executed by  
354 the manual or facsimile signatures of the County Executive and the Clerk of the County  
355 Council, and the seal of the County to be impressed or imprinted hereon, as of this  
356 [ ] day of [ ].

357 KING COUNTY, WASHINGTON

358 By \_\_\_\_\_

359 County Executive

360 ATTEST:

361 \_\_\_\_\_

362 Clerk of the Council

363 The Registrar's Certificate of Authentication on the Bonds shall be in  
364 substantially the following form:

365 CERTIFICATE OF AUTHENTICATION

366 This Bond is one of the King County, Washington, Limited Tax General  
367 Obligation Bonds, [Year][, Series][TAXABLE], described in the within mentioned Bond  
368 Ordinance.

369 WASHINGTON STATE FISCAL  
370 AGENCY, as Registrar

371 By \_\_\_\_\_

372 Authorized Officer

373 ASSIGNMENT

374 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers  
375 unto

376 \_\_\_\_\_  
377 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

378 NUMBER OF TRANSFEREE

379 [ ]

380 \_\_\_\_\_  
381 (Please print or typewrite name and address, including zip code of Transferee)

382 \_\_\_\_\_  
383 the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_

384 DATED: \_\_\_\_\_, \_\_\_\_\_

386 NOTE: The signature on this  
387 Assignment must correspond with  
388 the name of the registered owner as  
389 it appears upon the face of the within  
390 note in every particular, without  
391 alteration or enlargement or any  
392 change whatever.

393 SIGNATURE GUARANTEED: =

394 \_\_\_\_\_

395 NOTE: Signature must be guaranteed by an eligible guarantor.

396 G. Delivery of Bonds. Following the sale of each series of the Bonds, the  
397 county shall cause definitive Bonds of such series to be prepared, executed and delivered,  
398 which Bonds may be wordprocessed, typewritten, lithographed or printed.

399 If definitive Bonds of any series are not ready for delivery by the date established  
400 for their delivery to the initial purchasers thereof, then the Finance Director, upon the  
401 approval of the purchasers, may cause to be issued and delivered to the purchasers one or  
402 more temporary Bonds of the same series with appropriate omissions, changes and  
403 additions. Any such temporary Bond or Bonds shall be entitled and subject to the same  
404 benefits and provisions of this ordinance with respect to the payment, security and  
405 obligation thereof as definitive Bonds authorized thereby. Such temporary Bond or  
406 Bonds shall be exchangeable without cost to the owners thereof for definitive Bonds of  
407 the same series when the latter are ready for delivery.

408 H. Execution of Bonds. The Bonds shall be executed on behalf of the county  
409 with the manual or facsimile signatures of the county executive and the clerk of the  
410 council, and shall have the seal of the county impressed or imprinted thereon.

411 In case either or both of the officers who shall have executed the Bonds shall  
412 cease to be an officer or officers of the county before the Bonds so signed shall have been  
413 authenticated or delivered by the Registrar, or issued by the county, such Bonds may  
414 nevertheless be authenticated, delivered and issued and upon such authentication,  
415 delivery and issuance, shall be as binding upon the county as though those who signed  
416 the same had continued to be such officers of the county. Any Bond also may be signed  
417 and attested on behalf of the county by such persons as at the actual date of execution of  
418 such Bond shall be the proper officers of the county although at the original date of such  
419 Bond any such person shall not have been such officer of the county.

420 Only such Bonds as shall bear thereon a Certificate of Authentication in the form  
421 hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for  
422 any purpose or entitled to the benefits of this ordinance. Such Certificate of  
423 Authentication shall be conclusive evidence that the Bonds so authenticated have been  
424 duly executed, authenticated and delivered hereunder and are entitled to the benefits of  
425 this ordinance.

426 SECTION 5. Purpose, Authorization and Description of Notes.

427 A. Purpose and Authorization of Notes. The county authorizes the issuance  
428 of the Notes to provide interim financing for the ABT Project. The interim financing  
429 provided by the Notes may be in the form of new money financing for the ABT Project,  
430 or in the form of a current refunding (a "rollover") of outstanding Notes pending the

431 issuance of Bonds and the receipt of Bond proceeds to provide long-term financing  
432 therefor, or any combination thereof.

433           B.     Description of Notes. The Notes may be issued in one or more series so  
434 long as the aggregate principal amount of the Notes to be outstanding on the date of  
435 issuance of each series of the Notes does not to exceed the remainder of \$85,000,000 less  
436 the aggregate principal amount of any Bonds to be outstanding on the date of issuance of  
437 such series of the Notes. Each series of the Notes shall be designated “King County,  
438 Washington, Limited Tax General Obligation Bond Anticipation Notes,” with the year  
439 and any applicable series designation and with the additional designation of “Taxable”  
440 for any series of Notes issued as Taxable Obligations, all as established by the related  
441 Note Sale Motion. Each series of the Notes shall be dated as of such date, shall mature on  
442 the date or dates in each of the years and in the principal amounts, shall bear interest  
443 (computed on the basis of a 360-day year of twelve 30-day months) from their date or the  
444 most recent interest payment date to which interest has been paid or duly provided for,  
445 whichever is later, at the rates and payable on such dates, and shall be subject to  
446 redemption prior to maturity in the amounts, in the manner and at the prices, and shall be  
447 subject to such other terms and provisions as the county shall establish by the related  
448 Note Sale Motion. Each series of the Notes shall be fully registered as to both principal  
449 and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof  
450 (but no Note shall represent more than one maturity), shall be numbered separately in  
451 such manner and with any additional designation as the Registrar deems necessary for  
452 purposes of identification.

453           C.     Initial Immobilization of Notes; Depository Provisions. The Notes of each  
454 series shall initially be held in fully immobilized form by DTC acting as depository  
455 pursuant to the terms and conditions set forth in the Blanket Issuer Letter of  
456 Representations heretofore executed on behalf of the county. Neither the county nor the  
457 Registrar shall have any responsibility or obligation to DTC participants or the persons  
458 for whom they act as nominees with respect to such Notes with respect to the accuracy of  
459 any records maintained by DTC or any DTC participant, the payment by DTC or any  
460 DTC participant of any amount in respect of principal or redemption price or interest on  
461 such Notes, any notice that is permitted or required to be given to registered owners  
462 under this ordinance (except such notice as is required to be given by the county to the  
463 Registrar or to DTC), the selection by DTC or any DTC participant of any person to  
464 receive payment in the event of a partial redemption of such Notes or any consent given  
465 or other action taken by DTC as owner of such Notes.

466           The Notes of each series shall initially be issued in denominations equal to the  
467 aggregate principal amount of each maturity and initially shall be registered in the name  
468 of CEDE & Co., as the nominee of DTC. Such Notes so registered shall be held in fully  
469 immobilized form by DTC as depository. For so long as any such Notes are held in fully  
470 immobilized form, DTC, its successor or any substitute depository appointed by the  
471 county, as applicable, shall be deemed to be the registered owner for all purposes  
472 hereunder and all references to registered owners, noteowners, noteholders, owners or the  
473 like shall mean DTC or its nominees and shall not mean the owners of any beneficial  
474 interests in the Notes. Registered ownership of such Notes, or any portions thereof, may  
475 not thereafter be transferred except:

476           (1)    To any successor of DTC or its nominee, if that successor shall be  
477 qualified under any applicable laws to provide the services proposed to be provided by it;

478           (2)    To any substitute depository appointed by the county pursuant to  
479 this subsection or such substitute depository's successor; or

480           (3)    To any person as herein provided if such Notes are no longer held  
481 in immobilized form.

482           Upon the resignation of DTC or its successor (or any substitute depository or its  
483 successor) from its functions as depository, or a determination by the county that it is no  
484 longer in the best interests of beneficial owners of such Notes to continue the system of  
485 book entry transfers through DTC or its successor (or any substitute depository or its  
486 successor), the county may appoint a substitute depository. Any such substitute  
487 depository shall be qualified under any applicable laws to provide the services proposed  
488 to be provided by it.

489           In the case of any transfer pursuant to clause (1) or (2) of the second paragraph of  
490 this subsection, the Registrar, upon receipt of all outstanding Notes of such series  
491 together with a written request on behalf of the county, shall issue a single new Note  
492 certificate for each maturity of Notes of such series then outstanding, registered in the  
493 name of such successor or such substitute depository, or their nominees, as the case may  
494 be, all as specified in such written request of the county.

495           In the event that DTC or its successor (or substitute depository or its successor)  
496 resigns from its functions as depository, and no substitute depository can be obtained; or  
497 the county determines that it is in the best interests of the beneficial owners of the Notes  
498 of any series that they be able to obtain Note certificates, the ownership of such Notes

499 may be transferred to any person as herein provided, and such Notes shall no longer be  
500 held in fully immobilized form. The county shall deliver a written request to the  
501 Registrar, together with a supply of definitive Notes of such series, to issue Notes of such  
502 series as herein provided in any authorized denomination. Upon receipt of all then  
503 outstanding Notes of such series by the Registrar, together with a written request on  
504 behalf of the county to the Registrar, new Notes of such series shall be issued in such  
505 denominations and registered in the names of such persons as are requested in such a  
506 written request.

507         D.     Place, Manner and Medium of Payment. Both principal of and interest on  
508 the Notes shall be payable in lawful money of the United States of America. For so long  
509 as any outstanding Notes are registered in the name of CEDE & Co., or its registered  
510 assigns, as nominee of DTC, payments of principal of and interest on such Notes shall be  
511 made in next day funds on the date such payment is due and payable at the place and in  
512 the manner provided in the Letter of Representations.

513         In the event that the Notes of any series are no longer held in fully immobilized  
514 form by DTC or its successor (or substitute depository or its successor); interest on such  
515 Notes shall be paid by checks or drafts mailed, or by wire transfer, to the owners of such  
516 Notes at the addresses for such owners appearing on the Register on the 15th day of the  
517 calendar month preceding the interest payment date. Wire transfer will be made only if  
518 so requested in writing and if the owner owns at least one million dollars (\$1,000,000)  
519 par value of such Notes. Principal of the Notes shall be payable at maturity or on such  
520 dates as may be fixed for prior redemption upon presentation and surrender of such Notes  
521 by the owners to the Registrar.

522 E. Sale of Notes. The county hereby authorizes the public sale of the Notes.  
523 The Notes shall be sold in one or more series, any of which may be sold in a combined  
524 offering with other bonds and/or notes of the county, at the option of the Finance  
525 Director. The Finance Director shall determine, in consultation with the county's  
526 financial advisors, whether each series of the Notes shall be sold by negotiated sale or  
527 competitive bid, and whether such series of Notes shall be issued and sold as Tax-Exempt  
528 Obligations or Taxable Obligations.

529 If the Finance Director determines that any series of the Notes shall be sold by  
530 negotiated sale, the Finance Director shall, in accordance with applicable county  
531 procurement procedures, solicit one or more underwriting firms with which to negotiate  
532 the sale of the Notes. The purchase contract for each series of the Notes shall specify  
533 whether the Notes of such series are being issued and sold as Tax-Exempt Obligations or  
534 Taxable Obligations, and shall also establish the year and any applicable series  
535 designation, date, principal amounts and maturity dates, interest rates and interest  
536 payment dates, redemption provisions and delivery date for such series of the Notes, so  
537 long as the aggregate principal amount of the Notes to be outstanding on the date of  
538 issuance of such series of the Notes does not exceed the remainder of \$85,000,000 less  
539 the aggregate principal amount of any Bonds to be outstanding on the date of issuance of  
540 such series of the Notes. The county council, by Note Sale Motion, shall approve the  
541 Note purchase contract and ratify whether the Notes of such series are being issued and  
542 sold as Tax-Exempt Obligations or Taxable Obligations and the other terms for such  
543 series of the Notes established thereby.

544 If the Finance Director determines that any series of the Notes shall be sold by  
545 competitive bid, bids for the purchase of each series of the Notes shall be received at such  
546 time and place and by such means as the Finance Director shall direct.

547 Upon the date and time established for the receipt of bids for each series of the  
548 Notes, the Finance Director or his designee shall open the bids for the Notes, shall cause  
549 the bids to be mathematically verified and shall report to the county council regarding the  
550 bids received. Such bids shall then be considered and acted upon by the county council  
551 in an open public meeting. The county council reserves the right to reject any and all  
552 bids for any series of the Notes. The county council shall, by Note Sale Motion, ratify  
553 and confirm whether the Notes of such series are being issued and sold as Tax-Exempt  
554 Obligations or Taxable Obligations, and shall also ratify and confirm the year and any  
555 applicable series designation, date, principal amounts and maturity dates, interest rates  
556 and interest payment dates, redemption provisions and delivery date for such series of the  
557 Notes, and accept the bid for the purchase of such series of the Notes.

558 The Finance Director is hereby authorized and directed to prepare an Official  
559 Notice of Note Sale for each series of the Notes to be sold pursuant to competitive bid,  
560 which notice shall be filed with the clerk of the council and shall be ratified and  
561 confirmed by the Note Sale Motion therefor. The Finance Director is hereby authorized  
562 to specify whether the Notes of such series are being issued and sold as Tax-Exempt  
563 Obligations or Taxable Obligations and also to establish the year and any applicable  
564 series designation, date, principal amounts and maturity dates, interest payment dates,  
565 redemption provisions and delivery date for such series of the Notes in such Official  
566 Notice of Note Sale so long as the aggregate principal amount of the Notes to be

567 outstanding on the date of issuance of such series of the Notes does not exceed the  
568 remainder of \$85,000,000 less the aggregate principal amount of any Bonds to be  
569 outstanding on the date of issuance of such series of the Notes.

570 F. Form of Notes. The Notes shall be in substantially the following form:

571 NO. \$ \_\_\_\_\_

572 UNITED STATES OF AMERICA

573 STATE OF WASHINGTON

574 KING COUNTY =

575 LIMITED TAX GENERAL OBLIGATION

576 BOND ANTICIPATION NOTE, [Year][, Series][TAXABLE]

577 INTEREST RATE: MATURITY DATE: CUSIP NO. :

578 REGISTERED OWNER:

579 PRINCIPAL AMOUNT:

580 KING COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to  
581 owe and for value received promises to pay to the registered owner identified above, or  
582 registered assigns, on the Maturity Date specified above, the Principal Amount specified  
583 above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-  
584 day months) from [\_\_\_\_\_], at the Interest Rate set forth above, payable on  
585 \_\_\_\_\_.

586 Both principal of and interest on this Note are payable in lawful money of the  
587 United States of America. While Notes are held on immobilized "book entry" system of  
588 registration, the principal of this Note is payable to the order of the registered owner in  
589 same day funds received by the registered owner on the maturity date of this Note, and

590 the interest on this Note is payable to the order of the registered owner in same day funds  
591 received by the registered owner on each interest payment date. When Notes are no  
592 longer held in an immobilized “book entry” registration system, the principal shall be  
593 paid to the registered owner or nominee of such owner upon presentation and surrender  
594 of this Note at the fiscal agency of the State of Washington (the “Registrar”), and the  
595 interest shall be paid by mailing a check or draft (on the date such interest is due) to the  
596 registered owner or nominee of such owner at the address shown on the registration  
597 books maintained by the Registrar (the “Register”) as of the 15th day of the month prior  
598 to the interest payment date; provided, however that if so requested in writing by the  
599 registered owner of at least \$1,000,000 par value of the Notes, interest will be paid by  
600 wire transfer.

601 This Note is one of an authorized issue of Notes of like date and tenor, except as  
602 to number and amount[, rate of interest and date of maturity], in the aggregate principal  
603 amount of \$\_\_\_\_\_, and is issued to provide interim financing for the ABT  
604 Project defined and described in King County Ordinance \_\_\_\_\_ (the “Note Ordinance”).  
605 Capitalized words and phrases used but not defined herein shall have the meanings set  
606 forth in the Note Ordinance.

607 The Notes of this issue are issued under and in accordance with the provisions of  
608 the Constitution and applicable statutes of the State of Washington, the County Charter  
609 and applicable ordinances duly adopted by the County.

610 [The Notes are subject to redemption prior to their maturity as follows:  
611 (information to come related Note Sale Motion)].

612           The County has irrevocably-covenanted in the Note Ordinance that, for as long as  
613 the Notes are outstanding and unpaid, each year it will include in its budget and levy an  
614 *ad valorem* tax within the constitutional and statutory tax limitations provided by law  
615 without a vote of the people upon all the property within the County subject to taxation in  
616 an amount that will be sufficient, together with all other revenues, taxes and money of the  
617 County legally available for such purposes, to pay the principal of and interest on the  
618 Notes as the same shall become due. The County has irrevocably pledged its full faith,  
619 credit and resources for the annual levy and collection of such taxes and for the prompt  
620 payment of the principal of and interest on the Notes as the same shall become due.

621           The pledge of tax levies for repayment of principal of and interest on the Notes  
622 may be discharged prior to maturity of the Notes by making provisions for the payment  
623 thereof on the terms and conditions set forth in the Note Ordinance.

624           This Note shall not be valid or become obligatory for any purpose or be entitled to  
625 any security or benefit under the Note Ordinance until the Certificate of Authentication  
626 hereon shall have been manually signed by the Registrar.

627           It is hereby certified that all acts, conditions and things required by the  
628 Constitution and statutes of the State of Washington and the Charter and ordinances of  
629 the County to exist, to have happened, been done and performed precedent to and in the  
630 issuance of this Note have happened, been done and performed and that the issuance of  
631 this Note and the Notes of this series does not violate any constitutional, statutory or  
632 other limitation upon the amount of bonded indebtedness that the County may incur.

633           [Add so long as Notes are held in fully immobilized form by DTC: Unless this  
634 certificate is presented by an authorized representative of The Depository Trust

635 Company, a New York corporation (“DTC”), to the Registrar for registration of transfer,  
636 exchange or payment, and any certificate issued is registered in the name of Cede & Co.  
637 or in such other name as is requested by an authorized representative of DTC (and any  
638 payment is made to Cede & Co. or to such other entity as is requested by an authorized  
639 representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR  
640 VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as  
641 the registered owner hereof, Cede & Co., has an interest herein.]

642 IN WITNESS WHEREOF, the County has caused this Note to be executed by the  
643 manual or facsimile signatures of the County Executive and the Clerk of the County  
644 Council, and the seal of the County to be impressed or imprinted hereon, as of this  
645 [ ] day of [ ].

646 KING COUNTY, WASHINGTON

647 By \_\_\_\_\_

648 County Executive

649 ATTEST:

650 \_\_\_\_\_

651 Clerk of the Council

652 The Registrar’s Certificate of Authentication on the Notes shall be in substantially  
653 the following form:

654 CERTIFICATE OF AUTHENTICATION

655 This Note is one of King County, Washington, Limited Tax General Obligation  
656 Bond Anticipation Notes, [Year][, Series][TAXABLE] described in the within mentioned  
657 Note Ordinance.

658 WASHINGTON STATE FISCAL

659 AGENCY, as Registrar

660 By \_\_\_\_\_

661 Authorized Officer

662 ASSIGNMENT

663 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers

664 unto

665 \_\_\_\_\_ =

666 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION

667 NUMBER OF TRANSFEREE

668 [ ]

669 \_\_\_\_\_

670 (Please print or typewrite name and address, including zip code of Transferee)

671 \_\_\_\_\_

672 the within Note and does hereby irrevocably constitute and appoint \_\_\_\_\_

673 DATED: \_\_\_\_\_, \_\_\_\_\_.

674 \_\_\_\_\_

675 NOTE: The signature on this

676 Assignment must correspond with

677 the name of the registered owner as

678 it appears upon the face of the within

679 Note in every particular, without

680 alteration or enlargement or any  
681 change whatever.

682 SIGNATURE GUARANTEED:

683 \_\_\_\_\_

684 NOTE: Signature must be guaranteed by an eligible guarantor.

685 G. Delivery of Notes. Following the sale of each series of the Notes, the  
686 county shall cause definitive Notes of such series to be prepared, executed and delivered,  
687 which Notes may be wordprocessed, typewritten, lithographed or printed.

688 If definitive Notes of any series are not ready for delivery by the date established  
689 for their delivery to the initial purchasers thereof, then the Finance Director, upon the  
690 approval of the purchasers, may cause to be issued and delivered to the purchasers one or  
691 more temporary Notes of the same series with appropriate omissions, changes and  
692 additions. Any such temporary Note or Notes shall be entitled and subject to the same  
693 benefits and provisions of this ordinance with respect to the payment, security and  
694 obligation thereof as definitive Notes authorized thereby. Such temporary Note or Notes  
695 shall be exchangeable without cost to the owners thereof for definitive Notes of the same  
696 series when the latter are ready for delivery.

697 H. Execution of Notes. The Notes shall be executed on behalf of the county  
698 with the manual or facsimile signatures of the county executive and the clerk of the  
699 council, and shall have the seal of the county impressed or imprinted thereon.

700 In case either or both of the officers who shall have executed the Notes shall cease  
701 to be an officer or officers of the county before the Notes so signed shall have been  
702 authenticated or delivered by the Registrar, or issued by the county, such Notes may

703 nevertheless be authenticated, delivered and issued and upon such authentication,  
704 delivery and issuance, shall be as binding upon the county as though those who signed  
705 the same had continued to be such officers of the county. Any Note also may be signed  
706 and attested on behalf of the county by such persons as at the actual date of execution of  
707 such Note shall be the proper officers of the county although at the original date of such  
708 Note any such person shall not have been such officer of the county.

709         Only such Notes as shall bear thereon a Certificate of Authentication in the form  
710 hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for  
711 any purpose or entitled to the benefits of this ordinance. Such Certificate of  
712 Authentication shall be conclusive evidence that the Notes so authenticated have been  
713 duly executed, authenticated and delivered hereunder and are entitled to the benefits of  
714 this ordinance.

715         SECTION 6. Open Market Purchase. The county reserves the right to  
716 purchase any or all of the Notes or the Bonds of any series on the open market at any  
717 time and at any price.

718         SECTION 7. Registration, Transfer and Exchange of Notes and Bonds. The  
719 county hereby adopts for the Notes and the Bonds the system of registration specified and  
720 approved by the Washington State Finance Commission. The Registrar shall keep, or  
721 cause to be kept, at its principal corporate trust office, sufficient books for the registration  
722 and transfer of the Notes and the Bonds, which shall at all times be open to inspection by  
723 the county. Such Register shall contain the name and mailing address of the owner (or  
724 nominee thereof) of each Note and Bond, and the principal amount and number of Notes  
725 held by each owner or nominee. The Registrar is authorized, on behalf of the county, to

726 authenticate and deliver Notes and Bonds transferred or exchanged for other Notes and  
727 Bonds, respectively, in accordance with the provisions thereof and this ordinance, and to  
728 carry out all of the Registrar's powers and duties under this ordinance.

729         The Registrar shall be responsible for its representations contained in the  
730 Certificate of Authentication on the Notes and the Bonds. The Registrar may become the  
731 owner of Notes or Bonds with the same rights it would have if it were not the Registrar,  
732 and to the extent permitted by law may act as depository for and permit any of its officers  
733 or directors to act as a member of, or in any other capacity with respect to, any committee  
734 formed to protect the rights of Note or Bond owners.

735         Upon surrender thereof to the Registrar, the Notes of each series are exchangeable  
736 for other Notes of the same series, maturity and interest rate and for the same aggregate  
737 principal amount, in any authorized denomination, and the Bonds of each series are  
738 exchangeable for other Bonds of the same series, maturity and interest rate and for the  
739 same aggregate principal amount, in any authorized denomination. Notes and Bonds may  
740 be transferred only if endorsed in the manner provided thereon and surrendered to the  
741 Registrar. Upon such surrender, the Registrar shall cancel the surrendered Note or Bond  
742 and shall authenticate and deliver, without charge to the owner or transferee therefor  
743 (other than taxes, if any, payable on account of such transfer), one or more (at the option  
744 of the new registered owner) new Notes or Bonds, as applicable, of the same series,  
745 maturity and interest rate and for the same aggregate principal amount, in any authorized  
746 denomination, naming as registered owner the person or persons listed as the assignee on  
747 the assignment form appearing on the canceled and surrendered Note or Bond, in  
748 exchange therefor. The Registrar shall not be obligated to transfer or exchange any Note

749 or Bond during the period beginning at the opening of business on the 15th day of the  
750 month next preceding the maturity date thereof and ending at the close of business on  
751 such maturity date.

752 The county and the Registrar, each in its discretion, may deem and treat the  
753 registered owner of each Note and Bond as the absolute owner thereof for all purposes,  
754 and neither the county nor the Registrar shall be affected by any notice to the contrary.

755 SECTION 8. Mutilated, Lost, Stolen or Destroyed Notes and Bonds. If any  
756 Note or Bond shall become mutilated, the Registrar shall authenticate and deliver one or  
757 more (at the option of the new registered owner) new Notes or Bonds, as applicable, of  
758 the same series, maturity and interest rate and for the same aggregate principal amount, in  
759 any authorized denomination, in exchange and substitution therefor, upon the owner's  
760 paying the expenses and charges of the county and the Registrar in connection therewith  
761 and upon surrender to the Registrar of the mutilated Note or Bond. Every mutilated Note  
762 or Bond so surrendered shall be canceled and destroyed by the Registrar.

763 If any Note or Bond shall be lost, stolen or destroyed, the Registrar may  
764 authenticate and deliver one or more (at the option of the new registered owner) new  
765 Notes or Bonds, as applicable, of the same series, maturity and interest rate and for the  
766 same aggregate principal amount, in any authorized denomination, to the registered  
767 owner thereof upon the owner's paying the expenses and charges of the county and the  
768 Registrar in connection therewith and upon his/her filing with the Registrar evidence  
769 satisfactory to the Registrar that such Note or Bond was actually lost, stolen or destroyed  
770 and of his/her ownership thereof, and upon furnishing the county and the Registrar with  
771 indemnity satisfactory to the Finance Director and the Registrar.

772           SECTION 9. Pledge of Taxation and Credit. The county hereby irrevocably  
773 covenants and agrees for as long as any of the Notes or the Bonds are outstanding and  
774 unpaid, that each year it will include in its budget and levy an *ad valorem* tax within the  
775 constitutional and statutory tax limitations provided by law without a vote of the people  
776 upon all the property within the county subject to taxation in an amount that will be  
777 sufficient, together with all other revenues, taxes and money of the county legally  
778 available for such purposes, to pay the principal of and interest on the Notes and the  
779 Bonds as the same shall become due.

780           The county hereby irrevocably pledges that the annual tax provided for herein to  
781 be levied for the payment of such principal and interest shall be within and as a part of  
782 the tax levy to counties without a vote of the people, and that a sufficient portion of each  
783 annual levy to be levied and collected by the county prior to the full payment of the  
784 principal of and interest on the Notes and Bonds will be and is hereby irrevocably set  
785 aside, pledged and appropriated for the payment of the principal of and interest on the  
786 Notes and the Bonds.

787           The full faith, credit and resources of the county are hereby irrevocably pledged  
788 for the annual levy and collection of said taxes and for the prompt payment of the  
789 principal of and interest on the Notes and the Bonds as the same shall become due.

790           SECTION 10. Federal Tax Law Covenants. The county shall comply with the  
791 provisions of this section with respect to each series of the Notes and the Bonds that are  
792 issued as Tax-Exempt Obligations or BABs unless, in the written opinion of nationally-  
793 recognized bond counsel to the county, such compliance is not required.

794           The county hereby covenants that it will not make any use of the proceeds from  
795 the sale of such series of the Notes or the Bonds that are issued as Tax-Exempt  
796 Obligations or BABs or any other funds of the county that may be deemed to be proceeds  
797 of such series of the Notes or the Bonds pursuant to Section 148 of the Code and the  
798 applicable regulations thereunder that will cause such series of the Notes or the Bonds to  
799 be “arbitrage bonds” within the meaning of said Section and said regulations. The county  
800 will comply with the applicable requirements of Section 148 of the Code (or any  
801 successor provision thereof applicable to such series of the Notes or the Bonds) and the  
802 applicable regulations thereunder throughout the term of such series of the Notes or the  
803 Bonds. In particular, the county will compute, if necessary, and pay the Rebate Amount,  
804 if any, to the United States of America at the times and in the amounts necessary to meet  
805 the requirements of the Code, as set forth in the related Federal Tax Certification for such  
806 series of the Notes or the Bonds.

807           The county further covenants that it will not take any action or permit any action  
808 to be taken that would cause any series of the Notes or the Bonds that are issued as Tax-  
809 Exempt Obligations or BABs to constitute “private activity bonds” under Section 141 of  
810 the Code.

811           SECTION 11. Other Covenants and Warranties. The county makes the  
812 following additional covenants and warranties:

813           A. The county has full legal right, power and authority to adopt this  
814 ordinance, to sell, issue and deliver each series of the Notes and the Bonds as provided  
815 herein, and to carry out and consummate all other transactions contemplated by this  
816 ordinance.

817           B.     By all necessary official action prior to or concurrently herewith, the  
818 county has duly authorized and approved the execution and delivery of, and the  
819 performance by the county of its obligations contained in the Notes, the Bonds and this  
820 ordinance and the consummation by it of all other transactions necessary to effectuate  
821 this ordinance in connection with the issuance of each series of the Notes and the Bonds,  
822 and such authorizations and approvals are in full force and effect and have not been  
823 amended, modified or supplemented in any material respect.

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

826           D.     When issued, sold, authenticated and delivered, each series of the Notes  
827 and the Bonds will constitute legal, valid and binding general obligations of the county.

828           E.     Until all Notes and Bonds of a series shall have been surrendered and  
829 canceled, the county will maintain or cause to be maintained a system of registration of  
830 the Notes and the Bonds of such series that complies with the applicable provisions of the  
831 Code.

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

838 G. The county finds and covenants that the Notes and the Bonds of each  
839 series are issued within all statutory and constitutional debt limitations applicable to the  
840 county.

841 SECTION 12. Note and Bond Funds. There has heretofore been created in the  
842 office of the Finance Director a special fund known as the “King County Limited Tax  
843 General Obligation Bond Redemption Fund” to be drawn upon for the purpose of paying  
844 the principal of and interest on the limited tax general obligation bonds of the county.  
845 There is hereby authorized to be created within said fund a special account for each series  
846 of the Notes to be known as the “Limited Tax General Obligation Bond Anticipation  
847 Note Redemption Account, [Year][, Series][Taxable]” (each, a “Note Fund”), and a  
848 special account for each series of the Bonds to be known as the “Limited Tax General  
849 Obligation Bond Redemption Account, [Year][, Series][Taxable]” (each, a “Bond  
850 Fund”).

851 Any accrued interest on any series of the Notes or the Bonds shall be deposited in  
852 the related Note Fund or Bond Fund, as applicable, at the time of delivery of such series  
853 of the Notes or the Bonds and shall be applied to the payment of interest thereon.

854 The taxes hereafter levied for the purpose of paying principal of and interest on  
855 each series of the Notes or the Bonds and other funds to be used to pay such series of the  
856 Notes or the Bonds shall be deposited in the related Note Fund or Bond Fund, as  
857 applicable, no later than the date such funds are required for the payment of principal of  
858 and interest on such series of the Notes or the Bonds; provided, however, that if the  
859 payment of principal of and interest on any series of the Notes or the Bonds is required  
860 prior to the receipt of such levied taxes, the county may make an interfund loan to the

861 related Note Fund or Bond Fund, as applicable, pending actual receipt of such taxes.  
862 Each Note Fund and Bond Fund shall be drawn upon for the purpose of paying the  
863 principal of and interest on the related series of the Notes or the Bonds, as applicable.  
864 Money in each Note Fund and Bond Fund not needed to pay the interest or principal next  
865 coming due may temporarily be deposited in such institutions or invested in such  
866 obligations as may be lawful for the investment of county funds. Each Note Fund and  
867 Bond Fund shall be a second tier fund in accordance with Ordinance No. 7112 and  
868 K.C.C. 4.10.

869         SECTION 13. Application of Note and Bond Proceeds-New Money. There has  
870 heretofore been created the ABT BAN Subfund within the OIRM Capital Projects Fund.  
871 This subfund is a first tier fund managed by the county's chief information officer. The  
872 exact amount of proceeds from the sale of any series of the Notes or the Bonds to be  
873 deposited into the ABT BAN Subfund to provide new money financing for the ABT  
874 Project shall be determined by the Finance Director upon the sale of such series of the  
875 Notes or the Bonds. Any amounts so deposited may be used to repay interim borrowing  
876 (other than the Notes) used to pay the costs of the ABT Project.

877         SECTION 14. Application of Note and Bond Proceeds-Current Refundings.  
878 The exact amount of proceeds from the sale of any series of the Notes or the Bonds to be  
879 deposited into the Note Fund for another series of the Notes and applied to the payment  
880 of the principal of and interest on such other series of the Notes and the costs related to  
881 the current refunding thereof shall be determined by the Finance Director upon the sale of  
882 such series of the Notes or the Bonds.

883           SECTION 15. Application of Note Proceeds-General. Funds deposited in the  
884 funds and accounts described in Sections 12 and 13 hereof shall be invested as permitted  
885 by law for the sole benefit of such funds and accounts. Irrespective of the general  
886 provisions of Ordinance No. 7112 and K.C.C. 4.10, the county current expense fund shall  
887 not receive any earnings attributable to such funds and accounts. Money other than  
888 proceeds of the Notes and Bonds may be deposited in the funds and accounts described in  
889 Sections 12 and 13 hereof; provided, however, that proceeds of each series of the Notes  
890 or the Bonds that are issued as Tax-Exempt Obligations or BABs,<sup>---</sup> and the earnings  
891 thereon, shall be accounted for separately for purposes of the arbitrage rebate  
892 computations required to be made under the Code. For purposes of such computations,  
893 Note proceeds shall be deemed to have been expended first, then Bond proceeds, and  
894 then any other funds.

895           SECTION 16. Preliminary Official Statements and Final Official Statements.  
896 The county hereby authorizes and directs the Finance Director: (i) to review and approve  
897 the information contained in the preliminary official statement (each, a “Preliminary  
898 Official Statement”) prepared in connection with the sale of each series of the Notes or  
899 the Bonds; and (ii) for the sole purpose of compliance by the purchasers of such series of  
900 the Notes or the Bonds with subsection (b)(1) of the Rule, to “deem final” the related  
901 Preliminary Official Statement as of its date, except for the omission of information on  
902 offering prices, interest rates, selling compensation, delivery dates, any other terms or  
903 provisions required by the county to be specified in a competitive bid, ratings, other terms  
904 of such series of the Notes or the Bonds dependent on such matters and the identity of the  
905 purchasers. After each Preliminary Official Statement has been reviewed and approved

906 in accordance with the provisions of this section, the county hereby authorizes the  
907 distribution of such Preliminary Official Statement to prospective purchasers of such  
908 related series of the Notes or the Bonds.

909         Following the sale of each series of the Notes or the Bonds, the Finance Director  
910 is hereby authorized to review and approve on behalf of the county a final official  
911 statement with respect to such series of the Notes or the Bonds. The county agrees to  
912 cooperate with the successful bidder for each series of the Notes or the Bonds to deliver  
913 or cause to be delivered, within seven business days from the date of the Note Sale  
914 Motion or Bond Sale Motion, as appropriate, and in sufficient time to accompany any  
915 confirmation that requests payment from any customer of such successful bidder, copies  
916 of a final official statement pertaining to such Notes or Bonds in sufficient quantity to  
917 comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities  
918 Rulemaking Board.

919         SECTION 17. Undertaking to Provide Ongoing Disclosure. The county council  
920 will set forth an undertaking for ongoing disclosure with respect to each series of the  
921 Notes or the Bonds, as required by subsection (b)(5) of the Rule, in the Note Sale Motion  
922 or the Bond Sale Motion therefor, as appropriate.

923         SECTION 18. General Authorization. The appropriate county officials, agents  
924 and representatives are hereby authorized and directed to do everything necessary for the  
925 prompt sale, issuance, execution and delivery of each series of the Notes and each series  
926 of the Bonds, and for the proper use and application of the proceeds of the sale thereof.

927         SECTION 19. Refunding or Defeasance of Notes and Bonds. The county may  
928 issue refunding obligations pursuant to the laws of the State of Washington or use money

929 available from any other lawful source to pay when due the principal of and interest on  
930 any series of the Notes or the Bonds, or any portion thereof included in a refunding or  
931 defeasance plan, and to redeem and retire, refund or defease all such then-outstanding  
932 Notes or Bonds, as appropriate, and to pay the costs of the refunding or defeasance.

933         In the event that money and/or noncallable Government Obligations maturing at  
934 such time or times and bearing interest to be earned thereon in amounts (together with  
935 such money, if necessary) sufficient to redeem and retire, refund or defease part or all of  
936 the Notes or Bonds in accordance with their terms, are set aside in a special account of  
937 the county to effect such redemption and retirement, and such money and the principal of  
938 and interest on such Government Obligations are irrevocably set aside and pledged for  
939 such purpose, then no further payments need be made into the Note Fund or any Bond  
940 Fund, as appropriate, for the payment of the principal of and interest on the Notes or  
941 Bonds so provided for, and such Notes or Bonds shall cease to be entitled to any lien,  
942 benefit or security of this ordinance except the right to receive the money so set aside and  
943 pledged, and such Notes or Bonds shall be deemed not to be outstanding hereunder.

944         Within 30 days of the defeasance of any of the Notes or Bonds, the county shall  
945 provide or cause to be provided notice of defeasance of such Notes or Bonds to the  
946 registered owners thereof and to the Municipal Securities Rulemaking Board, in  
947 accordance with the undertaking for ongoing disclosure to be adopted pursuant to Section  
948 17 hereof.

949         SECTION 20. Contract; Severability. The covenants applicable to the Notes  
950 contained in this ordinance shall constitute a contract between the county and the owners  
951 of each and every Note, and the covenants applicable to the Bonds contained in this

952 ordinance shall constitute a contract between the county and the owners of each and  
953 every Bond. If any one or more of the covenants or agreements provided in this  
954 ordinance to be performed on the part of the county shall be declared by any court of  
955 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement  
956 or agreements, shall be null and void and shall be deemed separable from the remaining  
957 covenants and agreements of this ordinance and shall in no way affect the validity of the  
958 other provisions of this ordinance, the Notes or the Bonds.  
959

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

---

Robert W. Ferguson, Chair

ATTEST:

---

Anne Noris, Clerk of the Council

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

---

Dow Constantine, County Executive

Ordinance

---

**Attachments:** None



KING COUNTY  
Signature Report

Attachment D  
1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

March 1, 2010

Motion

Proposed No. 2010-0081.1

Sponsors Patterson

1 A MOTION of the county council accepting a bid for the  
2 purchase of the county's Limited Tax General Obligation  
3 Bond Anticipation Notes, 20\_\_, Series \_\_, in the aggregate  
4 principal amount of \$\_\_\_\_\_ and establishing certain  
5 terms of such notes in accordance with Ordinance  
6 \_\_\_\_\_.

7 WHEREAS, pursuant to Ordinance \_\_\_\_\_ (the "Ordinance"), the county  
8 council authorized the issuance of one or more series of its limited tax general obligation  
9 bonds in an outstanding aggregate principal amount not to exceed \$85,000,000 to provide  
10 long-term financing for the ABT Project, defined and described in the Ordinance, and  
11 further authorized the issuance and public sale of one or more series of its limited tax  
12 general obligation bond anticipation notes in an outstanding aggregate principal amount  
13 not to exceed \$85,000,000 to provide interim financing for such project pending the  
14 issuance of the bonds, and

15 WHEREAS, the Ordinance provided that such bond anticipation notes may be  
16 sold at public sale, either by negotiated sale or by competitive bid, in one or more series  
17 as determined by the Finance Director in consultation with the county's financial advisor,  
18 and

19 WHEREAS, the Finance Director has determined that a series of such bond  
20 anticipation notes, to be designated as the county's Limited Tax General Obligation Bond  
21 Anticipation Notes, 20\_\_, Series \_\_, in the aggregate principal amount of  
22 \$\_\_\_\_\_ (the "Notes"), be sold as provided herein, and

23 WHEREAS, currently, none of the bonds authorized by the Ordinance are  
24 outstanding. Currently, none of the bond anticipation notes authorized by the Ordinance  
25 are outstanding. The aggregate principal amount of all such bonds and bond anticipation  
26 notes (including the Notes) to be outstanding on the date of issuance of the Notes will be  
27 \$\_\_\_\_\_, which amount does not exceed \$85,000,000, and

28 WHEREAS, a preliminary official statement dated \_\_\_\_\_, 2009, has been  
29 prepared for the public sale of the Notes, the official Notice of such sale dated  
30 \_\_\_\_\_, 2009, (as the "Notice"), has been duly published, and bids have been  
31 received in accordance with the Notice, and

32 WHEREAS, the attached bid of \_\_\_\_\_ to purchase the Notes is the  
33 best bid received for the Notes, and it is in the best interest of the county that such Notes  
34 be sold to \_\_\_\_\_ on the terms set forth in the Notice, the attached bid, the  
35 Ordinance and this motion;

36 NOW, THEREFORE, BE IT MOVED by the Council of King County:

37 A. Definitions. Except as expressly authorized herein, terms used in this motion  
38 have the meanings set forth in the Ordinance.

39 B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of  
40 Notes. The issuance of the Notes, designated as the county's Limited Tax General  
41 Obligation Bond Anticipation Notes, 20\_\_, Series \_\_, in the aggregate principal amount

42 of \$ \_\_\_\_\_, and the other terms and conditions thereof set forth in the Notice  
43 attached hereto as Exhibit A, are hereby ratified and confirmed. The offer to purchase  
44 the Notes, as set forth in the bid \_\_\_\_\_ attached hereto as Exhibit B, which  
45 shall be deemed to be adjusted to reflect the changed aggregate principal amount of the  
46 Notes, as and to the extent permitted by the Notice, is hereby accepted. The Notes shall  
47 be dated their date of issue and delivery, shall mature on the date, and shall bear interest  
48 payable only at maturity at the rate specified in Exhibit B. The Notes shall be [Tax-  
49 Exempt][Taxable] Obligations, as defined in the Ordinance, and shall not be subject to  
50 redemption. The Notes shall conform in all other respects to the terms and conditions  
51 specified in the Notice and Ordinance.

52 C. Application of Note Proceeds. The proceeds of the Notes shall be applied to  
53 provide interim financing for the ABT Project, and paying costs and expenses incurred in  
54 issuing the Notes.

55 D. Undertaking to Provide Ongoing Disclosure.

56 1. Contract/Undertaking. This section D constitutes the county's limited written  
57 undertaking for the benefit of the owners and beneficial owners of the Notes as required  
58 by section (b)(5)(i)(C) of rule 15c2-12 (the "rule") of the Securities and Exchange  
59 Commission (the "commission").

60

61 2. Material Events. The county agrees to provide or cause to be provided, in a  
62 timely manner, to the MSRB, notice of the occurrence of any of the following events  
63 with respect to the Notes, if material:

64 (a) principal and interest payment delinquencies;

- 65 (b) non-payment related defaults;
- 66 (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- 67 (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- 68 (e) substitution of credit or liquidity providers, or their failure to perform;
- 69 (f) adverse tax opinions or events affecting the tax-exempt status of the Notes;
- 70 (g) modifications to rights of Noteholders; -
- 71 (h) optional, contingent or unscheduled calls of any Notes other than scheduled
- 72 sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-
- 73 23856;
- 74 (i) defeasances;
- 75 (j) release, substitution or sale of property securing repayment of the Notes;
- 76 and
- 77 (k) rating changes.

78 Solely for purposes of disclosure, and not intending to modify this undertaking,  
79 the county advises with reference to items (c) and (j) above that no debt service reserves  
80 secure payment of the Notes and no property secures repayment of the Notes.

81 3. Electronic Format; Identifying Information. The county agrees that all  
82 documents provided to the MSRB pursuant to this section D shall be provided in an  
83 electronic format and accompanied by such identifying information, each as prescribed  
84 by the MSRB.

85 4. Termination/Modification. The county's obligations to provide annual  
86 financial information and notices of material events shall terminate upon the legal  
87 defeasance, prior redemption or payment in full of all of the Notes. This section, or any

88 provision hereof, shall be null and void if the county (i) obtains an opinion of nationally  
89 recognized bond counsel to the effect that those portions of the rule which require this  
90 section, or any such provision, are invalid, have been repealed retroactively or otherwise  
91 do not apply to the Notes; and (ii) notifies the MSRB of such opinion and the cancellation  
92 of this section.

93 Notwithstanding any other provision of this motion, the county may amend this  
94 section D, and any provision of this section D may be waived, with an approving opinion  
95 of nationally recognized bond counsel and in accordance with the rule.—

96 5. Note Owners' Remedies Under This Section. The right of any Note owner or  
97 beneficial owner of Notes to enforce the provisions of this section shall be limited to a  
98 right to obtain specific enforcement of the county's obligations hereunder, and any failure  
99 by the county to comply with the provisions of this undertaking shall not be an event of  
100 default with respect to the Notes. For purposes of this section, "beneficial owner" means  
101 any person who has the power, directly or indirectly, to vote or consent with respect to, or  
102 to dispose of ownership of, any Notes, including persons holding Notes through  
103 nominees or depositories.

104 E. Further Authority. The county officials, their agents, and representatives are  
105 hereby authorized and directed to do everything necessary for the prompt issuance and  
106 delivery of the Notes and for the proper use and application of the proceeds of such sale.

107 F. Severability. The covenants contained in this motion shall constitute a  
108 contract between the county and the owners of each and every Note. If any one or more  
109 of the covenants or agreements provided in this motion to be performed on the part of the  
110 county shall be declared by any court of competent jurisdiction to be contrary to law, then

Motion

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111 such covenant or covenants, agreement or agreements, shall be null and void and shall be  
112 deemed separable from the remaining covenants and agreements of this motion and shall  
113 in no way affect the validity of the other provisions of this motion or of the Notes.

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

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Robert W. Ferguson, Chair

ATTEST:

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Anne Noris, Clerk of the Council

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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Dow Constantine, County Executive

**Attachments:** None



KING COUNTY  
Signature Report

March 1, 2010

Motion

Proposed No. 2010-0082.1

Sponsors Patterson

1 A MOTION of the county council approving a bond  
2 purchase contract for the purchase of the county's Limited  
3 Tax General Obligation Bond Anticipation Notes, 20\_\_,  
4 Series \_\_, in the aggregate principal amount of \_\_  
5 \$\_\_\_\_\_, and establishing certain terms of such notes in  
6 accordance with Ordinance \_\_\_\_\_.

7 WHEREAS, pursuant to Ordinance \_\_\_\_\_ (the "Ordinance"), the county  
8 council authorized the issuance of one or more series of its limited tax general obligation  
9 bonds in an outstanding aggregate principal amount not to exceed \$85,000,000 to provide  
10 long-term financing for the ABT Project, defined and described in the Ordinance, and  
11 further authorized the issuance and public sale of one or more series of its limited tax  
12 general obligation bond anticipation notes in an outstanding aggregate principal amount  
13 not to exceed \$85,000,000 to provide interim financing for such project pending the  
14 issuance of the bonds, and

15 WHEREAS, the Ordinance provided that such bond anticipation notes may be  
16 sold at public sale, either by negotiated sale or by competitive bid, in one or more series  
17 as determined by the Finance Director in consultation with the county's financial advisor,  
18 and

19 WHEREAS, the Finance Director has determined that a series of such bond  
20 anticipation notes, to be designated as the county's Limited Tax General Obligation Bond  
21 Anticipation Notes, 20\_\_, Series \_\_, in the aggregate principal amount of \$\_\_\_\_\_  
22 (the "Notes"), be sold as provided herein, and

23 WHEREAS, currently, none of the bonds authorized by the Ordinance are  
24 outstanding. Currently, none of the bond anticipation notes authorized by the Ordinance  
25 are outstanding. The aggregate principal amount of all such bonds and bond anticipation  
26 notes (including the Notes) to be outstanding on the date of issuance of the Notes will be  
27 \$\_\_\_\_\_, which amount does not exceed \$85,000,000, and

28 WHEREAS, pursuant to the Ordinance, the Finance Director has negotiated the  
29 sale of the Notes to \_\_\_\_\_ (the "Representative"), acting on behalf of itself,  
30 \_\_\_\_\_ and \_\_\_\_\_ (collectively, the "Underwriters"), and a  
31 preliminary official statement dated \_\_\_\_\_, 20\_\_, has been prepared for the sale  
32 of the Notes, and

33 WHEREAS, it is in the best interest of the county that such Notes be sold to the  
34 Underwriters on the terms set forth in the attached note purchase contract (the "Purchase  
35 Contract"), the Ordinance and this motion;

36 NOW, THEREFORE, BE IT MOVED by the Council of King County:

37 A. Definitions. Except as expressly authorized herein, terms used in this motion  
38 have the meanings set forth in the Ordinance.

39 B. Approval of Bond Purchase Contract and Authorization of Notes. The  
40 issuance of the Notes, designated as the county's Limited Tax General Obligation Bond  
41 Anticipation Notes, 20\_\_, Series \_\_, in the aggregate principal amount of \$\_\_\_\_\_,

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42 and the other terms and conditions thereof set forth in the Purchase Contract contract  
43 attached hereto as Attachment A, are hereby ratified and confirmed, and the Purchase  
44 Contract is hereby approved. The Notes shall be dated their date of issue and delivery,  
45 shall mature on the date, and shall bear interest payable only at maturity at the rate  
46 specified in the Purchase Contract. The Notes shall be [Tax-Exempt][Taxable]  
47 Obligations, as defined in the Ordinance, and shall not be subject to redemption. The  
48 Notes shall conform in all other respects to the terms and conditions specified in the  
49 Purchase Contract and Ordinance.

50 C. Application of Note Proceeds. The proceeds of the Notes shall be applied to  
51 provide interim financing for the ABT Project, and paying costs and expenses incurred in  
52 issuing the Notes.

53 D. Undertaking to Provide Ongoing Disclosure.

54 1. Contract/Undertaking. This section D constitutes the county's limited written  
55 undertaking for the benefit of the owners and beneficial owners of the Notes as required  
56 by section (b)(5)(i)(C) of rule 15c2-12 (the "rule") of the Securities and Exchange  
57 Commission (the "commission").

58 2. Material Events. The county agrees to provide or cause to be  
59 provided, in a timely manner to the MSRB, notice of the occurrence of any of the  
60 following events with respect to the Notes, if material:

- 61 (a) principal and interest payment delinquencies;  
62 (b) non-payment related defaults;  
63 (c) unscheduled draws on debt service reserves reflecting financial difficulties;  
64 (d) unscheduled draws on credit enhancements reflecting financial difficulties;

- 65 (e) substitution of credit or liquidity providers, or their failure to perform;
- 66 (f) adverse tax opinions or events affecting the tax-exempt status of the Notes;
- 67 (g) modifications to rights of Noteholders;
- 68 (h) optional, contingent or unscheduled calls of any Notes other than scheduled
- 69 sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-
- 70 23856;
- 71 (i) defeasances;
- 72 (j) release, substitution or sale of property securing repayment of the Notes;
- 73 and
- 74 (k) rating changes.

75 Solely for purposes of disclosure, and not intending to modify this undertaking,  
76 the county advises with reference to items (c) and (j) above that no debt service reserves  
77 secure payment of the Notes and no property secures repayment of the Notes.

78 3. Electronic Format; Identifying Information. The county agrees that all  
79 documents provided to the MSRB pursuant to this section D shall be provided in an  
80 electronic format and accompanied by such identifying information, each as prescribed  
81 by the MSRB.

82 .

83 4. Termination/Modification. The county's obligations to provide annual  
84 financial information and notices of material events shall terminate upon the legal  
85 defeasance, prior redemption or payment in full of all of the Notes. This section, or any  
86 provision hereof, shall be null and void if the county (i) obtains an opinion of nationally  
87 recognized bond counsel to the effect that those portions of the rule which require this

88 section, or any such provision, are invalid, have been repealed retroactively or otherwise  
89 do not apply to the Notes; and (ii) notifies the MSRB of such opinion and the cancellation  
90 of this section.

91 Notwithstanding any other provision of this motion, the county may amend this  
92 section D, and any provision of this section D may be waived, with an approving opinion  
93 of nationally recognized bond counsel and in accordance with the rule.

94 5. Note Owners' Remedies Under This Section. The right of any Note owner or  
95 beneficial owner of Notes to enforce the provisions of this section shall be limited to a  
96 right to obtain specific enforcement of the county's obligations hereunder, and any failure  
97 by the county to comply with the provisions of this undertaking shall not be an event of  
98 default with respect to the Notes. For purposes of this section, "beneficial owner" means  
99 any person who has the power, directly or indirectly, to vote or consent with respect to, or  
100 to dispose of ownership of, any Notes, including persons holding Notes through  
101 nominees or depositories.

102 E. Further Authority. The county officials, their agents, and representatives are  
103 hereby authorized and directed to do everything necessary for the prompt issuance and  
104 delivery of the Notes and for the proper use and application of the proceeds of such sale.

105 F. Severability. The covenants contained in this motion shall constitute a  
106 contract between the county and the owners of each and every Note. If any one or more  
107 of the covenants or agreements provided in this motion to be performed on the part of the  
108 county shall be declared by any court of competent jurisdiction to be contrary to law, then  
109 such covenant or covenants, agreement or agreements, shall be null and void and shall be

Motion

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110 deemed separable from the remaining covenants and agreements of this motion and shall  
111 in no way affect the validity of the other provisions of this motion or of the Notes.

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

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Robert W. Ferguson, Chair

ATTEST:

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Anne Noris, Clerk of the Council

APPROVED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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Dow Constantine, County Executive

**Attachments: None**

January 25, 2010

The Honorable Bob Ferguson  
Chair, King County Council  
Room 1200  
COURTHOUSE

Dear Councilmember Ferguson:

The enclosed legislation would establish and implement a program of financing for the county's Accountable Business Transformation (ABT) project, which is currently budgeted at a total cost of approximately \$77.5 million.

This program, which is consistent with adopted county financial plans, would involve the issuance of consecutive series of 1-year limited tax general obligation (LTGO) bond anticipation notes ("BANs") to provide interim financing for the ABT project until long-term fixed rate LTGO bonds are issued to provide permanent financing upon the final completion of the project. The long-term bonds would likely be issued in late 2013, commensurate with the majority of the project concluding in 2012 and activities tied to the new budget system and decommissioning of the legacy system carrying over into 2013.

The principal advantage of using BANs to provide interim financing for the ABT project as opposed to issuing fixed rate bonds upfront is to postpone incurring debt service until the time when the county will benefit from the significant cost savings that are expected to be generated from the implementation of the new systems. This is consistent with the rationale for the county's use of BANs to provide interim financing for various large facilities projects earlier this decade.

Additional benefits of using BANs to provide interim financing are that the interest rates on 1-year BANs are currently significantly lower than those on bonds and that they provide added flexibility to finance the actual costs for the ABT project when the project is at or near completion.

Since a BAN authorization has to also authorize the ultimate issuance of bonds (i.e. the bonds that the BANs are "anticipating"), we are requesting a total of \$85 million in this financing

The Honorable Bob Ferguson  
January 25, 2010  
Page 2

legislation. The reason the \$85 million exceeds the \$77.5 million budget estimate of the ABT project is because it takes into account the estimated costs of issuing at least two series of 1-year BANs before the final long-term bonds are issued. The additional amount requested is intended to cover the issuance costs on the two series of BANs and the long-term bonds, the capitalized interest on the two series of BANs, and to allow for the possibility that underwriters of the final bonds may propose that the bonds be issued at a discount, depending on interest rates at the time.

The ordinance delegates authority to the Director of the Finance and Business Operations Division to take the steps necessary for the public sale of the BANs. The first series of BANs to be issued under this authorization will cover the approximately \$40 million of ABT project costs that have already been expended or are expected to be incurred through year end 2010. On the day of the sale, which is currently planned to take place during the first quarter of 2010, a revised substitute version of the sale motion will be brought before the council to accept the winning bids and to fix the interest rates and other terms of the debt.

If you have questions regarding this proposed legislation, please call Ken Guy, Director of the Finance and Business Operations Division, at 206-263-9254, or Nigel Lewis, Senior Debt Analyst in the Treasury Operations Section, at 296-1168.

Sincerely,

Dow Constantine  
King County Executive

Enclosures

cc: King County Councilmembers  
    ATTN: Tom Bristow, Chief of Staff  
          Anne Noris, Clerk of the Council  
    Fred Jarrett, Deputy County Executive, Executive Office (EO)  
    Rhonda Berry, Assistant Deputy County Executive, EO  
    Toni Rezab, Acting Director, Office of Management and Budget  
    Bob Cowan, Acting County Administrative Officer, Department of Executive  
        Services (DES)  
    Caroline Whalen, Program Project Director, DES  
    Manny Ovena, IT Executive Project Director, Accountable Business  
        Transformation, DES  
    Ken Guy, Director, Finance and Business Operations Division (FBOD), DES  
    Nigel Lewis, Senior Debt Analyst, Treasury Operations Section, FBOD, DES

FISCAL NOTE

2009-XXXX

Ordinance/Motion No. \_\_\_\_\_

Title:

An ordinance and 2 sale motions that would authorize the issuance of Limited Tax General Obligation Bond Anticipation Notes and Bonds to provide both interim and permanent financing for the Accountable Business Transformation project.

Affected Agency and/or Agencies: OIRM

Note Prepared By: Nigel Lewis, Treasury

Note Reviewed By:

Impact of the above legislation on the fiscal affairs of King County is estimated to be:

Revenue to:

Fund/Agency	Fund Code	Revenue Source	Current Year	1st Year	2nd Year	3rd Year
OIRM Capital Projects	3771	BAN proceeds	0	40,000,000	20,000,000	17,500,000
						0
<b>TOTAL</b>			<b>0</b>	<b>40,000,000</b>	<b>20,000,000</b>	<b>17,500,000</b>

Expenditures from:

Fund/Agency	Fund Code	Department	Current Year	1st Year	2nd Year	3rd Year
<b>TOTAL</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Expenditures by Categories

	Current Year	1st Year	2nd Year	3rd Year
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CSP