



Legislation Text

File #: 2004-0091, **Version:** 1

Clerk 03/24/2004

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

PREAMBLE:

At an election held in King County, Washington (the “county”), on September 19, 2000, the number and proportion of the qualified electors of the county required by law for the adoption thereof voted in favor of a proposition authorizing the issuance of unlimited tax general obligation bonds of the county in the aggregate principal amount of \$193,130,000 to provide funds to pay part of the cost of acquiring, constructing, equipping and making certain capital improvements to facilities of Harborview Medical Center, as authorized by Ordinance 13896 of the county, passed on July 10, 2000.

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

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

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

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

“Bond Fund” means the bond redemption fund for unlimited tax general obligation bonds of the county.

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

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

“Bonds” means the King County, Washington, Unlimited Tax General Obligation Bonds, authorized to be issued pursuant to this ordinance.

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

“Commission” means the United States Securities and Exchange Commission.

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

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

“Finance Director” means the Director of Finance and Business Operations Division of the county (or

any other county officer who succeeds to the duties now delegated to that office) or the designee of the Finance Director.

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

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

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

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

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

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

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

SECTION 2. Purpose and Authorization of Bonds. The county shall now issue and sell \$164,000,000 principal amount of unlimited tax general obligation bonds, representing the remaining unissued bonds authorized by the Election Ordinance and approved by the qualified electors of the county at a special election held on September 19, 2000, for the purpose of providing part of the funds to pay the cost of acquiring, constructing, equipping and making certain capital improvements to facilities of Harborview Medical Center. The Bonds may be issued in one or more series, each to be designated as “King County, Washington, Unlimited Tax General Obligation Bonds, [applicable year] (Harborview Medical Center),” and shall be sold as provided in Section 15 hereof and ratified and confirmed by a Sale Motion.

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

The Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent interest payment date for which interest has been paid or duly provided for,

whichever is later, payable on interest payment dates and at the rate or rates established as provided in Section 15.

SECTION 3. Registration, Exchange and Payments.

A. **Bond Registrar/Bond Register.** In accordance with KCC 4.84, the county hereby adopts for the Bonds the system of registration specified and approved by the Washington State Finance Committee, which utilizes the fiscal agencies of the State of Washington in Seattle, Washington, and New York, New York, as registrar, authenticating agent, paying agent and transfer agent (collectively, the “Bond Registrar”). The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the county. The Bond Registrar is authorized, on behalf of the county, to authenticate and deliver the Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar’s powers and duties under this ordinance.

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

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

C. **DTC Acceptance/Letters of Representations.** The Bonds initially issued shall be held in fully

immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the county has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations.

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

D. Use of Depository.

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

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

(3) In the case of any transfer pursuant to clause (i) or (ii) of subsection (1) above, the Bond Registrar

shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the county council, issue a single new Bond for each maturity of such Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Finance Director.

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

E. Transfer or Exchange of Registered Ownership; Change in Denominations. The registered ownership of any Bond may be transferred or exchanged, but no transfer of any Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same series, date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same series, date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and

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

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

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

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

If less than all of the Bonds subject to optional redemption are called for redemption, the county shall choose the maturities to be redeemed. If less than a whole of a maturity is called for redemption, the Bonds to be redeemed shall be chosen by lot by the Bond Registrar or, so long as the Bonds are registered in the name of CEDE & CO. or its registered assign, the Bonds to be redeemed shall be chosen by lot by DTC.

If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal amount thereof, a new Bond or Bonds, at the option of the

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

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

SECTION 5. Notice and Effect of Redemption.

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

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

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

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

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

interest on each Bond to be redeemed shall cease to accrue.

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

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

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

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

SECTION 7. Mutilated, Lost, or Destroyed Bonds. If any Bond shall become mutilated, the Bond Registrar shall authenticate and deliver a new Bond of like series, amount, date, interest rate and tenor in exchange and substitution for the Bond so mutilated, upon the owner's paying the expenses and charges of the county and the Bond Registrar in connection therewith and upon surrender to the Bond Registrar of the Bond so mutilated. Every mutilated Bond so surrendered shall be canceled and destroyed by the Bond Registrar.

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

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

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

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

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

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

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

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

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

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

SECTION 9. Application of the Bond Proceeds. There is hereby authorized to be established a special fund of the county designated as the “Harborview Medical Center/Medical Examiner Improvements 2004 Fund,” and within such fund there is hereby authorized to be established the “Harborview Medical Center/Medical Examiner Improvements 2004 Proceeds Subfund.” This subfund shall be a first tier fund managed by the Department of Construction and Facilities Management. Proceeds of the sale of the Bonds (exclusive of accrued interest, if any, which shall be paid into the Bond Fund and used to pay interest on the Bonds) shall be deposited into the Subfund and applied to pay costs of the Improvements authorized by the Election Ordinance and costs of issuance of the Bonds. None of such funds shall be used for the replacement of equipment or for any other than a capital purpose. As authorized by Ordinance 14295 passed by the county council on March 4, 2002, the University of Washington provides certain project management services for the capital improvements to Harborview Medical Center that are financed by proceeds of the Bonds. So long as the Agreement for Project Management Services dated March 15, 2002, between the county and the Harborview Medical Center Board of Trustees and the University of Washington remains in full force and effect, proceeds of the Bonds shall be disbursed in accordance with the provisions of such agreement.

Funds deposited in the funds and accounts established as provided in this section shall be invested as permitted by law for the sole benefit of the respective funds. Irrespective of the general provisions of Ordinance 7112 and KCC 4.10, the county current expense fund shall not receive any earnings attributable to such funds. Money other than proceeds of the Bonds may be deposited in the funds and accounts into which Bond proceeds are deposited; provided, however, that proceeds of the Bonds and earnings thereon shall be accounted for separately for purposes of the calculations required to be made under Section 13 hereof. For purposes of such calculations, Bond proceeds shall be deemed to have been expended first.

SECTION 10. Bond Redemption Fund. There has heretofore been created in the office of the Finance Director a special fund to be drawn upon for the purpose of paying the principal of and interest on unlimited tax

general obligation bonds of the county (the “Bond Fund”). Any sale proceeds of a series of Bonds representing accrued interest thereon shall be deposited in the Bond Fund on the date of issuance of such series of Bonds. The taxes hereafter authorized to be levied for the purpose of paying principal of and interest on the Bonds and other funds to be used to pay the Bonds shall be deposited in the Bond Fund no later than the date such funds are required for the payment of principal of and interest on such Bonds; provided, however, that if the payment of principal of and interest on any Bonds is required prior to the receipt of such levied taxes, the county may make an interfund loan to the Bond Fund pending actual receipt of such taxes. The Bond Fund shall be drawn upon for the purpose of paying the principal of and interest on the Bonds. Money in the Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in such institutions or invested in such obligations as may be lawful for the investment of county funds. The Bond Fund shall be a second tier fund in accordance with Ordinance 7112 and KCC 4.10.

SECTION 11. Pledge of Taxation and Credit. The county hereby irrevocably covenants and agrees for so long as any of the Bonds are outstanding and unpaid, that unless the principal of and interest on the Bonds are paid from other sources, it will make annual levies of taxes without limitation as to rate or amount upon all property within the county subject to taxation in amounts sufficient to pay such principal and interest as the same shall become due and will pay the same into the Bond Fund. The full faith, credit and resources of the county are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds as the same shall become due.

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

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

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

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

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

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

SECTION 15. Sale of Bonds.

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

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

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

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

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

If definitive Bonds are not ready for delivery by the date established for their delivery to the initial purchasers thereof, then the Finance Director, upon the approval of the purchasers, may cause to be issued and delivered to the purchasers one or more temporary Bonds with appropriate omissions, changes and additions.

Any temporary Bond or Bonds shall be entitled and subject to the same benefits and provisions of this ordinance with respect to the payment, security and obligation thereof as definitive Bonds authorized thereby. Such temporary Bond or Bonds shall be exchangeable without cost to the owners thereof for definitive Bonds when the latter are ready for delivery.

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

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

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

In the event that money and/or noncallable "Government Obligations," as such obligations are defined in Chapter 39.53 RCW, as now or hereafter amended, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire, refund or defease part or all of the Bonds in accordance with their terms, are set aside in a special account of the county to effect such redemption and retirement, and such money and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the money so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

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

SECTION 20. Severability. The covenants contained in this ordinance shall constitute a contract

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

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