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Clerk 01/16/2009

A MOTION of the county council accepting a bid for the purchase of the county's Limited Tax General Obligation Bonds, 2009, Series B, in the aggregate principal amount of $34,810,000 and fixing the interest rates and other terms thereof in accordance with Ordinance 14167, as amended by Ordinance 14463, Ordinance 14745, Ordinance 14992, Ordinance 15285, Ordinance 15604 and Ordinance 16361.

WHEREAS, pursuant to Ordinance 14167, the county council authorized the issuance of one or more series of its limited tax general obligation bonds in an outstanding aggregate principal amount not to exceed $125,000,000 to provide long-term financing for the Courthouse Seismic Project, the North Rehabilitation Facility Project and the Regional Communications and Emergency Control Center Project, each defined and described in Ordinance 14167, and further authorized the issuance and public sale of one or more series of its limited tax general obligation bond anticipation notes in an outstanding aggregate principal amount not to exceed $125,000,000 to provide interim financing for such projects pending the issuance of the bonds, and

WHEREAS, pursuant to Ordinance 14463, the county council amended Ordinance 14167 to revise the description of the North Rehabilitation Facility Project and to augment the projects authorized to be financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an interim basis, by such bond anticipation notes by the addition of the Courthouse Earthquake Repairs, all as defined and described in Ordinance 14463, and

WHEREAS, pursuant to Ordinance 14745, the county council amended Ordinance 14167, as previously

amended by Ordinance 14463, to add the Integrated Security and Jail Health Remodel Project to the list of projects that are authorized to be financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an interim basis, by such bond anticipation notes, and increase the maximum outstanding aggregate principal amount of such bonds and bond anticipation notes to $145,000,000 as a result; and to amend certain provisions of Ordinance 14167, as previously amended by Ordinance 14463, pertaining to such bonds and bond anticipation notes, and

WHEREAS, pursuant to Ordinance 14992, the county council amended Ordinance 14167, as previously amended by Ordinance 14463 and Ordinance 14745, to add the Courthouse Lobby Project and the Jail ITR Remodel Project to the list of projects that are authorized to be financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an interim basis, by such bond anticipation notes, and increase the maximum outstanding aggregate principal amount of such bonds and bond anticipation notes to $150,000,000 as a result; and to amend certain provisions of Ordinance 14167, as previously amended by Ordinance 14463 and Ordinance 14745, pertaining to such bonds and bond anticipation notes, and

WHEREAS, pursuant to Ordinance 15285, the county council amended Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745 and Ordinance 14992, to add the Orcas Building Acquisition and Tenant Improvement Project, the PAO 4th Floor Courthouse Move Project, the Pedestrian Tunnel Project, the Sky Bridge Feasibility Study Project to the list of projects that are authorized to be financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an interim basis, by such bond anticipation notes, and increase the maximum outstanding aggregate principal amount of such bonds and bond anticipation notes to $160,000,000 as a result; and to amend certain provisions of Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745 and Ordinance 14992, pertaining to such bonds and bond anticipation notes, and

WHEREAS, pursuant to Ordinance 15604, the county council amended Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745, Ordinance 14992 and Ordinance 15285, to change the scope

of the Pedestrian Tunnel Project to include construction as well as design, add the NCOB Equipping Project to the list of projects that are authorized to be financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an interim basis, by such bond anticipation notes, and increase the maximum outstanding aggregate principal amount of such bonds and bond anticipation notes to $170,000,000 as a result; and to amend certain provisions of Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745, Ordinance 14992 and Ordinance 15285, pertaining to such bonds and bond anticipation notes, and

WHEREAS, pursuant to Ordinance 16361, the county council amended Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745, Ordinance 14992, Ordinance 15285 and Ordinance 15604, to add the Administration Building Replacement Project, the Chinook Building Technology Infrastructure Project, the Courthouse South Entry Analysis Project, the Elections Consolidated Facility Project, the Passage Point Project, the Issaquah Courthouse Leasehold Acquisition Project, the NCOB LEED Certification Project and the Work Source Relocation Project to the list of projects that are authorized to be financed, on a long-term basis, by such bonds, and pending the sale of such bonds, on an interim basis, by such bond anticipation notes, and increase the maximum outstanding aggregate principal amount of such bonds and bond anticipation notes to $210,000,000 as a result; and to amend certain provisions of Ordinance 14167, as previously amended by Ordinance 14463, Ordinance 14745, Ordinance 14992, Ordinance 15285 and Ordinance 15604 (as so amended, the "Ordinance"), pertaining to such bonds and bond anticipation notes, and

WHEREAS, the Ordinance provided that such bonds may be issued as either fixed rate bonds or multi-modal bonds in one or more series, any of which may be sold in a combined offering with other bonds of the county, publicly, either by negotiated sale or by competitive bid, as determined by the Finance Director in consultation with the county's financial advisor, and

WHEREAS, the Finance Director has determined that a series of such bonds, to be designated as the county's Limited Tax General Obligation Bonds, 2009, Series B, in the aggregate principal amount of $34,810,000 (the "Bonds"), be sold as fixed rate provided herein, and

WHEREAS, currently, $155,040,000 in aggregate principal amount of the bonds authorized by the Ordinance are outstanding. Currently, none of the bond anticipation notes authorized by the Ordinance are outstanding. The aggregate principal amount of all such bonds and bond anticipation notes (including the Bonds) to be outstanding on the date of issuance of the Bonds, computed as provided in the Ordinance, will be $189,850,000, which amount does not exceed $210,000,000, and

WHEREAS, a preliminary official statement dated April 20, 2009, has been prepared for the public sale of the Bonds, the official Notice of such sale dated April 20, 2009 (the "Notice"), has been duly published, and bids have been received in accordance with the Notice, and

WHEREAS, the attached bid of Hutchinson, Shockey, Erley & Co. to purchase the Bonds is the best bid received for the Bonds, and it is in the best interest of the county that such Bonds be sold to Hutchinson, Shockey, Erley & Co. on the terms set forth in the Notice, the attached bid, the Ordinance and this motion;

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

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

B. Ratification of Notice of Sale, Acceptance of Bids, and Authorization of Bonds. The issuance of the Bonds, designated as the county's Limited Tax General Obligation Bonds, 2009, Series B, in the aggregate principal amount of $34,810,000, and the other terms and conditions thereof set forth in the Notice attached hereto as Attachment A, are hereby ratified and confirmed. The offer to purchase the Bonds, as set forth in the bid of Hutchinson, Shockey, Erley & Co. attached hereto as Attachment B, which shall be deemed to be adjusted to reflect the changed aggregate principal amount of the Bonds, as and to the extent permitted by the Notice, is hereby accepted. The Bonds shall be dated their date of issue and delivery, and shall be subject to optional redemption as set forth in the Notice. The Bonds shall mature or be subject to mandatory redemption on the dates and in the amounts, and shall bear interest at the rates specified in Attachment C hereto. The Bonds shall conform in all other respects to the terms and conditions specified in the Notice and the Ordinance.

C. Application of Bond Sale Proceeds. The sale proceeds of the Bonds shall be applied to provide long -term financing for the following projects, and paying costs and expenses incurred in issuing the Bonds: the Administration Building Replacement Project, the Chinook Building Technology Infrastructure Project, the Elections Consolidated Facility Project, the Passage Point Project, the Issaquah Courthouse Leasehold Acquisition Project, the NCOB LEED Certification Project and the Work Source Relocation Project.

D. Undertaking to Provide Ongoing Disclosure.

1. Contract/Undertaking. This section D constitutes the county's written undertaking for the benefit of the owners and beneficial owners of the Bonds as required by section (b)(5) of rule 15c2-12 (the "rule") of the Securities and Exchange Commission (the "Commission").

2. Financial Statements/Operating Data. The county agrees to provide or cause to be provided to each nationally recognized municipal securities information repository ("NRMSIR") and to the state information depository (the "SID"), if any, in each case as designated by the Commission in accordance with the rule, the following annual financial information and operating data for the prior fiscal year (commencing in 2009 for the fiscalyear ended December 31, 2008):

(a) annual financial statements prepared in accordance with the Budget Accounting and Reporting System ("BARS") prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statutes) and generally of the type attached to the official statement as "Appendix B," which statements will not be audited, except that if and when audited financial statements are otherwise prepared and available to the county they will be provided;

(b) a summary of the assessed value of taxable property in the county;

(c) a summary of budgeted General Fund revenues and appropriations;

(d) a summary of ad valorem property tax levy rates per $1,000 of assessed value and delinquency rates;

(e) a summary of outstanding tax-supported indebtedness of the county; and

(f) a schedule of the aggregate annual debt service on tax-supported indebtedness of the county.

Items (b) through (f) shall be required only to the extent that such information is not included in the annual financial statements.

Such annual information and operating data described above shall be provided on or before the end of seven months after the end of the county's fiscal year. The county's fiscal year currently ends on December 31. The county may adjust such fiscal year by providing written notice of the change of fiscal year to each then existing NRMSIR and the SID, if any. In lieu of providing such annual financial information and operating data, the county may cross-reference to other documents provided to the NRMSIR, the SID or to the Commission, and, if such document is a final official statement within the meaning of the rule, such document will be available from the Municipal Securities Rulemaking Board (the "MSRB").

If not provided as part of the annual financial information discussed above, the county shall provide the county's audited annual financial statement prepared in accordance with BARS when and if available to each then existing NRMSIR and the SID, if any.

3. Material Events. The county agrees to provide or cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on credit enhancements reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(g) modifications to rights of Bondholders;

(h) optional, contingent or unscheduled calls of any Bonds other than scheduled sinking fund

redemptions for which notice is given pursuant to Exchange Act Release 34-23856;

(i) defeasances;

(j) release, substitution or sale of property securing repayment of the Bonds; and

(k) rating changes.

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

4. Notification Upon Failure to Provide Financial Data. The county agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the MSRB and to the SID, if any, notice of its failure to provide the annual financial information described in subsection 2 above on or prior to the date set forth in subsection 2 above.

5. Centralized Filing. Any filing required to be made with any NRMSIR or SID pursuant to the county's undertaking may be made by transmitting such filing solely to the Texas Municipal Advisory Council (the "MAC") as provided in *http://www.disclosureusa.org* unless or until the Commission withdraws its approval of this submission process. On and after July 1, 2009, any filing required to be made by the county pursuant to this undertaking will be made to the MSRB, as the sole NRMSIR, through its Electronic Municipal Market Access system ("EMMA"). The Commission announced this change in December 2008 in connection with its amendments to Rule 15c2-12.

6. Termination/Modification. The county's obligations to provide annual financial information and notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. This section, or any provision hereof, shall be null and void if the county (i) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the rule which require this section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and

(ii) notifies each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of this section.

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

In the event of any amendment or waiver of a provision of this section D, the county shall describe such amendment in the next annual report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the county. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under subsection 3, and (ii) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

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

F. Severability. The covenants contained in this motion 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 motion 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 motion and shall in no way affect the validity of the other provisions of this motion or of the Bonds.