

Adopted: 10/17/2018  
Effective: 11/08/2018

SNOHOMISH COUNTY COUNCIL  
Snohomish County, Washington

ORDINANCE NO. 18-067

AUTHORIZING THE ISSUANCE AND SALE OF TAX-EXEMPT LIMITED  
TAX GENERAL OBLIGATION BONDS OF THE COUNTY IN AN  
ORIGINAL PRINCIPAL AMOUNT NOT TO EXCEED \$4,000,000 TO  
OBTAIN FINANCING FOR CERTAIN ENERGY EFFICIENCY  
PROJECTS; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS  
OF SALE OF THE BONDS; 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

WHEREAS, the County Council has previously authorized the undertaking of  
certain mechanical system and LED lighting upgrades to County buildings and facilities  
to improve energy efficiency as described in the "Energy Services Proposal -- Rev. 2"  
prepared for the County by McKinstry (the "Projects"); and

WHEREAS, it is deemed necessary and advisable that the County now authorize  
the issuance and sale of its tax-exempt limited tax general obligation bonds in an  
original principal amount not to exceed \$4,000,000 to obtain financing for the Projects;

NOW, THEREFORE, BE IT ORDAINED:

Section 1. Definitions. The following words and terms as used in this  
ordinance have the following meanings for all purposes of this ordinance (including the  
recitals hereto), unless some other meaning is plainly intended:

"Bond Fund" means the bond redemption account established for the payment of  
the Bonds pursuant to Section 13 of this ordinance.

"Bonds" means the limited tax general obligation bonds of the County in an  
aggregate original principal amount not to exceed \$4,000,000, authorized to be issued  
by this ordinance to obtain financing for the Projects.

"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.

"County" means Snohomish County, Washington.

"County Council" means the Snohomish County Council.

1 "Date of Issue" means the date on which the Bonds are issued and delivered to  
2 the purchaser in return for payment of the purchase price therefor.

3  
4 "DTC" means The Depository Trust Company, New York, New York.

5  
6 "Federal Tax Certification" means the certificate executed by the Finance  
7 Director pertaining to the County's expectations in connection with the federal tax  
8 treatment of interest on the Bonds.

9  
10 "Finance Director" means the director of the County Finance Department or any  
11 other County officer who succeeds to the duties now delegated to that office.

12  
13 "Government Obligations" means "government obligations," as defined in  
14 chapter 39.53 RCW, as now in existence or hereafter amended.

15  
16 "Letter of Representations" means the Blanket Issuer Letter of Representations,  
17 dated May 20, 1998, from the County to DTC.

18  
19 "Official Notice of Bond Sale" means, if the Bonds are sold by competitive bid,  
20 the official notice of sale therefor prepared pursuant to Section 11 of this ordinance.

21  
22 "Projects" means mechanical system and LED lighting upgrades to County  
23 buildings and facilities to improve energy efficiency as described in the "Energy  
24 Services Proposal -- Rev. 2" prepared for the County by McKinstry.

25  
26 "Rebate Amount" means the amount, if any, determined to be payable by the  
27 County to the United States of America in accordance with Section 148(f) of the Code  
28 with respect to the Bonds.

29  
30 "Record Date" means, for an interest or principal payment date or for a maturity  
31 date, the 15th day of the calendar month next preceding that date.

32  
33 "Register" means the registration books maintained by the Registrar for purposes  
34 of identifying ownership of the Bonds.

35  
36 "Registrar" means the fiscal agent of the State of Washington appointed from  
37 time to time by the Washington State Finance Committee pursuant to chapter 43.80  
38 RCW, serving as the registrar, authenticating agent, paying agent and transfer agent for  
39 the Bonds.

40  
41 "Rule" means Securities and Exchange Commission Rule 15c2-12 under the  
42 Securities and Exchange Act of 1934, as the same may be amended from time to time.

43  
44 "Sale Instrument" means (a) if the Bonds are sold by negotiated sale, the  
45 purchase contract therefor; or (b) if the Bonds are sold by competitive bid, the notice of  
46 sale, the winning bid and a notice of acceptance of bid from the Finance Director, in

1 each case establishing, among other things, the dated date, principal amounts and  
2 maturity dates, interest rates and interest payment dates, and the redemption provisions  
3 for the Bonds.

4  
5 Section 2. Findings. The County Council hereby makes the following findings:  
6

7 A. The Projects will contribute to the health, safety and welfare of the citizens  
8 of the County.

9  
10 B. The issuance and sale of tax-exempt limited tax general obligation bonds  
11 of the County, payable from regular property taxes or other revenues, taxes and money  
12 of the County legally available for such purposes, to obtain financing for the Projects are  
13 in the best interests of the County and its citizens.

14  
15 Section 3. Projects.  
16

17 A. Projects. The County Council has previously authorized the undertaking  
18 of the Projects.

19  
20 B. General. The Projects will include an allocable share of the incidental  
21 costs and costs related to the sale and issuance of Bonds. The Projects will also  
22 include, as applicable, the purchase of all materials, supplies, appliances, equipment  
23 and facilities, and the permits, franchises, property and property rights and  
24 administrative costs, necessary, incidental or convenient to effect the implementation of  
25 the Projects.

26  
27 The Projects may include capitalized interest and the costs of sales tax,  
28 acquisition and contingency allowances, financing, and surveys, explorations,  
29 engineering and architectural studies, drawings, designs and specifications incidental,  
30 necessary or convenient to the implementation of the Projects.

31  
32 The Projects may be modified where deemed advisable or necessary in the  
33 judgment of the County Council, and implementation or completion of any authorized  
34 component thereof will not be required if the County Council determines that it has  
35 become inadvisable or impractical. If all components of the Projects have been  
36 completed, or their completion has been duly provided for, or completion of all or any of  
37 them is found to be inadvisable or impractical, the County may pay, redeem or defease  
38 Bonds, or apply any remaining proceeds of the Bonds, or any portion thereof, to the  
39 acquisition or improvement of other County capital projects as the County Council may  
40 determine. In the event that the proceeds of the sale of the Bonds, plus any other  
41 money of the County legally available therefor, are insufficient to accomplish the  
42 Projects, the County will use the available funds to finance those components of the  
43 Projects deemed by the County Council to be most necessary and in the best interest of  
44 the County.

45  
46 Section 4. Purpose, Authorization and Description of Bonds.

1  
2 A. Purpose and Authorization of Bonds. The County authorizes the issuance  
3 of the Bonds to obtain financing for the Projects.  
4

5 B. Description of Bonds. The Bonds will be designated “Snohomish County,  
6 Washington, Limited Tax General Obligation Bonds, 2018, Series A (Tax-Exempt)” and  
7 will be issued in an original principal amount not to exceed \$4,000,000. The Bonds will  
8 be dated as of such date, will mature on June 1 or December 1 in each of the years and  
9 in the principal amounts, will bear interest (computed on the basis of a 360-day year of  
10 twelve 30-day months) from their date or the most recent interest payment date to which  
11 interest has been paid or duly provided for, whichever is later, at the rates and payable,  
12 commencing not later than June 1, 2019, and on June 1 and December 1 in such years,  
13 will be subject to optional and mandatory redemption prior to maturity at the prices, in  
14 the amounts and in the manner, and will be subject to such other terms and provisions  
15 as the County will establish by the Sale Instrument. The Bonds will be fully registered  
16 as to both principal and interest, will be in the denomination of \$5,000 each or any  
17 integral multiple thereof (but no Bond will represent more than one maturity), and will be  
18 numbered separately in such manner and with any additional designation as the  
19 Registrar deems necessary for purposes of identification.  
20

21 C. Initial Immobilization of Bonds; Depository Provisions. The Bonds will  
22 initially be held in fully immobilized form by DTC acting as depository pursuant to the  
23 terms and conditions set forth in the Letter of Representations. Neither the County nor  
24 the Registrar will have any responsibility or obligation to DTC participants or the  
25 persons for whom they act as nominees with respect to the Bonds with respect to the  
26 accuracy of any records maintained by DTC or any DTC participant, the payment by  
27 DTC or any DTC participant of any amount in respect of principal or redemption price of  
28 or interest on such Bonds, any notice that is permitted or required to be given to  
29 registered owners under this ordinance (except such notice as is required to be given by  
30 the County to the Registrar or to DTC), the selection by DTC or any DTC participant of  
31 any person to receive payment in the event of a partial redemption of such Bonds or  
32 any consent given or other action taken by DTC as owner of such Bonds.  
33

34 The Bonds will initially be issued in denominations equal to the aggregate  
35 principal amount of each maturity and will initially be registered in the name of Cede &  
36 Co., as the nominee of DTC. Such Bonds so registered will be held in fully immobilized  
37 form by DTC as depository. For so long as any such Bonds are held in fully  
38 immobilized form, DTC, its successor or any substitute depository appointed by the  
39 County, as applicable, will be deemed to be the registered owner for all purposes  
40 hereunder and all references to registered owners, bondowners, bondholders, owners  
41 or the like will mean DTC or its nominees and will not mean the owners of any beneficial  
42 interests in the Bonds. Registered ownership of such Bonds, or any portions thereof,  
43 may not thereafter be transferred except:  
44

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

4  
5 (2) To any substitute depository appointed by the County pursuant to  
6 this subsection or such substitute depository's successor; or

7  
8 (3) To any person as provided in this ordinance if such Bonds are no  
9 longer held in immobilized form.

10  
11 Upon the resignation of DTC or its successor (or any substitute depository or its  
12 successor) from its functions as depository, or a determination by the County that it is  
13 no longer in the best interests of beneficial owners of the Bonds to continue the system  
14 of book entry transfers through DTC or its successor (or any substitute depository or its  
15 successor), the County may appoint a substitute depository. Any such substitute  
16 depository will be qualified under any applicable laws to provide the services proposed  
17 to be provided by it.

18  
19 In the case of any transfer pursuant to clause (1) or (2) of the second paragraph  
20 of this subsection, the Registrar, upon receipt of all outstanding Bonds together with a  
21 written request on behalf of the County, will issue a single new Bond certificate for each  
22 maturity of Bonds then outstanding, registered in the name of such successor or such  
23 substitute depository, or its nominee, as the case may be, all as specified in such  
24 written request of the County.

25  
26 In the event that DTC or its successor (or substitute depository or its successor)  
27 resigns from its functions as depository, and no substitute depository can be obtained,  
28 or the County determines that it is in the best interests of the beneficial owners of the  
29 Bonds that they be able to obtain Bond certificates, the ownership of such Bonds may  
30 be transferred to any person as provided in this ordinance, and such Bonds will no  
31 longer be held in fully immobilized form. The County will deliver a written request to the  
32 Registrar, together with a supply of definitive Bonds, to issue Bonds as provided in this  
33 ordinance in any authorized denomination. Upon receipt of all then outstanding Bonds  
34 by the Registrar, together with a written request on behalf of the County to the  
35 Registrar, new Bonds will be issued in such denominations and registered in the names  
36 of such persons as are requested in such written request.

37  
38 D. Place, Manner and Medium of Payment. Both principal of and interest on  
39 the Bonds will be payable in lawful money of the United States of America. For so long  
40 as any outstanding Bonds are registered in the name of Cede & Co., or its registered  
41 assigns, as nominee of DTC, payments of principal of and interest on such Bonds will  
42 be made in same day funds on the date such payment is due and payable at the place  
43 and in the manner provided in the Letter of Representations.

44  
45 In the event that the Bonds are no longer held in fully immobilized form by DTC  
46 or its successor (or substitute depository or its successor), interest on such Bonds will

1 be paid by checks or drafts mailed to the registered owners of such Bonds at the  
2 addresses for such registered owners appearing on the Register on the Record Date for  
3 that interest payment date, or by electronic transfer on the interest payment date to an  
4 account within the United States designated by a registered owner of at least  
5 \$1,000,000 in principal amount of the Bonds. The County shall not be required to make  
6 electronic transfers except to a registered owner of Bonds pursuant to a request in  
7 writing received on or prior to the Record Date for that interest payment date and any  
8 such electronic transfer shall be at the sole expense of that registered owner. Principal  
9 of the Bonds will be payable at maturity or on such dates as may be fixed for prior  
10 redemption upon presentation and surrender of such Bonds by the owners to the  
11 Registrar.

12  
13 E. Form of Bonds. The Bonds will be in substantially the following form:

14  
15 NO. \$ \_\_\_\_\_

16  
17 UNITED STATES OF AMERICA  
18 STATE OF WASHINGTON  
19 SNOHOMISH COUNTY  
20 LIMITED TAX GENERAL OBLIGATION BOND, 2018, SERIES A  
21 (Tax-Exempt)

22  
23  
24 INTEREST RATE: MATURITY DATE: CUSIP NO.:

25  
26 REGISTERED OWNER:

27  
28 PRINCIPAL AMOUNT:

29  
30 SNOHOMISH COUNTY, WASHINGTON (the "County"), hereby acknowledges  
31 itself to owe and for value received promises to pay to the Registered Owner identified  
32 above, or registered assigns, on the Maturity Date specified above, the Principal  
33 Amount specified above and to pay interest thereon (computed on the basis of a 360-  
34 day year of twelve 30-day months) from [\_\_\_\_\_] (information to come from  
35 the Sale Instrument)], or the most recent date to which interest has been paid or duly  
36 provided for until payment of this Bond at the Interest Rate set forth above, payable on  
37 [\_\_\_\_\_] (information to come from the Sale Instrument)], and semiannually  
38 thereafter on the 1st days of each succeeding June and December to the maturity or  
39 prior redemption of this Bond.

40  
41 Both principal of and interest on this Bond are payable in lawful money of the  
42 United States of America. While Bonds are held in an immobilized "book entry" system  
43 of registration, the principal of this Bond is payable to the order of the Registered Owner  
44 in same day funds received by the Registered Owner on the Maturity Date of this Bond  
45 [or date fixed for prior redemption], and the interest on this Bond is payable to the order  
46 of the Registered Owner in same day funds received by the Registered Owner on each

1 interest payment date. When Bonds are no longer held in an immobilized “book entry”  
2 registration system, the principal will be paid to the Registered Owner or nominee of  
3 such owner upon presentation and surrender of this Bond to the fiscal agent of the State  
4 of Washington (the “Registrar”), and the interest will be paid by mailing a check or draft  
5 (on the date such interest is due) to the Registered Owner or nominee of such  
6 Registered Owner at the address shown on the registration books maintained by the  
7 Registrar (the “Register”) as of the 15th day of the calendar month next preceding the  
8 interest payment date; provided, however, that if so requested in writing by the  
9 Registered Owner of at least \$1,000,000 par value of the Bonds, interest will be paid by  
10 electronic transfer to an account within the United States.  
11

12 This Bond is one of an authorized issue of Bonds of like date and tenor, except  
13 as to number, amount, rate of interest[, redemption provisions] and date of maturity, in  
14 the aggregate principal amount of \$[\_\_\_\_\_ (information to come from the  
15 Sale Instrument)], and is issued to provide financing for the Projects, pursuant to  
16 Snohomish County Ordinance No. 18-\_\_\_ (the “Bond Ordinance”). Capitalized words  
17 and phrases used but not defined herein will have the meanings set forth in the Bond  
18 Ordinance.  
19

20 The Bonds of this issue are issued under and in accordance with the provisions  
21 of the Constitution and applicable statutes of the State of Washington, the County  
22 Charter and applicable legislation of the County, including, but not limited to, the Bond  
23 Ordinance.  
24

25 [The Bonds of this issue are subject to redemption prior to maturity as follows:  
26 (information to come from the Sale Instrument)].  
27

28 The County has irrevocably covenanted that, for as long as any of the Bonds are  
29 outstanding and unpaid, each year it will include in its budget and levy an *ad valorem*  
30 tax upon all the property within the County subject to taxation in an amount that will be  
31 sufficient, together with all other revenues and money of the County legally available for  
32 such purposes, to pay the principal of and interest on the Bonds as the same will  
33 become due. The County has irrevocably pledged that the annual tax to be levied for  
34 the payment of such principal and interest will be within and as a part of the tax levy  
35 permitted to counties without a vote of the people, and that a sufficient portion of the  
36 taxes to be levied and collected annually by the County prior to the full payment of the  
37 principal of and interest on the Bonds will be and is irrevocably set aside, pledged and  
38 appropriated for the payment of the principal of and interest on the Bonds. The County  
39 has irrevocably pledged its full faith, credit and resources for the annual levy and  
40 collection of such taxes and for the prompt payment of the principal of and interest on  
41 the Bonds as the same will become due.  
42

43 The covenants contained herein and in the Bond Ordinance may be discharged  
44 prior to maturity of the Bonds by making provisions for the payment thereof on the terms  
45 and conditions set forth in the Bond Ordinance.  
46

1 This Bond shall not be valid or become obligatory for any purpose or be entitled  
2 to any security or benefit under the Bond Ordinance until the Certificate of  
3 Authentication hereon shall have been manually signed by the Registrar.  
4

5 It is hereby certified that all acts, conditions and things required by the  
6 Constitution and statutes of the State of Washington and the charter and ordinances of  
7 the County to exist, to have happened, been done and performed precedent to and in  
8 the issuance of this Bond exist, have happened, been done and performed and that the  
9 issuance of this Bond and the Bonds does not violate any constitutional, statutory or  
10 other limitation upon the amount of bonded indebtedness that the County may incur.  
11

12 [Add so long as Bonds are held in fully immobilized form by DTC: Unless this  
13 certificate is presented by an authorized representative of The Depository Trust  
14 Company, a New York corporation ("DTC"), to the Registrar for registration of transfer,  
15 exchange or payment, and any certificate issued is registered in the name of Cede &  
16 Co. or in such other name as is requested by an authorized representative of DTC (and  
17 any payment is made to Cede & Co. or to such other entity as is requested by an  
18 authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE  
19 HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL,  
20 inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.]  
21

22 IN WITNESS WHEREOF, the County has caused this Bond to be executed by  
23 the [manual][facsimile] signatures of the County Executive and the Clerk of the County  
24 Council, and the seal of the County to be impressed or imprinted hereon, as of this  
25 [\_\_\_\_\_] day of [\_\_\_\_\_] (information to come from the Sale Instrument)],  
26 2018.  
27

28 SNOHOMISH COUNTY, WASHINGTON  
29  
30

31 By \_\_\_\_\_  
32 County Executive

33 ATTEST:  
34  
35  
36

37 \_\_\_\_\_  
38 Clerk of the County Council

39 CERTIFICATE OF AUTHENTICATION  
40

41 This Bond is one of the Snohomish County, Washington, Limited Tax General  
42 Obligation Bonds, 2018, Series A (Tax-Exempt) described in the within mentioned Bond  
43 Ordinance.  
44

45 WASHINGTON STATE FISCAL  
46 AGENT, 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  
[            ]

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

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

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

\_\_\_\_\_  
NOTE: The signature on this  
Assignment must correspond with the  
name of the Registered Owner as it  
appears upon the face of the within  
Bond in every particular, without  
alteration or enlargement or any change  
whatever.

SIGNATURE GUARANTEED:

\_\_\_\_\_  
NOTE: Signature must be guaranteed by an eligible guarantor.

F. Execution of Bonds. The Bonds will 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 will have the seal of the County impressed or imprinted thereon.

In case any officer who has executed the Bonds ceases to be an officer of the County authorized to sign the Bonds before the Bonds bearing his or her signature are authenticated or delivered by the Registrar or issued by the County, those Bonds may nevertheless be authenticated, issued and delivered and, when authenticated, issued

1 and delivered, will be as binding upon the County as though that person had continued  
2 to be an officer of the County authorized to sign the Bonds. Any Bond also may be  
3 signed on behalf of the County by any person who, on the actual date of signing of the  
4 Bond, is an officer of the County authorized to sign the Bonds, although he or she did  
5 not hold the required office on the date of issuance of the Bonds.  
6

7 Only such Bonds as shall bear thereon a Certificate of Authentication in the form  
8 hereinbefore recited, manually executed by the Registrar, will be valid or obligatory for  
9 any purpose or entitled to the benefits of this ordinance. Such Certificate of  
10 Authentication will be conclusive evidence that the Bonds so authenticated have been  
11 duly executed, authenticated and delivered hereunder and are entitled to the benefits of  
12 this ordinance.  
13

14 Section 5. Open Market Purchase. The County reserves the right to purchase  
15 any or all of the Bonds on the open market at any time and at any price.  
16

17 Section 6. Registration, Transfer and Exchange of Bonds. The County hereby  
18 adopts for the Bonds the system of registration specified and approved by the  
19 Washington State Finance Committee. The Registrar will keep, or cause to be kept, at  
20 its principal corporate trust office, sufficient books for the registration and transfer of the  
21 Bonds, which will at all times be open to inspection by the County. Such Register will  
22 contain the name and mailing address of the owner (or nominee thereof) of each Bond,  
23 and the principal amount and number of Bonds held by each owner or nominee. The  
24 Registrar is authorized, on behalf of the County, to authenticate and deliver Bonds  
25 transferred or exchanged for other Bonds in accordance with the provisions thereof and  
26 of this ordinance, and to carry out all of the Registrar's powers and duties under this  
27 ordinance.  
28

29 The Registrar will be responsible for its representations contained in the  
30 Certificate of Authentication on the Bonds. The Registrar may become the owner of  
31 Bonds with the same rights it would have if it were not the Registrar, and to the extent  
32 permitted by law may act as depository for and permit any of its officers or directors to  
33 act as a member of, or in any other capacity with respect to, any committee formed to  
34 protect the rights of Bond owners.  
35

36 Upon surrender thereof to the Registrar, the Bonds are exchangeable for other  
37 Bonds of the same maturity and interest rate and for the same aggregate principal  
38 amount, in any authorized denomination. Bonds may be transferred only if endorsed in  
39 the manner provided thereon and surrendered to the Registrar. Upon such surrender,  
40 the Registrar will cancel the surrendered Bond and will authenticate and deliver, without  
41 charge to the owner or transferee therefor (other than taxes, if any, payable on account  
42 of such transfer), one or more (at the option of the new owner) new Bonds of the same  
43 maturity and interest rate and for the same aggregate principal amount, in any  
44 authorized denomination, naming as owner the person or persons listed as the  
45 assignee on the assignment form appearing on the canceled and surrendered Bond, in  
46 exchange therefor. The Registrar will not be obligated to transfer or exchange any

1 Bond during the period beginning at the opening of business on the Record Date for a  
2 maturity date and ending at the close of business on such maturity date.

3  
4 The County and the Registrar, each in its discretion, may deem and treat the  
5 registered owner of each Bond as the absolute owner thereof for all purposes, and  
6 neither the County nor the Registrar will be affected by any notice to the contrary.

7  
8 Section 7. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes  
9 mutilated, the Registrar will authenticate and deliver one or more (at the option of the  
10 registered owner) new Bonds of the same maturity and interest rate and for the same  
11 aggregate principal amount, in any authorized denomination, in exchange and  
12 substitution therefor, upon the owner's paying the expenses and charges of the County  
13 and the Registrar in connection therewith and upon surrender to the Registrar of the  
14 mutilated Bond. Every mutilated Bond so surrendered will be canceled and destroyed  
15 by the Registrar.

16  
17 If any Bond is lost, stolen or destroyed, the Registrar may authenticate and  
18 deliver one or more (at the option of the registered owner) new Bonds of the same  
19 maturity and interest rate and for the same aggregate principal amount, in any  
20 authorized denomination, to the registered owner thereof upon the owner's paying the  
21 expenses and charges of the County and the Registrar in connection therewith and  
22 upon his or her filing with the Registrar evidence satisfactory to the Registrar that such  
23 Bond was actually lost, stolen or destroyed and of his or her ownership thereof, and  
24 upon furnishing the County and the Registrar with indemnity satisfactory to the Finance  
25 Director and the Registrar.

26  
27 Section 8. Pledge of Taxation and Credit. The County hereby irrevocably  
28 covenants and agrees that, for as long as any of the Bonds are outstanding and unpaid,  
29 each year it will include in its budget and levy an *ad valorem* tax upon all the property  
30 within the County subject to taxation in an amount that will be sufficient, together with all  
31 other revenues and money of the County legally available for such purposes, to pay the  
32 principal of and interest on the Bonds as the same will become due.

33  
34 The County hereby irrevocably pledges that the annual tax provided for in this  
35 ordinance to be levied for the payment of such principal and interest will be within and  
36 as a part of the tax levy permitted to counties without a vote of the people, and that a  
37 sufficient portion of the taxes to be levied and collected annually by the County prior to  
38 the full payment of the principal of and interest on the Bonds will be and is hereby  
39 irrevocably set aside, pledged and appropriated for the payment of the principal of and  
40 interest on the Bonds.

41  
42 The full faith, credit and resources of the County are hereby irrevocably pledged  
43 for the annual levy and collection of said taxes and for the prompt payment of the  
44 principal of and interest on the Bonds as the same will become due.

1           Section 9. Federal Tax Law Covenants. The County shall comply with the  
2 provisions of this section with respect to the Bonds unless, in the written opinion of  
3 nationally-recognized bond counsel to the County, such compliance is not required.  
4

5           The County hereby covenants that it will not make any use of the proceeds from  
6 the sale of the Bonds (or of any other funds of the County that may be deemed to be  
7 proceeds of the Bonds pursuant to Section 148 of the Code and the applicable  
8 regulations thereunder) that will cause the Bonds to be “arbitrage bonds” within the  
9 meaning of said Section 148 of the Code and said regulations. The County will comply  
10 with the applicable requirements of Section 148 of the Code (or any successor provision  
11 thereof applicable to the Bonds) and the applicable regulations thereunder throughout  
12 the term of the Bonds. In particular, the County will compute, if necessary, and pay the  
13 Rebate Amount, if any, to the United States of America at the times and in the amounts  
14 necessary to meet the requirements of the Code, as set forth in the Federal Tax  
15 Certification for the Bonds.  
16

17           The County further covenants that it will not take any action or permit any action  
18 to be taken that would cause the Bonds to constitute “private activity bonds” under  
19 Section 141 of the Code.  
20

21           Section 10. Other Covenants and Warranties. The County makes the following  
22 additional covenants with and warranties to the owners of the Bonds:  
23

24           A. The County has full legal right, power and authority to enact this  
25 ordinance, and as of the Date of Issue, will have full legal right, power and authority to  
26 sell, issue and deliver such Bonds as provided in this ordinance and to carry out and  
27 consummate all other transactions contemplated by this ordinance.  
28

29           B. As of the Date of Issue, by all necessary official action, the County will  
30 have duly authorized and approved the execution and delivery of, and the performance  
31 by the County of its obligations contained in, such Bonds and this ordinance and the  
32 consummation by it of all other transactions necessary to effectuate this ordinance in  
33 connection with the issuance of such Bonds, and such authorizations and approvals will  
34 be in full force and effect and will not have been amended, modified or supplemented in  
35 any material respect.  
36

37           C. This ordinance, when effective, will constitute a legal, valid and binding  
38 obligation of the County.  
39

40           D. When issued, sold, authenticated and delivered as provided in this  
41 ordinance, the Bonds will constitute legal, valid and binding general obligations of the  
42 County.  
43

44           E. The County will maintain or cause to be maintained a system of  
45 registration of the Bonds that complies with the applicable provisions of the Code until  
46 all of the Bonds shall have been surrendered and canceled.

1  
2 F. The enactment of this ordinance, and compliance on the County's part  
3 with the provisions contained herein, will not conflict with, constitute a breach of, or  
4 constitute a default under, any constitutional provisions, law, administrative regulation,  
5 judgment, decree, loan agreement, indenture, bond, note, resolution, ordinance, motion,  
6 agreement or other instrument to which the County is a party or to which the County or  
7 any of its property or assets are otherwise subject.

8  
9 G. The Bonds will be issued within all statutory and constitutional debt  
10 limitations applicable to the County.

11  
12 Section 11. Sale of Bonds.

13  
14 A. General; Delegation of Authority. The County hereby authorizes the  
15 public sale of the Bonds. The Finance Director is authorized to execute a Sale  
16 Instrument on behalf of the County for the Bonds in accordance with the terms of this  
17 ordinance.

18 The Bonds shall be sold in a single series; provided, that:

19 1. The original aggregate principal amount of the Bonds shall not  
20 exceed \$4,000,000;

21 2. One or more rates of interest may be fixed for the Bonds, which  
22 rate(s) must be in multiples of 1/1000<sup>th</sup> of 1%, and no rate of interest for any  
23 maturity of the Bonds shall exceed 6.00%;

24 3. The true interest cost to the County for the Bonds shall not exceed  
25 4.50%;

26 4. The purchase price for the Bonds shall not be less than 96% nor  
27 greater than 130% of the original aggregate principal amount of the Bonds;

28 5. The Bonds may be issued subject to provisions for optional  
29 redemption prior to maturity at a price of par, plus accrued interest, if any,  
30 commencing not later than 10.5 years following the Date of Issue;

31 6. The Bonds may be issued subject to provisions for mandatory  
32 redemption prior to maturity, including designation of term bonds, if any, at a  
33 price of par;

34 7. The final maturity date of the Bonds shall not be later than December  
35 1, 2038; and

36 8. The Date of Issue of the Bonds shall not be later than June 1, 2019.

1 The Finance Director will determine, in consultation with the County's municipal  
2 advisor, whether the Bonds shall be sold by negotiated sale or competitive bid.  
3

4 B. Negotiated Sale. If the Finance Director determines that the Bonds should  
5 be sold by negotiated sale, the Finance Director will, in consultation with the County's  
6 municipal advisor, solicit one or more underwriting firms with which to negotiate the sale  
7 of the Bonds pursuant to a written purchase contract therefor. Subject to Section 11.A  
8 of this ordinance, if the Bonds are sold by negotiated sale, the purchase contract for the  
9 Bonds will establish the date, aggregate principal amount, interest payment dates,  
10 interest rate(s), maturity schedule and principal amounts per maturity, redemption  
11 provisions and delivery date of the Bonds. The County Council authorizes the Finance  
12 Director (i) to serve as the County's designated representative; (ii) to accept, on behalf  
13 of the County, the offer to purchase the Bonds pursuant to the purchase contract, which  
14 offer must be consistent with the terms of this ordinance; and (iii) to execute and deliver  
15 such purchase contract for and on behalf of the County. The Finance Director will  
16 provide a copy of the executed purchase contract and report the results of the Bond  
17 sale to the County Council at its administrative session next following the sale date of  
18 the Bonds.  
19

20 C. Competitive Bid. If the Finance Director determines that the Bonds should  
21 be sold by competitive bid, bids for the purchase of the Bonds will be received at such  
22 time or place and by such means as the Finance Director, in consultation with the  
23 County's municipal advisor, will direct. Subject to Section 11.A of this ordinance, if the  
24 Bonds are to be sold by competitive bid, the Finance Director is authorized to prepare  
25 an Official Notice of Bond Sale for the Bonds, which notice will establish the date,  
26 estimated aggregate principal amount, interest payment dates, estimated maturity  
27 schedule and principal amount per maturity, redemption provisions and estimated  
28 delivery date of the Bonds. After consultation with the County's municipal advisor, the  
29 Finance Director may direct that the Official Notice of Bond Sale or an abridged form  
30 thereof be published in such newspapers or financial journals as may be deemed  
31 desirable or appropriate by the Finance Director.  
32

33 Upon the date and time established for the receipt of bids for the purchase of the  
34 Bonds by competitive bid, the Finance Director or his or her designee will open the bids  
35 and will cause the bids to be mathematically verified by the County's municipal advisor.  
36 The County Council authorizes the Finance Director (i) to serve as the County's  
37 designated representative; (ii) to accept, on behalf of the County, the winning bid to  
38 purchase the Bonds, which bid may be adjusted with respect to the aggregate principal  
39 amount and principal amount per maturity as reflected in the written notice of  
40 acceptance of winning bid, and which must be consistent with the terms of this  
41 ordinance; and (iii) to execute and deliver such notice of acceptance for and on behalf  
42 of the County. The Finance Director will provide a copy of the executed notice of  
43 acceptance and report the results of the Bond sale to the County Council at its  
44 administrative session next following the sale date of the Bonds.  
45

1           Section 12. Delivery of Bonds. Following the sale of the Bonds, the County will  
2 cause definitive Bonds to be prepared, executed and delivered to the purchaser thereof  
3 in accordance with the provisions of this ordinance.  
4

5           If definitive Bonds are not ready for delivery by the date established for their  
6 delivery to the initial purchaser thereof, then the Finance Director, upon the approval of  
7 the purchaser, may cause to be issued and delivered to the purchaser one or more  
8 temporary Bonds with appropriate omissions, changes and additions. Any temporary  
9 Bond or Bonds will be entitled and subject to the same benefits and provisions of this  
10 ordinance with respect to the payment, security and obligation thereof as definitive  
11 Bonds authorized hereby. Such temporary Bond or Bonds will be exchangeable without  
12 cost to the owners thereof for definitive Bonds when the latter are ready for delivery.  
13

14           Section 13. Bond Fund. There has heretofore been created in the office of the  
15 Finance Director a special fund known as the "Limited Tax General Obligation Debt  
16 Service Fund" to be drawn upon for the purpose of paying the principal of and interest  
17 on the limited tax general obligation bonds of the County. There is hereby authorized to  
18 be created within said fund a special account for the Bonds to be known as the "Limited  
19 Tax General Obligation Bond Redemption Account, 2018, Series A" (the "Bond Fund").  
20

21           Any accrued interest received from the sale of the Bonds will be deposited in the  
22 Bond Fund at the time of delivery of the Bonds and will be applied to the payment of  
23 interest thereon.  
24

25           The taxes levied for the purpose of paying principal of and interest on the Bonds  
26 and other funds to be used to pay such Bonds will be deposited in the Bond Fund no  
27 later than the date such funds are required for the payment of principal of and interest  
28 on such Bonds; provided, however, that if the payment of principal of or interest on such  
29 Bonds is required prior to the receipt of such levied taxes, the County may make an  
30 interfund loan to the Bond Fund pending actual receipt of such taxes. The Bond Fund  
31 will be drawn upon solely for the purpose of paying the principal of and interest on the  
32 Bonds. Money in the Bond Fund not needed to pay the interest or principal next coming  
33 due may temporarily be deposited in such institutions or invested in such obligations as  
34 may be lawful for the investment of County funds.  
35

36           Section 14. Deposit of Bond Proceeds. All proceeds from the sale of the Bonds  
37 will be deposited into the Capital Projects Fund heretofore created by the County  
38 pending application to the payment of costs of the Projects.  
39

40           Section 15. Investment of and Accounting for Funds. Funds deposited in the  
41 funds and accounts described in Sections 13 and 14 of this ordinance will be invested  
42 as permitted by law for the sole benefit of the respective funds. Money other than  
43 proceeds of the Bonds may be deposited in the funds and accounts described in  
44 Section 13 and 14 of this ordinance; provided, however, that proceeds of the Bonds,  
45 and the earnings thereon, will be accounted for separately for purposes of the arbitrage  
46 rebate computations required to be made under the Code. For purposes of such

1 computations, Bond proceeds will be deemed to have been expended first, and then  
2 any other funds.

3  
4 Section 16. Preliminary Official Statement and Final Official Statement. The  
5 County hereby authorizes and directs the Finance Director: (i) to review and approve  
6 the information contained in the preliminary official statement (the "Preliminary Official  
7 Statement") prepared in connection with the sale of the Bonds; and (ii) for the sole  
8 purpose of compliance by the purchaser of the Bonds with subsection (b)(1) of the Rule,  
9 to "deem final" the Preliminary Official Statement as of its date, except for information  
10 permitted to be omitted therefrom by the Rule. After the Preliminary Official Statement  
11 has been reviewed and approved in accordance with the provisions of this section, the  
12 County hereby authorizes the distribution of such Preliminary Official Statement to  
13 prospective purchasers of the Bonds.

14  
15 Following the sale of the Bonds, the Finance Director is hereby authorized to  
16 review and approve on behalf of the County a final official statement with respect to the  
17 Bonds. The County agrees to cooperate with the purchaser of the Bonds to deliver or  
18 cause to be delivered, within seven business days from the date of the Sale Instrument  
19 and in sufficient time to accompany any confirmation that requests payment from any  
20 customer of such purchaser, copies of a final official statement pertaining to the Bonds  
21 in sufficient quantity to comply with paragraph (b)(4) of the Rule and the rules of the  
22 Municipal Securities Rulemaking Board.

23  
24 Section 17. Undertaking to Provide Ongoing Disclosure. The Finance Director  
25 is hereby authorized and directed to enter into a written undertaking for the benefit of  
26 owners and beneficial owners of the Bonds to the extent required by and consistent with  
27 the requirements of paragraph (b)(5) of the Rule, as applicable to a participating  
28 underwriter for the Bonds.

29  
30 Section 18. General Authorization. The Finance Director and other appropriate  
31 County officials, agents and representatives are hereby authorized and directed to do  
32 everything necessary for the prompt sale, issuance, execution and delivery of the  
33 Bonds, and for the proper use and application of the proceeds of the sale thereof.

34  
35 Section 19. Refunding or Defeasance of Bonds. The County may issue  
36 refunding obligations pursuant to the laws of the State of Washington or use money  
37 available from any other lawful source to pay when due the principal of and interest on  
38 the Bonds, or any portion thereof included in a refunding or defeasance plan, and to  
39 redeem and retire, refund or defease such Bonds and to pay the costs of the refunding  
40 or defeasance.

41  
42 In the event that money and/or noncallable Government Obligations maturing at  
43 such time or times and bearing interest to be earned thereon in amounts (together with  
44 such money, if necessary) sufficient to redeem and retire, refund or defease part or all  
45 of the Bonds in accordance with their terms, are set aside in a special account of the  
46 County to effect such redemption and retirement, and such money and the principal of



