Approved: 10/20/2021
Effective: 10/31/2021

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

ORDINANCE NO. 21-077

AUTHORIZING THE ISSUANCE AND SALE OF TAX-EXEMPT LIMITED TAX GENERAL OBLIGATION BONDS OF THE COUNTY IN AN ORIGINAL PRINCIPAL AMOUNT NOT TO EXCEED $2,700,000 TO OBTAIN FINANCING FOR THE MEADOWDALE BEACH PARK AND ESTUARY RESTORATION PROJECT; 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, it is deemed necessary and advisable that the County authorize the issuance and sale of its tax-exempt limited tax general obligation bonds in an original principal amount not to exceed $2,700,000 to obtain financing for the Meadowdale Beach Park and Estuary Restoration Project (as defined in section 1);

NOW, THEREFORE, BE IT ORDAINED:

Section 1. **Definitions.** The following capitalized 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:

(1) “Bond Fund” means the bond redemption account established for the payment of the Bonds as described under section 13 of this ordinance.

(2) “Bonds” means the limited tax general obligation bonds of the County in an aggregate original principal amount not to exceed $2,700,000, authorized to be issued by this ordinance to obtain financing for the Meadowdale Beach Park and Estuary Restoration Project; provided, that if the Bonds are sold as Combined Bonds, all references to Bonds herein shall also refer to such Combined Bonds, except for such references in Sections 4(1), 4(2)(a) and 11(1).

(3) “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.

(4) “Combined Bonds” means the Bonds, together with any other limited tax general obligation bonds authorized by the County by ordinance enacted in calendar year 2021, that are designated by the Finance Director to be sold as a single series.

(5) “County” means Snohomish County, Washington.

(6) “County Council” means the Snohomish County Council.

(7) “Date of Issue” means the date on which the Bonds are issued and delivered to the purchaser in return for payment of the purchase price therefor.

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

(9) “Government Obligations” means “government obligations,” as defined in chapter 39.53 RCW, as now in existence or amended after the effective date of this ordinance.

(10) “Letter of Representations” means the Blanket Issuer Letter of Representations, dated November 5, 2020, from the County to DTC.

(11) “Meadowdale Beach Park and Estuary Restoration Project” means the capital project at Meadowdale Beach Park (a) to replace 130 linear feet of railroad embankment, tracks and an undersized culvert with a 5-span railroad bridge addressing public safety issues and providing ADA-accessible beach access, allowing re-establishment of a historic (pre-railroad) pocket estuary for ESA-listed (threatened) juvenile Chinook and restoring multiple nearshore processes; (b) to install additional upgraded park amenities including a foot-wash, picnic tables, benches, new pedestrian bridge for viewing salmon and interpretive signage; and (c) to reinforce the limited ADA access road into the park.

(12) “Official Notice of Bond Sale” means, if the Bonds are sold by competitive bid, the official notice of sale therefor prepared as described under section 10 of this ordinance.

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

(14) “Record Date” means, for an interest or principal payment date or for a maturity date, the 15th day of the calendar month next preceding that date.

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

(16) “Registrar” means the fiscal agent of the state of Washington appointed from time to time by the Washington State Finance Committee under chapter 43.80 RCW, serving as the registrar, authenticating agent, paying agent and transfer agent for the Bonds.

(17) “Rule” means Securities and Exchange Commission Rule 15c2-12 under the Securities and Exchange Act of 1934, as it may be amended from time to time.

(18) “Sale Instrument” means (a) if the Bonds are sold by negotiated sale, the purchase contract therefor; or (b) if the Bonds are sold by competitive bid, the notice of sale, the winning bid and a notice of acceptance of bid from the Finance Director, in each case establishing, among other things, the dated date, principal amounts and maturity dates, interest rates and interest payment dates, and the redemption provisions for the Bonds.

Section 2. **Findings.** The County Council makes the following findings:

(1) The Meadowdale Beach Park and Estuary Restoration Project will contribute to the health, safety and welfare of the citizens of the County.

(2) The issuance and sale of tax-exempt limited tax general obligation bonds of the County, payable from regular property taxes or other revenues, taxes and money of the County legally available for such purposes, to obtain financing for the Meadowdale Beach Park and Estuary Restoration Project are in the best interests of the County and its citizens.

Section 3. **Meadowdale Beach Park and Estuary Restoration Project.**

(1) Meadowdale Beach Park and Estuary Restoration Project. The County Council has previously authorized the undertaking of the Meadowdale Beach Park and Estuary Restoration Project.

(2) General. The Meadowdale Beach Park and Estuary Restoration Project will include the incidental costs and costs related to the sale and issuance of Bonds. The Meadowdale Beach Park and Estuary Restoration Project will also include, as applicable, the purchase of all materials, supplies, appliances, equipment and facilities, and the permits, franchises, property and property rights and administrative costs, necessary, incidental or convenient to effect the implementation of the Meadowdale Beach Park and Estuary Restoration Project.

The Meadowdale Beach Park and Estuary Restoration Project may include capitalized interest and the costs of sales tax, acquisition and contingency allowances, financing, and surveys, explorations, engineering and architectural studies, drawings, designs and specifications incidental, necessary or convenient to the implementation of the Meadowdale Beach Park and Estuary Restoration Project.

The Meadowdale Beach Park and Estuary Restoration Project may be modified where deemed advisable or necessary in the judgment of the County Council, and implementation or completion of any authorized component thereof will not be required if the County Council determines that it has become inadvisable or impractical. If all components of the Meadowdale Beach Park and Estuary Restoration Project have been

completed, or their completion has been duly provided for, or completion of all or any of them is found to be inadvisable or impractical, the County may pay, redeem or defease Bonds, or apply any remaining proceeds of the Bonds, or any portion thereof, to the acquisition or improvement of other County capital projects as the County Council may determine. If the proceeds of the sale of the Bonds, plus any other money of the County legally available therefor, are insufficient to accomplish the Meadowdale Beach Park and Estuary Restoration Project, the County will use the available funds to finance those components of the Meadowdale Beach Park and Estuary Restoration Project deemed by the County Council to be most necessary and in the best interest of the County.

Section 4. **Purpose, Authorization and Description of Bonds.**

(1) Purpose and Authorization of Bonds. The County authorizes the issuance of the Bonds to obtain financing for the Meadowdale Beach Park and Estuary Restoration Project. The County may sell the Bonds as a separate series or as Combined Bonds.

(2) Description of Bonds.

(a) If the Bonds are sold as a separate series of Bonds, the Bonds will be designated "Snohomish County, Washington, Limited Tax General Obligation Bonds, 2021," with an applicable series designation, in an original principal amount not to exceed $2,700,000, all as established by the related Sale Instrument. If the Bonds are sold as Combined Bonds with other bonds of the County that are refunding bonds, the Bonds and such other bonds comprising the Combined Bonds will be designated "Snohomish County, Washington, Limited Tax General Obligation and Refunding Bonds, 2021," with an applicable series designation, as established by the related Sale Instrument.

(b) The Bonds will be dated as of their date, will mature on June 1 or December 1 in each of the years and in the principal amounts, will bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or the most recent interest payment date to which interest has been paid or provided for, whichever is later, at the rates and payable, commencing not later than June 1, 2022, and on June 1 and December 1 in the years, will be subject to optional and mandatory redemption before maturity at the prices, in the amounts and in the manner, and will be subject to the other terms and provisions as the County will establish by the Sale Instrument. The Bonds will be fully registered as to both principal and interest, will be in the denomination of $5,000 each or any integral multiple thereof (but no Bond will represent more than one maturity), and will be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification.

(3) Initial Immobilization of Bonds; Depository Provisions. The Bonds will initially be held in fully immobilized form by DTC acting as depository under the terms and conditions set forth in the Letter of Representations. Neither the County nor the

Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds with respect to 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 principal or redemption price of or interest on the Bonds, any notice that is permitted or required to be given to registered owners under this ordinance (except any notice required to be given by the County to the Registrar or to DTC), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Bonds or any consent given or other action taken by DTC as owner of the Bonds.

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

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

(b) To any substitute depository appointed by the County under this subsection or the substitute depository's successor; or

(c) To any person as provided in this ordinance if the Bonds are no longer held in immobilized form.

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 that it is no longer in the best interests of beneficial owners of the Bonds to continue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the County may appoint a substitute depository. Any substitute depository will be qualified under any applicable laws to provide the services proposed to be provided by it.

In the case of any transfer under clause (a) or (b) of the second paragraph of this subsection, the Registrar, upon receipt of all outstanding Bonds together with a written request on behalf of the County, will issue a single new bond certificate for each maturity of Bonds then outstanding, registered in the name of the successor or the substitute depository, or its nominee, as the case may be, all as specified in the written request of the County.

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

(4) Place, Manner and Medium of Payment. Both principal of and interest on the Bonds will be payable in lawful money of the United States of America. For so long as any outstanding Bonds are registered in the name of Cede & Co., or its registered assigns, as nominee of DTC, payments of principal of and interest on the Bonds will be made in immediately available funds on the date payment is due and payable at the place and in the manner provided in the Letter of Representations.

If the Bonds are no longer held in fully immobilized form by DTC or its successor (or substitute depository or its successor), interest on the Bonds will be paid by check or draft mailed to the registered owners of the Bonds at the addresses for the registered owners appearing on the Register on the Record Date for that interest payment date, or by electronic transfer on the interest payment date to an account within the United States designated by a registered owner of at least $1,000,000 in principal amount of the Bonds. The County is not required to make electronic transfers except to a registered owner of Bonds under a request in writing received by the Record Date for that interest payment date and any electronic transfer is at the sole expense of that registered owner. Principal of the Bonds will be payable at maturity or on the dates as may be fixed for prior redemption upon presentation and surrender of the Bonds by the owners to the Registrar.

(5) Form of Bonds. The Bonds or any Combined Bonds shall be word processed, printed or lithographed on good bond paper in a form consistent with this ordinance and Washington state law.

(6) 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.

If any officer who has executed the Bonds ceases to be an officer of the County authorized to sign the Bonds before the Bonds bearing that person's 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 and delivered, will be as binding upon the County as though that person had continued to be an officer of the County authorized to sign the Bonds. Any Bond also may be

signed on behalf of the County by any person who, on the actual date of signing of the Bond, is an officer of the County authorized to sign the Bonds, although that person did not hold the required office on the date of issuance of the Bonds.

Only Bonds bearing a Certificate of Authentication, manually executed by the Registrar, will be valid or obligatory for any purpose or entitled to the benefits of this ordinance. The Certificate of Authentication will be conclusive evidence that the Bonds so authenticated have been executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

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

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

The Registrar will be responsible for its representations contained in the Certificate of Authentication on the Bonds. The Registrar may become the owner of Bonds with the same rights it would have if it were not the 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 Bond owners.

Upon surrender thereof to the Registrar, the Bonds are exchangeable for other Bonds of the same maturity and interest rate and for the same aggregate principal amount, in any authorized denomination. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Registrar. Upon surrender, the Registrar will cancel the surrendered Bond and will authenticate and deliver, without charge to the owner or transferee therefor (other than taxes, if any, payable on account of transfer), one or more (at the option of the new owner) new Bonds of the same maturity and interest rate and for the same aggregate principal amount, in any authorized denomination, naming as owner the person or persons listed as the assignee on the assignment form appearing on the canceled and surrendered Bond, in exchange therefor. The Registrar will not be obligated to transfer or exchange any Bond during the period beginning at the opening of business on the Record Date for a maturity date and ending at the close of business on that maturity date.

The County and the 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 Registrar will be affected by any notice to the contrary.

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

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

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

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

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

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

The County covenants that it will not make any use of the proceeds from the sale of the Bonds (or of any other funds of the County that may be deemed to be proceeds of the Bonds under section 148 of the Code and the applicable regulations thereunder) that will cause the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code and the applicable regulations thereunder. 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. In particular, the County will compute, if necessary, and 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, as set forth in the Federal Tax Certification for 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" that are not "qualified bonds" (within the meaning of section 141 of the Code).

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

(1) The County has full legal right, power and authority to enact this ordinance, and as of the Date of Issue, will have full legal right, power and authority to sell, issue and deliver the Bonds as provided in this ordinance and to carry out and consummate all other transactions contemplated by this ordinance.

(2) As of the Date of Issue, by all necessary official action, the County will have authorized and approved the execution and delivery of, and the performance by the County of its obligations contained in, the Bonds and 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 these authorizations and approvals will be in full force and effect and will not have been amended, modified or supplemented in any material respect.

(3) This ordinance, when effective, will be a legal, valid and binding obligation of the County.

(4) When issued, sold, authenticated and delivered as provided in this ordinance, the Bonds will be legal, valid and binding general obligations of the County.

(5) 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 until all of the Bonds have been surrendered and canceled.

(6) The enactment of this ordinance, and compliance on the County's part with the provisions contained herein, will not conflict with, constitute a breach of, or constitute a 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.

(7) The Bonds will be issued within all statutory and constitutional debt limitations applicable to the County.

Section 11. **Sale of Bonds.**

(1) General; Delegation of Authority. The County authorizes the public sale of the Bonds. The Finance Director is authorized to execute a Sale Instrument on behalf of the County for the Bonds in accordance with the terms of this ordinance. The Finance Director will determine, in consultation with the County's municipal advisor, whether the Bonds will be sold separately or as Combined Bonds.

(a) Bonds Sold Separately. If the Finance Director determines that the Bonds shall be sold separately, then:

(i) The original aggregate principal amount of the Bonds shall not exceed $2,700,000;

(ii) One or more rates of interest may be fixed for the Bonds, which rate(s) must be in multiples of 1/1000th of 1%, and no rate of interest for any maturity of the Bonds shall exceed 5.25%;

(iii) The true interest cost to the County for the Bonds shall not exceed 3.50%;

(iv) The purchase price for the Bonds shall not be less than 95% nor greater than 140% of the original aggregate principal amount of the Bonds;

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

(vi) The Bonds may be issued subject to provisions for mandatory redemption prior to maturity, including designation of term bonds, if any, at a price of par;

(vii) The final maturity date of the Bonds shall not be later than December 1, 2036; and

(viii) The Date of Issue of the Bonds shall not be later than March 31, 2022.

(b) Combined Bonds. If the Finance Director determines that the Bonds shall be sold as Combined Bonds, then:

(i) The original aggregate principal amount of all of the Combined Bonds shall not exceed the sum of the respective maximum principal amount of the bonds comprising the Combined Bonds, as authorized by their respective ordinances;

(ii) One or more rates of interest may be fixed for the Combined Bonds, which rate(s) must be in multiples of 1/1000th of 1%, and no rate of interest for any maturity of the Combined Bonds shall exceed 5.25%;

(iii) The true interest cost to the County for the Combined Bonds shall not exceed 3.50%;

(iv) The purchase price for the Combined Bonds shall not be less than 95% nor greater than 140% of the original aggregate principal amount of the Bonds;

(v) The Combined Bonds may be issued subject to provisions for optional redemption prior to maturity at a price of par, plus accrued interest, if any, commencing not later than 10.5 years following the Date of Issue;

(vi) The Combined Bonds may be issued subject to provisions for mandatory redemption prior to maturity, including designation of term bonds, if any, at a price of par;

(vii) The final maturity date of the Combined Bonds shall not be later than December 1, 2036; and

(viii) The Date of Issue of the Combined Bonds shall not be later than March 31, 2022.

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

(a) Negotiated Sale. If the Finance Director determines that the Bonds should be sold by negotiated sale, the Finance Director will, in consultation with the County's municipal advisor, solicit one or more underwriting firms with which to negotiate the sale of the Bonds pursuant to a written purchase contract therefor. Subject to section 11(1) of this ordinance, if the Bonds are sold by negotiated sale, the purchase contract for the Bonds will establish the date, aggregate principal amount, interest payment dates, interest rate(s), maturity schedule and principal amounts per maturity, redemption provisions and delivery

date of the Bonds. The County Council authorizes the Finance Director (i) to serve as the County's designated representative; (ii) to accept, on behalf of the County, the offer to purchase the Bonds pursuant to the purchase contract, which offer must be consistent with the terms of this ordinance; and (iii) to execute and deliver the purchase contract for and on behalf of the County. The Finance Director will provide a copy of the executed purchase contract and report the results of the Bond sale to the County Council at its administrative session next following the sale date of the Bonds.

(b) Competitive Bid. If the Finance Director determines that the Bonds should be sold by competitive bid, bids for the purchase of the Bonds will be received at such time or place and by such means as the Finance Director, in consultation with the County's municipal advisor, will direct. Subject to section 11(1) of this ordinance, if the Bonds are to be sold by competitive bid, the Finance Director is authorized to prepare an Official Notice of Bond Sale for the Bonds, which notice will establish the date, estimated aggregate principal amount, interest payment dates, estimated maturity schedule and principal amount per maturity, redemption provisions and estimated delivery date of the Bonds. After consultation with the County's municipal advisor, the Finance Director may direct that the Official Notice of Bond Sale or an abridged form thereof be published in such newspapers or financial journals as may be deemed desirable or appropriate by the Finance Director.

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

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

If definitive Bonds are not ready for delivery by the date established for their delivery to the initial purchaser thereof, then the Finance Director, upon the approval of the purchaser, may cause to be issued and delivered to the purchaser one or more temporary Bonds with appropriate omissions, changes and additions. Any temporary Bond or Bonds will 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 hereby. A temporary Bond or Bonds will be exchangeable without cost to the owners thereof for definitive Bonds when the latter are ready for delivery.

Section 13. **Bond Fund.** Prior to the effective date of this ordinance, there was created in the office of the Finance Director a special fund known as the "Limited Tax General Obligation Debt Service Fund" to be drawn upon to pay the principal of and interest on the limited tax general obligation bonds of the County. There is authorized to be created within that fund a special account for the Bonds to be known as the "Limited Tax General Obligation [and Refunding]Bond Redemption Account, 2021, [Series __] (Tax-Exempt)" (the "Bond Fund").

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

The taxes levied for the purpose of paying principal of and interest on the Bonds and other funds to be used to pay the Bonds will be deposited in the Bond Fund no later than the date funds are required for the payment of principal of and interest on the Bonds; provided, however, that if the payment of principal of or interest on such Bonds is required before the receipt of the levied taxes, the County may make an interfund loan to the Bond Fund pending receipt of the taxes. The Bond Fund will be drawn upon solely 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 institutions or invested in obligations as may be lawful for the investment of County funds.

Section 14. **Deposit of Bond Proceeds.** Before the effective date of this ordinance, the Parks Construction Fund was created.

The exact amount of proceeds from the sale of the Bonds to be deposited into the Parks Construction Fund and, if the Bonds are sold as Combined Bonds, such other funds or accounts of the County designated for the payment of costs of issuing the Combined Bonds, shall be established by the related Sale Instrument.

Section 15. **Investment of and Accounting for Funds.** Funds deposited in the funds and accounts described in sections 13 and 14 of this ordinance will be invested as permitted by law for the sole benefit of the respective funds. In addition to proceeds of the Bonds, the County may deposit other money in the funds and accounts described in section 14 of this ordinance. However, proceeds of the Bonds, and the earnings thereon, will be accounted for separately for purposes of the arbitrage rebate computations required to be made under the Code. For purposes of these computations, Bond proceeds will be deemed to have been spent first, and then any other funds.

Section 16. **Preliminary Official Statement and Final Official Statement.** The County authorizes and directs the Finance Director: (1) to review and approve the information contained in the preliminary official statement (the "Preliminary Official Statement") prepared in connection with the sale of the Bonds; and (2) for the sole purpose of compliance by the purchaser of the Bonds with subsection (b)(1) of the Rule, to "deem final" the Preliminary Official Statement as of its date, except for information permitted to be omitted therefrom by the Rule. After the Preliminary Official Statement has been reviewed and approved in accordance with this section 16, the County authorizes the distribution of the Preliminary Official Statement to prospective purchasers of the Bonds.

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

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

Section 18. **General Authorization.** The Finance Director and other appropriate County officials, agents and representatives are 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 Bonds.** The County may issue refunding obligations 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 Bonds and to pay the costs of the refunding or defeasance.

If either money or noncallable Government Obligations, or both, 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 the Government Obligations are irrevocably set aside and pledged for those purposes, 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 will 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 will be deemed not to be outstanding hereunder.

Section 20. **Contract; Severability.** The covenants contained in this ordinance are a contract between the County and the owners of each and every Bond. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

PASSED this 20th day of October, 2021.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

Stephanie Wright
Chairperson

ATTEST:

Asst. Clerk of the Council

(X) APPROVED
( ) EMERGENCY
( ) VETOED

DATE: October 21, 2021

County Executive

ATTEST:

Melissa Geraghty

Approved as to form only:

Special Deputy Prosecuting Attorney