

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

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

ORDINANCE NO. 21-079

AUTHORIZING THE ISSUANCE AND SALE OF TAXABLE LIMITED TAX
GENERAL OBLIGATION BONDS OF THE COUNTY IN AN ORIGINAL
PRINCIPAL AMOUNT NOT TO EXCEED \$24,500,000 TO OBTAIN
FINANCING FOR THE BOMARC BUILDING PROJECT AND THE
CONSERVATION FUTURES 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, it is deemed necessary and advisable that the County authorize the issuance and sale of its taxable limited tax general obligation bonds in an original principal amount not to exceed \$24,500,000 to obtain financing for the Bomarc Building Project and the Conservation Futures Projects (each 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) "Bomarc Building Project" means the capital project to acquire an approximately 43,000 square foot office/warehouse building and paved parking area located at the Bomarc Business Park at Paine Field.

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

(3) "Bonds" means the limited tax general obligation bonds of the County in an aggregate original principal amount not to exceed \$24,500,000, authorized to be issued by this ordinance to obtain financing for the Bomarc Building Project and the Conservation Futures Projects; 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 10(1).

(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.

1 (5) "Conservation Futures Projects" means those capital projects for the
2 acquisition of real property, easements, development rights, covenants or other
3 contractual rights necessary to protect, preserve, maintain, improve, restore, limit the
4 future use of or otherwise conserve, selected open space land, farm and agricultural
5 land and timber land for public use and enjoyment, which projects are identified by the
6 County Council by motion (as an administrative act) that meet one or more of the
7 following criteria:

8
9 (a) The project will serve a significant regional, multi-jurisdictional or
10 community benefit area;

11
12 (b) The project will enhance or complement an adopted open space,
13 conservation or resource preservation program;

14
15 (c) The project will conserve opportunities which are otherwise
16 threatened;

17
18 (d) The project comprises an entire project or a continuum of projects
19 which collectively implement a complete project or objective;

20
21 (e) The project will preserve wetland resources or wildlife habitat;

22
23 (f) The project will address the preservation of a State of Washington
24 priority habitat species, federal threatened or endangered species, or will qualify
25 as an early action project with respect to a potential listing as a threatened or
26 endangered species;

27
28 (g) The project will establish a trail corridor and/or a natural area linkage;
29 and/or

30
31 (h) The project site will involve contributions from groups or agencies that
32 will reduce the need to utilize conservation futures program funds.

33
34 (6) "County" means Snohomish County, Washington.

35
36 (7) "County Council" means the Snohomish County Council.

37
38 (8) "Date of Issue" means the date on which the Bonds are issued and delivered
39 to the purchaser in return for payment of the purchase price therefor.

40
41 (9) "DTC" means The Depository Trust Company, New York, New York.

42
43 (10) "Government Obligations" means "government obligations," as defined in
44 chapter 39.53 RCW, as now in existence or amended after the effective date of this
45 ordinance.

1 (11) "Letter of Representations" means the Blanket Issuer Letter of
2 Representations, dated November 5, 2020, from the County to DTC.

3
4 (12) "Official Notice of Bond Sale" means, if the Bonds are sold by competitive
5 bid, the official notice of sale therefor prepared as described under section 10 of this
6 ordinance.

7
8 (13) "Projects means, collectively, the Bomarc Building Project and the
9 Conservation Futures Projects.

10
11 (14) "Record Date" means, for an interest or principal payment date or for a
12 maturity date, the 15th day of the calendar month next preceding that date.

13
14 (15) "Register" means the registration books maintained by the Registrar for
15 purposes of identifying ownership of the Bonds.

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

21
22 (17) "Rule" means Securities and Exchange Commission Rule 15c2-12 under
23 the Securities and Exchange Act of 1934, as it may be amended from time to time.

24
25 (18) "Sale Instrument" means (a) if the Bonds are sold by negotiated sale, the
26 purchase contract therefor; or (b) if the Bonds are sold by competitive bid, the notice of
27 sale, the winning bid and a notice of acceptance of bid from the Finance Director, in
28 each case establishing, among other things, the dated date, principal amounts and
29 maturity dates, interest rates and interest payment dates, and the redemption provisions
30 for the Bonds.

31
32 Section 2. **Findings.** The County Council makes the following findings:

33
34 (1) The Bomarc Building Project and the Conservation Futures Projects will
35 contribute to the health, safety and welfare of the citizens of the County.

36
37 (2) The issuance and sale of taxable limited tax general obligation bonds of the
38 County, payable from regular property taxes or other revenues, taxes and money of the
39 County legally available for such purposes, to obtain financing for the Bomarc Building
40 Project and the Conservation Futures Projects are in the best interests of the County
41 and its citizens.

42
43 Section 3. **Projects.**

44
45 (1) Projects. The County Council has previously authorized the undertaking of
46 the Bomarc Building Project.

1
2 The Conservation Futures Projects, all of which will be identified by the County
3 Council as provided herein, have not yet been authorized by the County.
4

5 (2) General. Each of the Projects will include an allocable share of the incidental
6 costs and costs related to the sale and issuance of Bonds. The Projects will also
7 include, as applicable, the purchase of all materials, supplies, appliances, equipment
8 and facilities, and the permits, franchises, property and property rights and
9 administrative costs, necessary, incidental or convenient to effect the implementation of
10 the Projects.
11

12 The Projects may include capitalized interest and the costs of sales tax,
13 acquisition and contingency allowances, financing, and surveys, explorations,
14 engineering and architectural studies, drawings, designs and specifications incidental,
15 necessary or convenient to the implementation of the Projects.
16

17 Any of the Projects may be modified where deemed advisable or necessary in
18 the judgment of the County Council, and implementation or completion of any
19 authorized component thereof will not be required if the County Council determines that
20 it has become inadvisable or impractical. If the Projects have all been completed, or
21 their completion has been duly provided for, or completion of all or any of them is found
22 to be inadvisable or impractical, the County may pay, redeem or defease Bonds, or
23 apply any remaining proceeds of the Bonds, or any portion thereof, to the acquisition or
24 improvement of other County capital projects as the County Council may determine. If
25 the proceeds of the sale of the Bonds, plus any other money of the County legally
26 available therefor, are insufficient to accomplish all of the Projects, the County will use
27 the available funds to finance those specific Projects deemed by the County Council to
28 be most necessary and in the best interest of the County.
29

30 **Section 4. Purpose, Authorization and Description of Bonds.**
31

32 (1) Purpose and Authorization of Bonds. The County authorizes the issuance of
33 the Bonds to obtain financing for the Bomarc Building Project and the Conservation
34 Futures Projects. The County may sell the Bonds as a separate series or as Combined
35 Bonds.
36

37 (2) Description of Bonds.
38

39 (a) If the Bonds are sold as a separate series of Bonds, the Bonds will be
40 designated "Snohomish County, Washington, Limited Tax General Obligation
41 Bonds, 2021 (Federally Taxable)," with an applicable series designation, in an
42 original principal amount not to exceed \$24,500,000, all as established by the
43 related Sale Instrument. If the Bonds are sold as Combined Bonds with other
44 bonds of the County that are refunding bonds, the Bonds and such other bonds
45 comprising the Combined Bonds will be designated "Snohomish County,
46 Washington, Limited Tax General Obligation and Refunding Bonds, 2021

1 (Federally Taxable),” with an applicable series designation, as established by the
2 related Sale Instrument.
3

4 (b) The Bonds will be dated as of their date, will mature on June 1 or
5 December 1 in each of the years and in the principal amounts, will bear interest
6 (computed on the basis of a 360-day year of twelve 30-day months) from their
7 date or the most recent interest payment date to which interest has been paid or
8 provided for, whichever is later, at the rates and payable, commencing not later
9 than June 1, 2022, and on June 1 and December 1 in the years, will be subject to
10 optional and mandatory redemption before maturity at the prices, in the amounts
11 and in the manner, and will be subject to the other terms and provisions as the
12 County will establish by the Sale Instrument. The Bonds will be fully registered
13 as to both principal and interest, will be in the denomination of \$5,000 each or
14 any integral multiple thereof (but no Bond will represent more than one maturity),
15 and will be numbered separately in the manner and with any additional
16 designation as the Registrar deems necessary for purposes of identification.
17

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

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

42 (a) To any successor of DTC or its nominee, if that successor will be
43 qualified under any applicable laws to provide the services proposed to be
44 provided by it;
45

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

3
4 (c) To any person as provided in this ordinance if the Bonds are no longer
5 held in immobilized form.
6

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

15 In the case of any transfer under clause (a) or (b) of the second paragraph of this
16 subsection, the Registrar, upon receipt of all outstanding Bonds together with a written
17 request on behalf of the County, will issue a single new bond certificate for each
18 maturity of Bonds then outstanding, registered in the name of the successor or the
19 substitute depository, or its nominee, as the case may be, all as specified in the written
20 request of the County.
21

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

34 (4) Place, Manner and Medium of Payment. Both principal of and interest on the
35 Bonds will be payable in lawful money of the United States of America. For so long as
36 any outstanding Bonds are registered in the name of Cede & Co., or its registered
37 assigns, as nominee of DTC, payments of principal of and interest on the Bonds will be
38 made in immediately available funds on the date payment is due and payable at the
39 place and in the manner provided in the Letter of Representations.
40

41 If the Bonds are no longer held in fully immobilized form by DTC or its successor
42 (or substitute depository or its successor), interest on the Bonds will be paid by check or
43 draft mailed to the registered owners of the Bonds at the addresses for the registered
44 owners appearing on the Register on the Record Date for that interest payment date, or
45 by electronic transfer on the interest payment date to an account within the United
46 States designated by a registered owner of at least \$1,000,000 in principal amount of

1 the Bonds. The County is not required to make electronic transfers except to a
2 registered owner of Bonds under a request in writing received by the Record Date for
3 that interest payment date and any electronic transfer is at the sole expense of that
4 registered owner. Principal of the Bonds will be payable at maturity or on the dates as
5 may be fixed for prior redemption upon presentation and surrender of the Bonds by the
6 owners to the Registrar.

7
8 (5) Form of Bonds. The Bonds or any Combined Bonds shall be word
9 processed, printed or lithographed on good bond paper in a form consistent with this
10 ordinance and Washington state law.

11
12 (6) Execution of Bonds. The Bonds will be executed on behalf of the County
13 with the manual or facsimile signatures of the County Executive and the Clerk of the
14 County Council, and will have the seal of the County impressed or imprinted thereon.

15
16 If any officer who has executed the Bonds ceases to be an officer of the County
17 authorized to sign the Bonds before the Bonds bearing that person's signature are
18 authenticated or delivered by the Registrar or issued by the County, those Bonds may
19 nevertheless be authenticated, issued and delivered and, when authenticated, issued
20 and delivered, will be as binding upon the County as though that person had continued
21 to be an officer of the County authorized to sign the Bonds. Any Bond also may be
22 signed on behalf of the County by any person who, on the actual date of signing of the
23 Bond, is an officer of the County authorized to sign the Bonds, although that person did
24 not hold the required office on the date of issuance of the Bonds.

25
26 Only Bonds bearing a Certificate of Authentication, manually executed by the
27 Registrar, will be valid or obligatory for any purpose or entitled to the benefits of this
28 ordinance. The Certificate of Authentication will be conclusive evidence that the Bonds
29 so authenticated have been executed, authenticated and delivered hereunder and are
30 entitled to the benefits of this ordinance.

31
32 Section 5. **Open Market Purchase.** The County reserves the right to
33 purchase any or all of the Bonds on the open market at any time and at any price.

34
35 Section 6. **Registration, Transfer and Exchange of Bonds.** The County
36 adopts for the Bonds the system of registration specified and approved by the
37 Washington State Finance Committee. The Registrar will keep, or cause to be kept, at
38 its principal corporate trust office, sufficient books for the registration and transfer of the
39 Bonds, which will at all times be open to inspection by the County. The Register will
40 contain the name and mailing address of the owner (or nominee thereof) of each Bond,
41 and the principal amount and number of Bonds held by each owner or nominee. The
42 Registrar is authorized, on behalf of the County, to authenticate and deliver Bonds
43 transferred or exchanged for other Bonds in accordance with the provisions thereof and
44 of this ordinance, and to carry out all of the Registrar's powers and duties under this
45 ordinance.

1 The Registrar will be responsible for its representations contained in the
2 Certificate of Authentication on the Bonds. The Registrar may become the owner of
3 Bonds with the same rights it would have if it were not the Registrar, and to the extent
4 permitted by law may act as depository for and permit any of its officers or directors to
5 act as a member of, or in any other capacity with respect to, any committee formed to
6 protect the rights of Bond owners.
7

8 Upon surrender thereof to the Registrar, the Bonds are exchangeable for other
9 Bonds of the same maturity and interest rate and for the same aggregate principal
10 amount, in any authorized denomination. Bonds may be transferred only if endorsed in
11 the manner provided thereon and surrendered to the Registrar. Upon surrender, the
12 Registrar will cancel the surrendered Bond and will authenticate and deliver, without
13 charge to the owner or transferee therefor (other than taxes, if any, payable on account
14 of transfer), one or more (at the option of the new owner) new Bonds of the same
15 maturity and interest rate and for the same aggregate principal amount, in any
16 authorized denomination, naming as owner the person or persons listed as the
17 assignee on the assignment form appearing on the canceled and surrendered Bond, in
18 exchange therefor. The Registrar will not be obligated to transfer or exchange any
19 Bond during the period beginning at the opening of business on the Record Date for a
20 maturity date and ending at the close of business on that maturity date.
21

22 The County and the Registrar, each in its discretion, may deem and treat the
23 registered owner of each Bond as the absolute owner thereof for all purposes, and
24 neither the County nor the Registrar will be affected by any notice to the contrary.
25

26 Section 7. **Mutilated, Lost, Stolen or Destroyed Bonds.** If any Bond
27 becomes mutilated, the Registrar will authenticate and deliver one or more (at the
28 option of the registered owner) new Bonds of the same maturity and interest rate and
29 for the same aggregate principal amount, in any authorized denomination, in exchange
30 and substitution therefor, upon the owner's paying the expenses and charges of the
31 County and the Registrar in connection therewith and upon surrender to the Registrar of
32 the mutilated Bond. Every mutilated Bond so surrendered will be canceled and
33 destroyed by the Registrar.
34

35 If any Bond is lost, stolen or destroyed, the Registrar may authenticate and
36 deliver one or more (at the option of the registered owner) new Bonds of the same
37 maturity and interest rate and for the same aggregate principal amount, in any
38 authorized denomination, to the registered owner thereof upon the owner's paying the
39 expenses and charges of the County and the Registrar in connection therewith and
40 upon the owner's filing with the Registrar evidence satisfactory to the Registrar that the
41 Bond was lost, stolen or destroyed and of that person's ownership thereof, and upon
42 furnishing the County and the Registrar with indemnity satisfactory to the Finance
43 Director and the Registrar.
44

45 Section 8. **Pledge of Taxation and Credit.** The County irrevocably
46 covenants and agrees that, for as long as any of the Bonds are outstanding and unpaid,

1 each year it will include in its budget and levy an *ad valorem* tax upon all the property
2 within the County subject to taxation in an amount that will be sufficient, together with all
3 other revenues and money of the County legally available for such purposes, to pay the
4 principal of and interest on the Bonds as the same will become due.

5
6 The County irrevocably pledges that the annual tax provided for in this ordinance
7 to be levied for the payment of such principal and interest will be within and as a part of
8 the tax levy permitted to counties without a vote of the people, and that a sufficient
9 portion of the taxes to be levied and collected annually by the County prior to the full
10 payment of the principal of and interest on the Bonds will be and is irrevocably set
11 aside, pledged and appropriated for the payment of the principal of and interest on the
12 Bonds.

13
14 The full faith, credit and resources of the County are irrevocably pledged for the
15 annual levy and collection of said taxes and for the prompt payment of the principal of
16 and interest on the Bonds as the same will become due.

17
18 **Section 9. Other Covenants and Warranties.** The County makes the
19 following additional covenants with and warranties to the owners of the Bonds:

20
21 (1) The County has full legal right, power and authority to enact this ordinance,
22 and as of the Date of Issue, will have full legal right, power and authority to sell, issue
23 and deliver the Bonds as provided in this ordinance and to carry out and consummate
24 all other transactions contemplated by this ordinance.

25
26 (2) As of the Date of Issue, by all necessary official action, the County will have
27 authorized and approved the execution and delivery of, and the performance by the
28 County of its obligations contained in, the Bonds and this ordinance and the
29 consummation by it of all other transactions necessary to effectuate this ordinance in
30 connection with the issuance of the Bonds, and these authorizations and approvals will
31 be in full force and effect and will not have been amended, modified or supplemented in
32 any material respect.

33
34 (3) This ordinance, when effective, will be a legal, valid and binding obligation of
35 the County.

36
37 (4) When issued, sold, authenticated and delivered as provided in this
38 ordinance, the Bonds will be legal, valid and binding general obligations of the County.

39
40 (5) The enactment of this ordinance, and compliance on the County's part with
41 the provisions contained herein, will not conflict with, constitute a breach of, or
42 constitute a default under, any constitutional provisions, law, administrative regulation,
43 judgment, decree, loan agreement, indenture, bond, note, resolution, ordinance, motion,
44 agreement or other instrument to which the County is a party or to which the County or
45 any of its property or assets are otherwise subject.

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

3
4 Section 10. **Sale of Bonds.**

5
6 (1) General; Delegation of Authority. The County authorizes the public sale of
7 the Bonds. The Finance Director is authorized to execute a Sale Instrument on behalf
8 of the County for the Bonds in accordance with the terms of this ordinance. The
9 Finance Director will determine, in consultation with the County's municipal advisor,
10 whether the Bonds will be sold separately or as Combined Bonds.

11
12 (a) Bonds Sold Separately. If the Finance Director determines that the
13 Bonds shall be sold separately, then:

14
15 (i) The original aggregate principal amount of the Bonds shall not
16 exceed \$24,500,000;

17
18 (ii) One or more rates of interest may be fixed for the Bonds, which
19 rate(s) must be in multiples of 1/1000th of 1%, and no rate of interest for
20 any maturity of the Bonds shall exceed 5.00%;

21
22 (iii) The true interest cost to the County for the Bonds shall not
23 exceed 4.00%;

24
25 (iv) The purchase price for the Bonds shall not be less than 95%
26 nor greater than 140% of the original aggregate principal amount of the
27 Bonds;

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

32
33 (vi) The Bonds may be issued subject to provisions for mandatory
34 redemption prior to maturity, including designation of term bonds, if any, at
35 a price of par;

36
37 (vii) The final maturity date of the Bonds shall not be later than
38 December 1, 2041; and

39
40 (viii) The Date of Issue of the Bonds shall not be later than March
41 31, 2022.

42
43 (b) Combined Bonds. If the Finance Director determines that the Bonds
44 shall be sold as Combined Bonds, then:

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

5
6 (ii) One or more rates of interest may be fixed for the Combined
7 Bonds, which rate(s) must be in multiples of 1/1000th of 1%, and no rate of
8 interest for any maturity of the Combined Bonds shall exceed 5.00%;

9
10 (iii) The true interest cost to the County for the Combined Bonds
11 shall not exceed 4.00%;

12
13 (iv) The purchase price for the Combined Bonds shall not be less
14 than 95% nor greater than 140% of the original aggregate principal
15 amount of the Bonds;

16
17 (v) The Combined Bonds may be issued subject to provisions for
18 optional redemption prior to maturity at a price of par, plus accrued
19 interest, if any, commencing not later than 10.5 years following the Date of
20 Issue;

21
22 (vi) The Combined Bonds may be issued subject to provisions for
23 mandatory redemption prior to maturity, including designation of term
24 bonds, if any, at a price of par;

25
26 (vii) The final maturity date of the Combined Bonds shall not be later
27 than December 1, 2043; and

28
29 (viii) The Date of Issue of the Combined Bonds shall not be later
30 than March 31, 2022.

31
32 (2) Method of Sale. The Finance Director will determine, in consultation with the
33 County's municipal advisor, whether the Bonds shall be sold by negotiated sale or
34 competitive bid.

35
36 (a) Negotiated Sale. If the Finance Director determines that the Bonds
37 should be sold by negotiated sale, the Finance Director will, in consultation with
38 the County's municipal advisor, solicit one or more underwriting firms with which
39 to negotiate the sale of the Bonds pursuant to a written purchase contract
40 therefor. Subject to section 10(1) of this ordinance, if the Bonds are sold by
41 negotiated sale, the purchase contract for the Bonds will establish the date,
42 aggregate principal amount, interest payment dates, interest rate(s), maturity
43 schedule and principal amounts per maturity, redemption provisions and delivery
44 date of the Bonds. The County Council authorizes the Finance Director (i) to
45 serve as the County's designated representative; (ii) to accept, on behalf of the
46 County, the offer to purchase the Bonds pursuant to the purchase contract, which

1 offer must be consistent with the terms of this ordinance; and (iii) to execute and
2 deliver the purchase contract for and on behalf of the County. The Finance
3 Director will provide a copy of the executed purchase contract and report the
4 results of the Bond sale to the County Council at its administrative session next
5 following the sale date of the Bonds.
6

7 (b) Competitive Bid. If the Finance Director determines that the Bonds
8 should be sold by competitive bid, bids for the purchase of the Bonds will be
9 received at such time or place and by such means as the Finance Director, in
10 consultation with the County's municipal advisor, will direct. Subject to section
11 10(1) of this ordinance, if the Bonds are to be sold by competitive bid, the
12 Finance Director is authorized to prepare an Official Notice of Bond Sale for the
13 Bonds, which notice will establish the date, estimated aggregate principal
14 amount, interest payment dates, estimated maturity schedule and principal
15 amount per maturity, redemption provisions and estimated delivery date of the
16 Bonds. After consultation with the County's municipal advisor, the Finance
17 Director may direct that the Official Notice of Bond Sale or an abridged form
18 thereof be published in such newspapers or financial journals as may be deemed
19 desirable or appropriate by the Finance Director.
20

21 Upon the date and time established for the receipt of bids for the purchase
22 of the Bonds by competitive bid, the Finance Director or designee will open the
23 bids and will cause the bids to be mathematically verified by the County's
24 municipal advisor. The County Council authorizes the Finance Director (i) to
25 serve as the County's designated representative; (ii) to accept, on behalf of the
26 County, the winning bid to purchase the Bonds, which bid may be adjusted with
27 respect to the aggregate principal amount and principal amount per maturity as
28 reflected in the written notice of acceptance of winning bid, and which must be
29 consistent with the terms of this ordinance; and (iii) to execute and deliver the
30 notice of acceptance for and on behalf of the County. The Finance Director will
31 provide a copy of the executed notice of acceptance and report the results of the
32 Bond sale to the County Council at its administrative session next following the
33 sale date of the Bonds.
34

35 Section 11. **Delivery of Bonds.** Following the sale of the Bonds, the County
36 will cause definitive Bonds to be prepared, executed and delivered to the purchaser
37 thereof in accordance with this ordinance.
38

39 If definitive Bonds are not ready for delivery by the date established for their
40 delivery to the initial purchaser thereof, then the Finance Director, upon the approval of
41 the purchaser, may cause to be issued and delivered to the purchaser one or more
42 temporary Bonds with appropriate omissions, changes and additions. Any temporary
43 Bond or Bonds will be entitled and subject to the same benefits and provisions of this
44 ordinance with respect to the payment, security and obligation thereof as definitive
45 Bonds authorized hereby. A temporary Bond or Bonds will be exchangeable without
46 cost to the owners thereof for definitive Bonds when the latter are ready for delivery.

1
2 Section 12. **Bond Fund.** Prior to the effective date of this ordinance, there was
3 created in the office of the Finance Director a special fund known as the “Limited Tax
4 General Obligation Debt Service Fund” to be drawn upon to pay the principal of and
5 interest on the limited tax general obligation bonds of the County. There is authorized
6 to be created within that fund a special account for the Bonds to be known as the
7 “Limited Tax General Obligation [and Refunding]Bond Redemption Account, 2021,
8 [Series __] (Federally Taxable)” (the “Bond Fund”).
9

10 Any accrued interest received from the sale of the Bonds will be deposited in the
11 Bond Fund at the time of delivery of the Bonds and will be applied to the payment of
12 interest thereon.
13

14 The taxes levied for the purpose of paying principal of and interest on the Bonds
15 and other funds to be used to pay the Bonds will be deposited in the Bond Fund no later
16 than the date funds are required for the payment of principal of and interest on the
17 Bonds; provided, however, that if the payment of principal of or interest on such Bonds
18 is required before the receipt of the levied taxes, the County may make an interfund
19 loan to the Bond Fund pending receipt of the taxes. The Bond Fund will be drawn upon
20 solely for the purpose of paying the principal of and interest on the Bonds. Money in the
21 Bond Fund not needed to pay the interest or principal next coming due may temporarily
22 be deposited in institutions or invested in obligations as may be lawful for the
23 investment of County funds.
24

25 Section 13. **Deposit of Bond Proceeds.** Before the effective date of this
26 ordinance, the Airport Fund and the Conservation Futures Tax Fund were created.
27

28 The exact amount of proceeds from the sale of the Bonds to be deposited into
29 the Airport Fund and the Conservation Futures Tax Fund and, if the Bonds are sold as
30 Combined Bonds, such other funds or accounts of the County designated for the
31 payment of costs of issuing the Combined Bonds, shall be established by the related
32 Sale Instrument.
33

34 Section 14. **Investment of and Accounting for Funds.** Funds deposited in
35 the funds and accounts described in sections 12 and 13 of this ordinance will be
36 invested as permitted by law for the sole benefit of the respective funds. In addition to
37 proceeds of the Bonds, the County may deposit other money in the funds and accounts
38 described in section 13 of this ordinance. For accounting purposes, Bond proceeds will
39 be deemed to have been spent first, and then any other funds.
40

41 Section 15. **Preliminary Official Statement and Final Official Statement.**
42 The County authorizes and directs the Finance Director: (1) to review and approve the
43 information contained in the preliminary official statement (the “Preliminary Official
44 Statement”) prepared in connection with the sale of the Bonds; and (2) for the sole
45 purpose of compliance by the purchaser of the Bonds with subsection (b)(1) of the Rule,
46 to “deem final” the Preliminary Official Statement as of its date, except for information

1 permitted to be omitted therefrom by the Rule. After the Preliminary Official Statement
2 has been reviewed and approved in accordance with this section 16, the County
3 authorizes the distribution of the Preliminary Official Statement to prospective
4 purchasers of the Bonds.

5
6 Following the sale of the Bonds, the Finance Director is authorized to review and
7 approve on behalf of the County a final official statement with respect to the Bonds.
8 The County agrees to cooperate with the purchaser of the Bonds to deliver or cause to
9 be delivered, within seven business days from the date of the Sale Instrument and in
10 sufficient time to accompany any confirmation that requests payment from any customer
11 of the purchaser, copies of a final official statement pertaining to the Bonds in sufficient
12 quantity to comply with paragraph (b)(4) of the Rule and the rules of the Municipal
13 Securities Rulemaking Board.

14
15 Section 16. **Undertaking to Provide Ongoing Disclosure.** The Finance
16 Director is authorized and directed to enter into a written undertaking for the benefit of
17 owners and beneficial owners of the Bonds to the extent required by and consistent with
18 the requirements of paragraph (b)(5) of the Rule, as applicable to a participating
19 underwriter for the Bonds.

20
21 Section 17. **General Authorization.** The Finance Director and other
22 appropriate County officials, agents and representatives are authorized and directed to
23 do everything necessary for the prompt sale, issuance, execution and delivery of the
24 Bonds, and for the proper use and application of the proceeds of the sale thereof.

25
26 Section 18. **Refunding or Defeasance of Bonds.** The County may issue
27 refunding obligations pursuant to the laws of the state of Washington or use money
28 available from any other lawful source to pay when due the principal of and interest on
29 the Bonds, or any portion thereof included in a refunding or defeasance plan, and to
30 redeem and retire, refund or defease Bonds and to pay the costs of the refunding or
31 defeasance.

32
33 If either money or noncallable Government Obligations, or both, maturing at such
34 time or times and bearing interest to be earned thereon in amounts (together with such
35 money, if necessary) sufficient to redeem and retire, refund or defease part or all of the
36 Bonds in accordance with their terms, are set aside in a special account of the County
37 to effect such redemption and retirement, and such money and the principal of and
38 interest on the Government Obligations are irrevocably set aside and pledged for those
39 purposes, then no further payments need be made into the Bond Fund for the payment
40 of the principal of and interest on the Bonds so provided for, and such Bonds will cease
41 to be entitled to any lien, benefit or security of this ordinance except the right to receive
42 the money so set aside and pledged, and such Bonds will be deemed not to be
43 outstanding hereunder.

44
45 Section 19. **Contract; Severability.** The covenants contained in this ordinance
46 are a contract between the County and the owners of each and every Bond. If any

1 provision of this ordinance or its application to any person or circumstance is held
2 invalid, the remainder of the ordinance or the application of the provision to other
3 persons or circumstances is not affected.

4
5 PASSED this 20th day of October, 2021.

6
7 SNOHOMISH COUNTY COUNCIL
8 Snohomish County, Washington

9
10 *Japhanie Wright*
11 _____
12 Chairperson

13 ATTEST:

14 *Melua Rao*
15 _____
16 Asst. Clerk of the Council

17 (X) APPROVED
18 () EMERGENCY
19 () VETOED

20 DATE: October 21, 2021

21 *[Signature]*
22 _____
23 County Executive

24 ATTEST:

25 *Melissa Geraghty*
26 _____

27 Approved as to form only:

28 *[Signature]*
29 _____
30 Special Deputy Prosecuting Attorney