

Adopted: 2/13/2019
Effective: 3/02/2019

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

ORDINANCE NO. 19-002

AUTHORIZING THE ISSUANCE AND SALE OF TAX-EXEMPT LIMITED TAX GENERAL OBLIGATION BONDS OF THE COUNTY IN AN ORIGINAL PRINCIPAL AMOUNT NOT TO EXCEED \$35,100,000 TO OBTAIN LONG-TERM FINANCING FOR EMERGENCY PUBLIC RADIO SYSTEM REPLACEMENT CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE AND SALE OF A TAX-EXEMPT LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTE OF THE COUNTY IN AN ORIGINAL PRINCIPAL AMOUNT NOT TO EXCEED \$35,100,000 TO OBTAIN INTERIM FINANCING FOR SUCH CAPITAL EXPENDITURES; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF SALE OF THE NOTE AND THE BONDS; ESTABLISHING FUNDS FOR THE RECEIPT AND EXPENDITURE OF NOTE AND BOND PROCEEDS AND FOR THE PAYMENT OF THE NOTE AND THE BONDS; AND PROVIDING FOR THE ANNUAL LEVY OF TAXES TO PAY THE PRINCIPAL THEREOF AND INTEREST THEREON

WHEREAS, the Snohomish County Emergency Radio System (“SERS”) is a municipal instrumentality of its members, jointly organized by such members as a nonprofit corporation under chapter 24.06 RCW as expressly authorized by RCW 39.34.030(3)(b); and

WHEREAS, the County is a member of SERS; and

WHEREAS, SERS owns and operates a radio system necessary to support emergency communications services in the County; and

WHEREAS, SERS desires to replace the radio system necessary to support emergency communications services (the “Emergency Public Radio System Replacement”); and

WHEREAS, the County Council, through Ordinance No. 18-037, authorized submitting to the qualified voters of the County, a ballot proposition for a sales tax increase to be used for emergency communication systems and facilities, and that proposition was approved by the voters of the County at a special election held in conjunction with the general election on November 6, 2018; and

WHEREAS, pursuant to the Interlocal Agreement dated December 24, 2018, between the County and SERS (the “Interlocal Agreement”), the County has agreed to provide funds to SERS (including its successors and assigns) from the revenue raised from this additional sales tax or from the proceeds of County debt repayable from such

1 revenues to finance all or a portion of the costs of the purchase, design, construction,
2 equipping and installation of the Emergency Public Radio System Replacement; and
3

4 WHEREAS, it is deemed necessary and advisable that the County now authorize
5 the issuance and sale of its tax-exempt limited tax general obligation bonds in an
6 original principal amount not to exceed \$35,100,000 to obtain long-term financing for
7 capital expenditures for all or a portion of the costs of the purchase, design,
8 construction, equipping and installation of the Emergency Public Radio System
9 Replacement, and that the County now authorize the issuance and sale of its tax-
10 exempt limited tax general obligation bond anticipation note in an original principal
11 amount not to exceed \$35,100,000 to obtain interim financing for such capital
12 expenditures pending the issuance of the bonds;
13

14 NOW, THEREFORE, BE IT ORDAINED:
15

16 Section 1. Definitions. The following words and terms as used in this
17 ordinance have the following meanings for all purposes of this ordinance (including the
18 recitals hereto), unless some other meaning is plainly intended:
19

20 “Bond Fund” means the bond redemption account established for the payment of
21 the Bonds pursuant to Section 11 of this ordinance.
22

23 “Bonds” means the limited tax general obligation bonds of the County in an
24 original principal amount not to exceed \$35,100,000, authorized to be issued by this
25 ordinance to obtain long-term financing for the Project and to pay incidental costs and
26 costs related to the sale and issuance of the Note and the Bonds.
27

28 “Code” means the federal Internal Revenue Code of 1986, as amended, together
29 with corresponding and applicable final, temporary or proposed regulations and revenue
30 rulings issued or amended with respect thereto by the United States Treasury
31 Department or the Internal Revenue Service.
32

33 “County” means Snohomish County, Washington.
34

35 “County Council” means the Snohomish County Council.
36

37 “Date of Issue” means (a) with respect to the Bonds, the date on which the
38 Bonds are issued and delivered to the purchaser in return for payment of the purchase
39 price therefor; and (b) with respect to the Note, the date on which the Note is issued and
40 delivered to the purchaser in return for payment of the purchase price therefor.
41

42 “DTC” means The Depository Trust Company, New York, New York.
43

44 “Emergency Public Radio System Replacement” has the meaning set forth in the
45 recitals to this ordinance.
46

1 “Federal Tax Certification” means, with respect to the Bonds or the Note, as
2 applicable, the certificate executed by the Finance Director pertaining to the County’s
3 expectations in connection with the federal tax treatment of interest on the Bonds or the
4 Note, respectively.

5
6 “Finance Director” means the director of the County Finance Department or any
7 other County officer who succeeds to the duties now delegated to that office.

8
9 “Government Obligations” means “government obligations,” as defined in
10 chapter 39.53 RCW, as now in existence or hereafter amended.

11
12 “Interlocal Agreement” has the meaning set forth in the recitals to this ordinance.

13
14 “Letter of Representations” means the Blanket Issuer Letter of Representations,
15 dated May 20, 1998, from the County to DTC.

16
17 “Note” means the limited tax general obligation bond anticipation note of the
18 County in an original principal amount not to exceed \$35,100,000, authorized to be
19 issued by this ordinance to obtain interim financing for the Project and to pay incidental
20 costs and costs related to the sale and issuance of the Note.

21
22 “Note Fund” means the note redemption account established for the payment of
23 the Note pursuant to Section 11 of this ordinance.

24
25 “Official Notice of Bond Sale” means, if the Bonds are sold by competitive bid,
26 the official notice of sale therefor prepared pursuant to Section 4.E.3 of this ordinance.

27
28 “Project” means capital expenditures for all or a portion of the costs of purchase,
29 design, construction, equipping and installation of the Emergency Public Radio System
30 Replacement.

31
32 “Rebate Amount” means the amount, if any, determined to be payable by the
33 County to the United States of America with respect to the Note or the Bonds, as
34 applicable, in accordance with Section 148(f) of the Code.

35
36 “Record Date” means (a) for an interest or principal payment date or for a
37 maturity date with respect to the Bonds, the 15th day of the calendar month next
38 preceding that date; and (b) for an interest payment date with respect to the Note, the
39 business day next preceding that date.

40
41 “Register” means the registration books maintained by the Registrar for purposes
42 of identifying ownership of the Note or the Bonds, as applicable.

43
44 “Registrar” means (a) with respect to the Bonds, the fiscal agent of the State of
45 Washington appointed from time to time by the Washington State Finance Committee
46 pursuant to chapter 43.80 RCW, serving as the registrar, authenticating agent, paying

1 agent and transfer agent for the Bonds; and (b) with respect to the Note, the County
2 serving as its own registrar, paying agent and transfer agent for the Note.

3
4 “RFP” means the County’s request for proposals for the purchase of the Note in
5 substantially the form attached as Exhibit A to this ordinance.

6
7 “Rule” means Securities and Exchange Commission Rule 15c2-12 under the
8 Securities and Exchange Act of 1934, as the same may be amended from time to time.

9
10 “Sale Instrument” means (a) with respect to the Bonds, (1) if the Bonds are sold
11 by negotiated sale, the purchase contract therefor, or (2) if the Bonds are sold by
12 competitive bid, the notice of sale, the winning bid and a notice of acceptance of bid
13 from the Finance Director, in each case, establishing, among other things, the dated
14 date, principal amounts and maturity dates, interest rates and interest payment dates,
15 and the redemption provisions for the Bonds; and (b) with respect to the Note, the RFP,
16 the best proposal to purchase the Note and a notice of acceptance from the Finance
17 Director establishing, among other things, the dated date and the interest rate for the
18 Note.

19
20 “SERS” has the meaning set forth in the recitals to this ordinance.

21
22 Section 2. Findings. The County Council hereby makes the following findings:

23
24 A. The Emergency Public Radio System Replacement will contribute to the
25 health, safety and welfare of the citizens of the County.

26
27 B. The issuance and sale of tax-exempt limited tax general obligation bonds
28 of the County, payable from regular property taxes or other revenues, taxes and money
29 of the County legally available for such purposes, to obtain long-term financing for the
30 Project, and the issuance and sale of a tax-exempt limited tax general obligation bond
31 anticipation note of the County, payable from the proceeds of the sale of such Bonds,
32 regular property taxes or other revenues, taxes and money of the County legally
33 available for such purposes, to obtain interim financing for the Project pending the
34 issuance of the Bonds, are in the best interests of the County and its citizens.

35
36 Section 3. Project.

37
38 A. Project. Pursuant to the Interlocal Agreement, the County has agreed to
39 provide funds to SERS (including its successors and assigns) for the Project.

40
41 B. General. The Project will include the incidental costs and costs related to
42 the sale and issuance of the Note and the Bonds. The Project will also include, as
43 applicable, the purchase of all materials, supplies, appliances, equipment and facilities,
44 and the permits, franchises, property and property rights and administrative costs,
45 necessary, incidental or convenient to effect the implementation of the Project.

1 The Project may include capitalized interest and the costs of sales tax,
2 acquisition and contingency allowances, financing, and surveys, explorations,
3 engineering and architectural studies, drawings, designs and specifications incidental,
4 necessary or convenient to the implementation of the Project.

5
6 Section 4. Purpose, Authorization and Description of Bonds.
7

8 A. Purpose and Authorization of Bonds. The County authorizes the issuance
9 of the Bonds to obtain long-term financing for the Project, which may take the form, in
10 part, of a current refunding of the Note, as well as incidental costs and costs related to
11 the sale and issuance of the Note and the Bonds.

12
13 B. Description of Bonds. The Bonds will be designated “Snohomish County,
14 Washington, Limited Tax General Obligation Bonds,” with an applicable year and series
15 designation to be established by the Sale Instrument therefor. The Bonds will be dated
16 as of such date, will mature on June 1 or December 1 in each of the years and in the
17 principal amounts, will bear interest (computed on the basis of a 360-day year of twelve
18 30-day months) from their date or the most recent interest payment date to which
19 interest has been paid or duly provided for, whichever is later, at the rates and payable
20 on June 1 and December 1 in such years, commencing on such date, will be subject to
21 optional and mandatory redemption prior to maturity at the prices, in the amounts and in
22 the manner, and will be subject to such other terms and provisions as the County will
23 establish by the Sale Instrument therefor. The Bonds will be fully registered as to both
24 principal and interest, will be in the denomination of \$5,000 each or any integral multiple
25 thereof (but no Bond will represent more than one maturity), and will be numbered
26 separately in such manner and with any additional designation as the Registrar deems
27 necessary for purposes of identification.

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

41
42 The Bonds will initially be issued in denominations equal to the aggregate
43 principal amount of each maturity and will initially be registered in the name of Cede &
44 Co., as the nominee of DTC. Such Bonds so registered will be held in fully immobilized
45 form by DTC as depository. For so long as any such Bonds are held in fully
46 immobilized form, DTC, its successor or any substitute depository appointed by the

1 County, as applicable, will be deemed to be the registered owner for all purposes
2 hereunder and all references to registered owners, bondowners, bondholders, owners
3 or the like will mean DTC or its nominees and will not mean the owners of any beneficial
4 interests in the Bonds. Registered ownership of such Bonds, or any portions thereof,
5 may not thereafter be transferred except:

6
7 (1) To any successor of DTC or its nominee, if that successor will be
8 qualified under any applicable laws to provide the services proposed to be
9 provided by it;

10
11 (2) To any substitute depository appointed by the County pursuant to
12 this subsection or such substitute depository's successor; or

13
14 (3) To any person as provided in this ordinance if such Bonds are no
15 longer held in immobilized form.

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

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

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

43
44 D. Place, Manner and Medium of Payment. Both principal of and interest on
45 the Bonds will be payable in lawful money of the United States of America. For so long
46 as any outstanding Bonds are registered in the name of Cede & Co., or its registered

1 assigns, as nominee of DTC, payments of principal of and interest on such Bonds will
2 be made in same day funds on the date such payment is due and payable at the place
3 and in the manner provided in the Letter of Representations.
4

5 In the event that the Bonds are no longer held in fully immobilized form by DTC
6 or its successor (or substitute depository or its successor), interest on such Bonds will
7 be paid by checks or drafts mailed to the registered owners of such Bonds at the
8 addresses for such registered owners appearing on the Register on the Record Date for
9 that interest payment date, or by electronic transfer on the interest payment date to an
10 account within the United States designated by a registered owner of at least
11 \$1,000,000 in principal amount of the Bonds. The County shall not be required to make
12 electronic transfers except to a registered owner of Bonds pursuant to a request in
13 writing received on or prior to the Record Date for that interest payment date and any
14 such electronic transfer shall be at the sole expense of that registered owner. Principal
15 of the Bonds will be payable at maturity or on such dates as may be fixed for prior
16 redemption upon presentation and surrender of such Bonds by the owners to the
17 Registrar.
18

19 E. Sale of Bonds.
20

21 1. General; Delegation of Authority. The County hereby authorizes
22 the public sale of the Bonds. The Finance Director is authorized to execute a
23 Sale Instrument for the Bonds on behalf of the County in accordance with the
24 terms of this ordinance.

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

26 a. The original aggregate principal amount of the Bonds shall
27 not exceed \$35,100,000;

28 b. One or more rates of interest may be fixed for the Bonds,
29 which rate(s) must be in multiples of 1/1000th of 1%, and no rate of interest
30 for any maturity of the Bonds shall exceed 6.00%;

31 c. The true interest cost to the County for the Bonds shall not
32 exceed 6.00%;

33 d. The purchase price for the Bonds shall not be less than 97%
34 nor greater than 130% of the original aggregate principal amount of the
35 Bonds;

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

1 f. The Bonds may be issued subject to provisions for
2 mandatory redemption prior to maturity, including designation of term
3 bonds, if any, at a price of par;

4 g. The final maturity date of the Bonds shall not be later than
5 December 1, 2049; and

6 h. The Date of Issue of the Bonds shall not be later than
7 December 31, 2019.

8 The Finance Director will determine, in consultation with the County's
9 municipal advisor, whether the Bonds will be sold by negotiated sale or
10 competitive bid.

11
12 2. Negotiated Sale. If the Finance Director determines that the Bonds
13 will be sold by negotiated sale, the Finance Director will, in consultation with the
14 County's municipal advisor, solicit one or more underwriting firms with which to
15 negotiate the sale of the Bonds pursuant to a written purchase contract therefor.
16 Subject to Section 4.E.1 of this ordinance, if the Bonds are sold by negotiated
17 sale, the purchase contract for the Bonds will establish the date, aggregate
18 principal amount, interest payment dates, interest rate(s), maturity schedule and
19 principal amounts per maturity, redemption provisions and delivery date of the
20 Bonds. The County Council authorizes the Finance Director (i) to serve as the
21 County's designated representative; (ii) to accept, on behalf of the County, the
22 offer to purchase the Bonds pursuant to the purchase contract, which offer must
23 be consistent with the terms of this ordinance; and (iii) to execute and deliver
24 such purchase contract for and on behalf of the County. The Finance Director
25 will provide a copy of the executed purchase contract and report the results of
26 the Bond sale to the County Council at its administrative session next following
27 the sale date of the Bonds.

28
29 3. Competitive Bid. If the Finance Director determines that the Bonds
30 will be sold by competitive bid, bids for the purchase of the Bonds will be
31 received at such time or place and by such means as the Finance Director, in
32 consultation with the County's municipal advisor, will direct. Subject to Section
33 4.E.1 of this ordinance, if the Bonds are to be sold by competitive bid, the
34 Finance Director is authorized to prepare and distribute or disseminate an Official
35 Notice of Bond Sale for the Bonds, which notice will establish the date, estimated
36 aggregate principal amount, interest payment dates, estimated maturity schedule
37 and principal amount per maturity, redemption provisions and estimated delivery
38 date of the Bonds.

39
40 Upon the date and time established for the receipt of bids for the purchase
41 of the Bonds by competitive bid, the Finance Director or his or her designee will
42 open the bids and will cause the bids to be mathematically verified by the
43 County's municipal advisor. The County Council authorizes the Finance Director
44 (i) to serve as the County's designated representative; (ii) to accept, on behalf of

1 the County, the winning bid to purchase the Bonds, which bid may be adjusted
2 with respect to the aggregate principal amount and principal amount per maturity
3 as reflected in the written notice of acceptance of winning bid, and which must be
4 consistent with the terms of this ordinance; and (iii) to execute and deliver such
5 notice of acceptance for and on behalf of the County. The Finance Director will
6 provide a copy of the executed notice of acceptance and report the results of the
7 Bond sale to the County Council at its administrative session next following the
8 sale date of the Bonds.

9
10 F. Form of Bonds. The Bonds will be in substantially the following form:

11
12 NO. _____ \$ _____

13
14 UNITED STATES OF AMERICA
15 STATE OF WASHINGTON
16 SNOHOMISH COUNTY
17 LIMITED TAX GENERAL OBLIGATION BOND, [YEAR, SERIES ___]

18
19
20 INTEREST RATE: MATURITY DATE: CUSIP NO.:

21
22 REGISTERED OWNER:

23
24 PRINCIPAL AMOUNT:

25
26 SNOHOMISH COUNTY, WASHINGTON (the "County"), hereby acknowledges
27 itself to owe and for value received promises to pay to the Registered Owner identified
28 above, or registered assigns, on the Maturity Date specified above, the Principal
29 Amount specified above and to pay interest thereon (computed on the basis of a 360-
30 day year of twelve 30-day months) from [_____] (information to come from
31 the Sale Instrument)], or the most recent date to which interest has been paid or duly
32 provided for until payment of this Bond at the Interest Rate set forth above, payable on
33 [_____] (information to come from the Sale Instrument)], and semiannually
34 thereafter on the 1st days of each succeeding June and December to the maturity or
35 prior redemption of this Bond.

36
37 Both principal of and interest on this Bond are payable in lawful money of the
38 United States of America. While Bonds are held in an immobilized "book entry" system
39 of registration, the principal of this Bond is payable to the order of the Registered Owner
40 in same day funds received by the Registered Owner on the Maturity Date of this Bond
41 [or date fixed for prior redemption], and the interest on this Bond is payable to the order
42 of the Registered Owner in same day funds received by the Registered Owner on each
43 interest payment date. When Bonds are no longer held in an immobilized "book entry"
44 registration system, the principal will be paid to the Registered Owner or nominee of
45 such owner upon presentation and surrender of this Bond to the fiscal agent of the State
46 of Washington (the "Registrar"), and the interest will be paid by mailing a check or draft

1 (on the date such interest is due) to the Registered Owner or nominee of such
2 Registered Owner at the address shown on the registration books maintained by the
3 Registrar (the "Register") as of the 15th day of the calendar month next preceding the
4 interest payment date; provided, however, that if so requested in writing by the
5 Registered Owner of at least \$1,000,000 par value of the Bonds, interest will be paid by
6 electronic transfer to an account within the United States.
7

8 This Bond is one of an authorized issue of Bonds of like date and tenor, except
9 as to number, amount, rate of interest[, redemption provisions] and date of maturity, in
10 the aggregate principal amount of \$[_____ (information to come from the
11 Sale Instrument)], and is issued to obtain long-term financing for capital expenditures for
12 all or a portion of the costs of purchase, design, construction, equipping and installation
13 of the Emergency Public Radio System Replacement, as well as incidental costs and
14 costs related to the sale and issuance of the Bonds, pursuant to Snohomish County
15 Ordinance No. 19-___ (the "Bond Ordinance"). Capitalized words and phrases used but
16 not defined herein will have the meanings set forth in the Bond Ordinance.
17

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

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

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

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

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

27 SNOHOMISH COUNTY, WASHINGTON

28
29
30 By _____
31 County Executive

32 ATTEST:

33
34
35 _____
36 Clerk of the County Council

37
38 CERTIFICATE OF AUTHENTICATION

39
40 This Bond is one of the Snohomish County, Washington, Limited Tax General
41 Obligation Bonds, [Year, Series ___] described in the within mentioned Bond Ordinance.
42

43 WASHINGTON STATE FISCAL
44 AGENT, as Registrar
45
46

1 By _____
2 Authorized Officer

3
4 ASSIGNMENT

5
6 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
7 unto:

8
9 _____
10 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION
11 NUMBER OF TRANSFEREE

12 []

13 _____
14 (Please print or typewrite name and address, including zip code of Transferee)

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

18
19 DATED: _____, _____.

20
21
22
23 _____
24 NOTE: The signature on this
25 Assignment must correspond with the
26 name of the Registered Owner as it
27 appears upon the face of the within
28 Bond in every particular, without
29 alteration or enlargement or any change
30 whatever.

31 SIGNATURE GUARANTEED:

32
33
34 _____
35 NOTE: Signature must be guaranteed by an eligible guarantor.

36
37 G. Execution of Bonds. The Bonds will be executed on behalf of the County
38 with the manual or facsimile signatures of the County Executive and the Clerk of the
39 County Council, and will have the seal of the County impressed or imprinted thereon.

40
41 In case any officer who has executed the Bonds ceases to be an officer of the
42 County authorized to sign the Bonds before the Bonds bearing his or her signature are
43 authenticated or delivered by the Registrar or issued by the County, those Bonds may
44 nevertheless be authenticated, issued and delivered and, when authenticated, issued
45 and delivered, will be as binding upon the County as though that person had continued
46 to be an officer of the County authorized to sign the Bonds. Any Bond also may be

1 signed on behalf of the County by any person who, on the actual date of signing of the
2 Bond, is one of the officers of the County authorized to sign the Bonds, although he or
3 she did not hold the required office on the date of issuance of the Bonds.
4

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

12 H. Delivery of Bonds. Following the sale of the Bonds, the County will cause
13 definitive Bonds to be prepared, executed and delivered to the purchaser thereof in
14 accordance with the provisions of this ordinance.
15

16 If definitive Bonds are not ready for delivery by the date established for their
17 delivery to the initial purchaser thereof, then the Finance Director, upon the approval of
18 the purchaser, may cause to be issued and delivered to the purchaser one or more
19 temporary Bonds with appropriate omissions, changes and additions. Any temporary
20 Bond or Bonds will be entitled and subject to the same benefits and provisions of this
21 ordinance with respect to the payment, security and obligation thereof as definitive
22 Bonds authorized hereby. Such temporary Bond or Bonds will be exchangeable without
23 cost to the owners thereof for definitive Bonds when the latter are ready for delivery.
24

25 I. Open Market Purchase of Bonds. The County reserves the right to
26 purchase any or all of the Bonds on the open market at any time and at any price.
27

28 Section 5. Purpose, Authorization and Description of Note.
29

30 A. Purpose and Authorization of Note. The County authorizes the issuance
31 of the Note to obtain interim financing for the Project, as well as incidental costs and
32 costs related to the sale and issuance of the Note.
33

34 B. Description of Note. The Note will be issued as a single fully registered
35 note and will mature on December 1, 2019. The Note will be designated "Snohomish
36 County, Washington, Limited Tax General Obligation Bond Anticipation Note, 2019."
37 The Note will be dated as of such date, will bear interest (computed as provided in the
38 Sale Instrument) from their date or the most recent interest payment date to which
39 interest has been paid or duly provided for, whichever is later, at the rate and payable
40 on the Maturity Date, and will be subject to such other terms and provisions as the
41 County will establish by the Sale Instrument therefor.
42

43 C. Place, Manner and Medium of Payment. Both principal of and interest on
44 the Note will be payable in lawful money of the United States of America. Principal of
45 and interest on the Note will be payable at maturity or on such date as may be fixed for

1 prepayment prior to maturity upon presentation and surrender of such Note to the
2 Registrar by the registered owner of the Note.

3
4 D. Prepayment. The Note will be subject to prepayment prior to maturity, in
5 whole but not in part, without premium, upon 10 days' prior written notice from the
6 County to the registered owner.

7
8 E. Sale of Note.

9
10 1. General. The County hereby authorizes the direct placement sale
11 of the Note pursuant to the RFP. The Note shall be sold in a single series;
12 provided, that:

13 a. The original principal amount of the Note shall not exceed
14 \$35,100,000;

15 b. The interest rate for the Note shall be a fixed rate;

16 c. The maximum interest rate for the Note shall not exceed
17 5.00%;

18 d. The purchase price for the Note shall not be less than 96%
19 nor greater than 110% of the original principal amount of the Note; and

20 e. The Date of Issue of the Note shall not be later than April 30,
21 2019.

22 2. Direct Placement; Delegation of Authority. The County Council
23 authorizes the Finance Director (i) to serve as the County's designated
24 representative; (ii) to determine, on behalf of the County, the best proposal
25 received by the County in response to the RFP for the purchase of the Note; and
26 (iii) to execute and deliver a Sale Instrument therefor for and on behalf of the
27 County. The Finance Director will provide a copy of the executed Note Sale
28 Instrument and report the results of the Note sale to the County Council at its
29 administrative session next following the sale date of the Note.

30
31 F. Form of Note. The Note will be in substantially the following form:

32
33 \$ _____
34

35 UNITED STATES OF AMERICA
36 STATE OF WASHINGTON
37 SNOHOMISH COUNTY
38 LIMITED TAX GENERAL OBLIGATION
39 BOND ANTICIPATION NOTE, 2019
40
41

1 MATURITY DATE:

2
3 REGISTERED OWNER:

4
5 PRINCIPAL AMOUNT:

6
7 SNOHOMISH COUNTY, WASHINGTON (the "County"), hereby acknowledges
8 itself to owe and for value received promises to pay to the Registered Owner identified
9 above, or registered assigns, on the Maturity Date specified above, the Principal
10 Amount specified above and to pay interest thereon computed on the basis of
11 [_____ (information to come from the Sale Instrument)] from
12 [_____ (information to come from the Sale Instrument)], or the most recent
13 date to which interest has been paid or duly provided for until payment of this Note at
14 the rate of [_____ (information to come from the Sale Instrument)].

15
16 This Note is subject to prepayment prior to maturity, in whole but not in part,
17 without premium, upon 10 days' prior written notice from the County to the Registered
18 Owner.

19
20 This Note is issued as a single Note to obtain interim financing for capital
21 expenditures for all or a portion of the costs of purchase, design, construction,
22 equipping and installation of the Emergency Public Radio System Replacement, as well
23 as incidental costs and costs related to the sale and issuance of this Note, pursuant to
24 Snohomish County Ordinance No. 19-____ (the "Note Ordinance"). Capitalized words
25 and phrases used but not defined herein shall have the meanings set forth in the Note
26 Ordinance.

27
28 Both principal of and interest on this Note are payable in lawful money of the
29 United States of America. Principal of and interest on this Note are payable at maturity
30 or on such date as may be fixed for prepayment prior to maturity upon presentation and
31 surrender of this Note to the Registrar by the Registered Owner hereof.

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

1
2 The covenants contained herein and in the Note Ordinance may be discharged
3 prior to maturity of this Note by making provisions for the payment thereof on the terms
4 and conditions set forth in the Note Ordinance.

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

12
13 IN WITNESS WHEREOF, the County has caused this Note to be executed by
14 the manual signatures of the County Executive and the Clerk of the County Council, and
15 the seal of the County to be impressed or imprinted hereon, as of this [_____] day
16 of [_____] (information to come from the Sale Instrument).

17
18 SNOHOMISH COUNTY, WASHINGTON

19
20
21 By _____
22 County Executive

23 ATTEST:

24
25
26 _____
27 Clerk of the County Council

28
29 ASSIGNMENT

30
31 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
32 unto:

33
34 _____
35 PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION
36 NUMBER OF TRANSFEREE
37 []

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

39
40 the within Note and does hereby irrevocably constitute and appoint _____
41 _____, or its successor, as Registrar to transfer said Note on the books
42 kept for registration thereof with full power of substitution in the premises.

43
44 DATED: _____, _____.

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

SIGNATURE GUARANTEED:

NOTE: Signature must be guaranteed by an eligible guarantor.

G. Execution of Note. The Note will be executed on behalf of the County with the manual 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 Note ceases to be an officer of the County authorized to sign the Note before the Note is issued by the County, the Note may nevertheless be issued and delivered and, when 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 Note. The Note also may be signed on behalf of the County by any person who, on the actual date of signing of the Note, is one of the officers of the County authorized to sign the Note, although he or she did not hold the required office on the date of issuance of the Note.

H. Delivery of Note. Following the sale of the Note, the County will cause the definitive Note to be prepared, executed and delivered to the purchaser thereof in accordance with the provisions of this ordinance.

Section 6. Registration, Transfer and Exchange of Note and Bonds.

A. Registration, Transfer and Exchange of Note. The Registrar shall keep, or cause to be kept, at its office, sufficient books for the registration and transfer of the Note. The Register for the Note shall contain the name and mailing address of the registered owner (or nominee thereof) of the Note.

The registered ownership of the Note may not be transferred, except for transfer to a successor in interest to the registered owner as a result of merger or consolidation, or sale of substantially all of the assets of the registered owner.

The County as issuer of the Note and as the Registrar, in its discretion, may deem and treat the registered owner of the Note as the absolute owner thereof for all purposes, and shall not be affected by any notice to the contrary.

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

12
13 The Registrar will be responsible for its representations contained in the
14 Certificate of Authentication on the Bonds. The Registrar may become the owner of
15 Bonds with the same rights it would have if it were not the Registrar, and to the extent
16 permitted by law may act as depository for and permit any of its officers or directors to
17 act as a member of, or in any other capacity with respect to, any committee formed to
18 protect the rights of Bond owners.

19
20 Upon surrender thereof to the Registrar, the Bonds are exchangeable for other
21 Bonds of the same maturity and interest rate and for the same aggregate principal
22 amount, in any authorized denomination. Bonds may be transferred only if endorsed in
23 the manner provided thereon and surrendered to the Registrar. Upon such surrender,
24 the Registrar will cancel the surrendered Bond and will authenticate and deliver, without
25 charge to the owner or transferee therefor (other than taxes, if any, payable on account
26 of such transfer), one or more (at the option of the new owner) new Bonds of the same
27 maturity and interest rate and for the same aggregate principal amount, in any
28 authorized denomination, naming as owner the person or persons listed as the
29 assignee on the assignment form appearing on the canceled and surrendered Bond, in
30 exchange therefor. The Registrar will not be obligated to transfer or exchange any
31 Bond during the period beginning at the opening of business on the Record Date for a
32 maturity date and ending at the close of business on such maturity date.

33
34 The County and the Registrar, each in its discretion, may deem and treat the
35 registered owner of each Bond as the absolute owner thereof for all purposes, and
36 neither the County nor the Registrar will be affected by any notice to the contrary.

37
38 Section 7. Mutilated, Lost, Stolen or Destroyed Note or Bonds.

39
40 A. Mutilated, Lost, Stolen or Destroyed Note. If the Note shall become
41 mutilated, the County shall issue and deliver a new Note of the same interest rate, for
42 the same principal amount, and of like tenor and effect in substitution therefor, all in
43 accordance with law, upon the registered owner's paying the expenses and charges of
44 the County in connection therewith and upon surrender to the Registrar of the mutilated
45 Note. The mutilated Note so surrendered shall be canceled and destroyed by the
46 Registrar.

1
2 If the Note shall be lost, stolen or destroyed, the County may issue and deliver a
3 new Note of the same interest rate and for the same principal amount, to the registered
4 owner thereof upon the registered owner's paying the expenses and charges of the
5 County in connection therewith and upon its filing with the Registrar evidence
6 satisfactory to the Registrar that the Note was actually lost, stolen or destroyed and of
7 its ownership thereof, and upon furnishing the County and the Registrar with indemnity
8 satisfactory to the Finance Director and the Registrar.
9

10 B. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond becomes
11 mutilated, the Registrar will authenticate and deliver one or more (at the option of the
12 registered owner) new Bonds of the same maturity and interest rate and for the same
13 aggregate principal amount, in any authorized denomination, in exchange and
14 substitution therefor, upon the owner's paying the expenses and charges of the County
15 and the Registrar in connection therewith and upon surrender to the Registrar of the
16 mutilated Bond. Every mutilated Bond so surrendered will be canceled and destroyed
17 by the Registrar.
18

19 If any Bond is lost, stolen or destroyed, the Registrar may authenticate and
20 deliver one or more (at the option of the registered owner) new Bonds of the same
21 maturity and interest rate and for the same aggregate principal amount, in any
22 authorized denomination, to the registered owner thereof upon the owner's paying the
23 expenses and charges of the County and the Registrar in connection therewith and
24 upon his or her filing with the Registrar evidence satisfactory to the Registrar that such
25 Bond was actually lost, stolen or destroyed and of his or her ownership thereof, and
26 upon furnishing the County and the Registrar with indemnity satisfactory to the Finance
27 Director and the Registrar.
28

29 Section 8. Pledge of Taxation and Credit. The County hereby irrevocably
30 covenants and agrees that, for as long as the Note or any of the Bonds are outstanding
31 and unpaid, each year it will include in its budget and levy an *ad valorem* tax upon all
32 the property within the County subject to taxation in an amount that will be sufficient,
33 together with all other revenues and money of the County legally available for such
34 purposes, to pay the principal of and interest on the Note and the Bonds as the same
35 will become due.
36

37 The County hereby irrevocably pledges that the annual tax provided for in this
38 ordinance to be levied for the payment of such principal and interest will be within and
39 as a part of the tax levy permitted to counties without a vote of the people, and that a
40 sufficient portion of the taxes to be levied and collected annually by the County prior to
41 the full payment of the principal of and interest on the Note and the Bonds will be and is
42 hereby irrevocably set aside, pledged and appropriated for the payment of the principal
43 of and interest on the Note and the Bonds.
44

1 The full faith, credit and resources of the County are hereby irrevocably pledged
2 for the annual levy and collection of said taxes and for the prompt payment of the
3 principal of and interest on the Note and the Bonds as the same will become due.
4

5 Section 9. Federal Tax Law Covenants. The County shall comply with the
6 provisions of this section with respect to the Note and the Bonds unless, in the written
7 opinion of nationally-recognized bond counsel to the County, such compliance is not
8 required to maintain the exemption of the interest on the Note or the Bonds, as
9 applicable, from federal income taxation.
10

11 The County hereby covenants that it will not make any use of the proceeds from
12 the sale of the Note or the Bonds (or of any other funds of the County that may be
13 deemed to be proceeds of the Note or the Bonds pursuant to Section 148 of the Code
14 and the applicable regulations thereunder) that will cause the Note or the Bonds to be
15 “arbitrage bonds” within the meaning of said Section 148 of the Code and said
16 regulations. The County will comply with the applicable requirements of Section 148 of
17 the Code (or any successor provision thereof applicable to the Note or the Bonds) and
18 the applicable regulations thereunder throughout the term of the Note or the Bonds, as
19 applicable. In particular, the County will compute, if necessary, and pay the Rebate
20 Amount, if any, to the United States of America at the times and in the amounts
21 necessary to meet the requirements of the Code to maintain the federal income tax
22 exemption for interest on the Note and the Bonds, as applicable, as set forth in the
23 applicable Federal Tax Certification.
24

25 The County further covenants that it will not take any action or permit any action
26 to be taken that would cause the Note or the Bonds to constitute “private activity bonds”
27 under Section 141 of the Code.
28

29 Section 10. Other Covenants and Warranties. The County makes the following
30 additional covenants with and warranties to the owners of the Note and the Bonds:
31

32 A. The County has full legal right, power and authority to enact this
33 ordinance, and as of the Dates of Issue of the Note and the Bonds, respectively, will
34 have full legal right, power and authority to sell, issue and deliver the Note or the Bonds,
35 as applicable, as provided in this ordinance and to carry out and consummate all other
36 transactions contemplated by this ordinance.
37

38 B. As of the Dates of Issue of the Note and the Bonds, respectively, by all
39 necessary official action, the County will have duly authorized and approved the
40 execution and delivery of, and the performance by the County of its obligations
41 contained in, the Note or the Bonds, as applicable, and this ordinance and the
42 consummation by it of all other transactions necessary to effectuate this ordinance in
43 connection with the issuance of the Note or the Bonds, as applicable, and such
44 authorizations and approvals will be in full force and effect and will not have been
45 amended, modified or supplemented in any material respect.
46

1 C. This ordinance, when effective, will constitute a legal, valid and binding
2 obligation of the County.

3
4 D. When issued, sold and delivered as provided in this ordinance, the Note
5 and the Bonds will constitute legal, valid and binding general obligations of the County.
6

7 E. The County will maintain or cause to be maintained (1) a system of
8 registration of the Note that complies with the applicable provisions of the Code until the
9 Note shall have been surrendered and canceled, and (2) a system of registration of the
10 Bonds that complies with the applicable provisions of the Code until all of the Bonds
11 shall have been surrendered and canceled.
12

13 F. The enactment of this ordinance, and compliance on the County's part
14 with the provisions contained herein, will not conflict with, constitute a breach of, or
15 constitute a default under, any constitutional provisions, law, administrative regulation,
16 judgment, decree, loan agreement, indenture, bond, note, resolution, ordinance, motion,
17 agreement or other instrument to which the County is a party or to which the County or
18 any of its property or assets are otherwise subject.
19

20 G. The Note and the Bonds will be issued within all statutory and
21 constitutional debt limitations applicable to the County.
22

23 Section 11. Note and Bond Funds. There has heretofore been created in the
24 office of the Finance Director a special fund known as the "Limited Tax General
25 Obligation Debt Service Fund" to be drawn upon for the purpose of paying the principal
26 of and interest on the limited tax general obligation bonds of the County. There are
27 hereby authorized to be created within said fund (a) a special account for the Note to be
28 known as the "Limited Tax General Obligation Bond Anticipation Note Redemption
29 Account, 2019" (the "Note Fund") and (b) a special account for the Bonds to be known
30 as the "Limited Tax General Obligation Bond Redemption Account," with an applicable
31 year and series designation matching those for the Bonds (the "Bond Fund").
32

33 Any accrued interest received from the sale of the Note or the Bonds will be
34 deposited into the Note Fund or the Bond Fund, as applicable, at the time of delivery of
35 the Note or the Bonds, as applicable, and will be applied to the payment of interest
36 thereon.
37

38 The taxes levied for the purpose of paying principal of and interest on the Note or
39 the Bonds and other funds to be used to pay the Note or the Bonds will be deposited in
40 the Note Fund or the Bond Fund, as applicable, no later than the date such funds are
41 required for the payment of principal of and interest on the Note or the Bonds, as
42 applicable; provided, however, that if the payment of such principal or interest is
43 required prior to the receipt of such levied taxes, the County may make an interfund
44 loan to the Note Fund or the Bond Fund, as applicable, pending actual receipt of such
45 taxes. The Note Fund will be drawn upon solely for the purpose of paying the principal
46 of and interest on the Note and the Bond Fund will be drawn upon solely for the purpose

1 of paying the principal of and interest on the Bonds. Money in the Note Fund and the
2 Bond Fund not needed to pay the interest or principal next coming due may temporarily
3 be deposited in such institutions or invested in such obligations as may be lawful for the
4 investment of County funds.

5
6 Section 12. Application of Note and Bond Proceeds—New Money. The
7 County has heretofore created the Emergency Communications and Facilities Fund,
8 which fund is hereby designated for the receipt and expenditure of Note and Bond
9 proceeds to be used to provide funds for the Project and to pay costs related to the sale
10 and issuance of the Note and the Bonds.

11
12 The exact amount of proceeds from the sale of the Note and the Bonds, as
13 applicable, to be deposited into the Emergency Communications and Facilities Fund to
14 provide funds for the Project shall be determined by the Finance Director upon the sale
15 thereof.

16
17 Section 13. Application of Bond Proceeds—Current Refunding. The exact
18 amount of proceeds from the sale of the Bonds to be deposited into the Note Fund and
19 applied to the payment of the principal of and interest on the Note shall be determined
20 by the Finance Director upon the sale of the Bonds.

21
22 Section 14 Investment of and Accounting for Funds. Funds deposited in the
23 funds and accounts described in Sections 12 and 13 of this ordinance will be invested
24 as permitted by law for the sole benefit of the respective funds. Money other than
25 proceeds of the Note and the Bonds may be deposited in the funds and accounts
26 described in Section 12 and 13 of this ordinance; provided, however, that proceeds of
27 the Note or the Bonds, and the earnings thereon, will be accounted for separately for
28 purposes of the arbitrage rebate computations required to be made under the Code.
29 For purposes of such computations, Note proceeds will be deemed to have been
30 expended first, then Bond proceeds, and then any other funds.

31
32 Section 15. Preliminary Official Statement and Final Official Statement for the
33 Bonds. The County hereby authorizes and directs the Finance Director: (i) to review
34 and approve the information contained in the preliminary official statement (the
35 “Preliminary Official Statement”) prepared in connection with the sale of the Bonds; and
36 (ii) for the sole purpose of compliance by the purchaser of the Bonds with subsection
37 (b)(1) of the Rule, to “deem final” the Preliminary Official Statement as of its date,
38 except for information permitted to be omitted therefrom by the Rule. After the
39 Preliminary Official Statement has been reviewed and approved in accordance with the
40 provisions of this section, the County hereby authorizes the distribution of such
41 Preliminary Official Statement to prospective purchasers of the Bonds.

42
43 Following the sale of the Bonds, the Finance Director is hereby authorized to
44 review and approve on behalf of the County a final official statement with respect to the
45 Bonds. The County agrees to cooperate with the purchaser of the Bonds to deliver or
46 cause to be delivered, within seven business days from the date of the Sale Instrument

1 and in sufficient time to accompany any confirmation that requests payment from any
2 customer of such purchaser, copies of a final official statement pertaining to the Bonds
3 in sufficient quantity to comply with paragraph (b)(4) of the Rule and the rules of the
4 Municipal Securities Rulemaking Board.

5
6 Section 16. Undertaking to Provide Ongoing Disclosure with Respect to the
7 Bonds. The Finance Director is hereby authorized and directed to enter into a written
8 undertaking for the benefit of owners and beneficial owners of the Bonds to the extent
9 required by and consistent with the requirements of paragraph (b)(5) of the Rule, as
10 applicable to a participating underwriter for the Bonds.

11
12 Section 17. General Authorization. The Finance Director and other appropriate
13 County officials, agents and representatives are hereby authorized and directed to do
14 everything necessary for the prompt sale, issuance, execution and delivery of the Note
15 and the Bonds, and for the proper use and application of the proceeds of the sale
16 thereof.

17
18 Section 18. Refunding or Defeasance of the Note or the Bonds. The County
19 may issue refunding obligations pursuant to the laws of the State of Washington or use
20 money available from any other lawful source to pay when due the principal of and
21 interest on the Note or the Bonds, or any portion thereof included in a refunding or
22 defeasance plan, and to redeem and retire, refund or defease part or all of the Note or
23 the Bonds and to pay the costs of the refunding or defeasance.

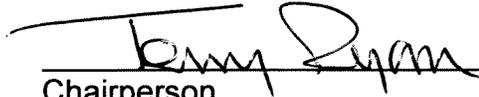
24
25 In the event that money and/or noncallable Government Obligations maturing at
26 such time or times and bearing interest to be earned thereon in amounts (together with
27 such money, if necessary) sufficient to redeem and retire, refund or defease part or all
28 of the Note or the Bonds in accordance with their respective terms, are set aside in a
29 special account of the County to effect such redemption and retirement, and such
30 money and the principal of and interest on such Government Obligations are irrevocably
31 set aside and pledged for such purpose, then no further payments need be made into
32 the Note Fund or the Bond Fund, as applicable, for the payment of the principal of and
33 interest on the portion of the Note or the Bonds so provided for, which will cease to be
34 entitled to any lien, benefit or security of this ordinance except the right to receive the
35 money so set aside and pledged, and such portion of the Note or the Bonds will be
36 deemed not to be outstanding hereunder.

37
38 Section 19. Contract; Severability. The covenants applicable to the Note
39 contained in this ordinance shall constitute a contract between the County and the
40 registered owner of the Note, and the covenants applicable to the Bonds contained in
41 this ordinance will constitute a contract between the County and the owners of each and
42 every Bond. If any one or more of the covenants or agreements provided in this
43 ordinance to be performed on the part of the County shall be declared by any court of
44 competent jurisdiction to be contrary to law, then such covenant or covenants,
45 agreement or agreements, will be null and void and will be deemed separable from the

1 remaining covenants and agreements of this ordinance and will in no way affect the
2 validity of the other provisions of this ordinance, the Note or the Bonds.

3
4 PASSED this 13th day of FEBRUARY, 2019.

5
6 SNOHOMISH COUNTY COUNCIL
7 Snohomish County, Washington

8
9
10 
11 _____
12 Chairperson

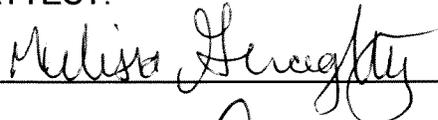
13 ATTEST:

14
15 
16 _____
17 Clerk of the County Council, Asst.

- 18
19
20 APPROVED
21 EMERGENCY
22 VETOED

23
24
25 DATE: 2/20/19

26 ATTEST:

27
28 
29 _____

30 Approved as to form only:

31
32 
33 _____
34 Special Deputy Prosecuting Attorney



County Executive

1
2
3
4

EXHIBIT A
Request for Proposals



Snohomish County, Washington
Request for Financing
\$35,100,000*
Bond Anticipation Note – Tax-Exempt

Responses due by 4 PM, Monday, February 25, 2019*

OVERVIEW

Snohomish County, Washington (the “County”) is seeking proposals from lending institutions for a bond anticipation note (referred to in this document as the “BAN”). The County expects to use the proceeds of the BAN to supply liquidity until the County sells limited tax general obligation bonds (“LTGO Bonds”) in late 2019. The BAN will be secured by a pledge of the County’s annual *ad valorem* tax to be levied for general obligation purposes and will be a Limited Tax General Obligation. (See “SECURITY FOR THE BAN” below). The County’s most recent LTGO Bonds are rated Aa1 by Moody’s and AA+ by S&P Global. Please see the County’s most recent official statement for more detail about the County: <https://emma.msrb.org/ES1215633-ES949314-ES1350139.pdf>.

The County plans to select a lender (“Lender”) which the County believes will provide the most favorable terms.

Northwest Municipal Advisors is serving as financial advisor and Hillis Clark Martin & Peterson P.S. is serving as bond counsel to the County.

FACILITY DETAILS

Amount:	\$35,100,000*
Maturity:	December 31, 2019
Purpose:	Bond Anticipation Note – funding for emergency public radio system replacement projects prior to the issuance of LTGO Bonds
Tax Status:	Tax-exempt
Payment:	Principal and interest paid at maturity
Prepayment:	Any time at the option of the County

SECURITY FOR THE BAN

An Ordinance (a draft of which is attached) will set forth the security for the BAN and the covenants that the County will make for the benefit of the Lender. The full faith, credit, and resources of the County have been pledged irrevocably for the annual levy and collection of taxes and the prompt payment of principal and interest on the BAN. The Ordinance will include other covenants applicable to the BAN. The BAN will be issued on parity with the County’s outstanding Limited Tax General Obligation Bonds, which had \$374,889,775 outstanding at December 1, 2018.

SCHEDULE*

January 23	Request for Proposals sent to banks
February 20	Borrowing Ordinance approved by County Council
February 25	Proposals Due
February 26	Review of Proposals
February 27	Notification to banks of selection, subject to County Executive action
March 19	Estimated closing date of 2019 BAN

* Preliminary; subject to change.

INFORMATION REQUESTED

Please provide the following information for the BAN:

1. Proposed fixed interest rate structure for the BAN.
2. Any and all fees of the bank, including attorneys' fees, and any other fees or charges which will affect the evaluation of the bank's proposal.
3. Any other conditions on the BAN.
4. The closing of the BAN will occur approximately two weeks after proposals are submitted. Will the interest rate be subject to change based on market conditions? If so, how will such change be determined?

PROPOSAL SUBMISSION

Please e-mail your proposal for the BAN to Nathan Kennedy (nathan.kennedy@snoco.org) by 4 PM (Pacific Time) February 25, 2019*. Please copy the County's financial advisor, Scott Bauer (scott@nwmunicipaladvisors.com).

SELECTION PROCESS

The selection shall be based on the following criteria:

1. Overall structure and terms of the BAN
2. Cost of the BAN

All questions should be directed to Scott Bauer of Northwest Municipal Advisors at (425) 452-9551. **The County reserves the right to reject any and all proposals at its sole discretion.**

ATTACHMENTS

2017 Audited Annual Financial Report

Draft Ordinance