

CLEARANCES	Initial	Date	Date Received in Council Office:	Agenda date	Assigned to:
Originator: Treasurer		02/02	RECEIVED FEB 3 1993 WHATCOM COUNTY COUNCIL	2/9/93	Council/Introduction
Division Head:				2/23/93	Finance/Council
Dept. Head:	<i>RJC</i>	2/2/93			
Prosecutor:					
Purchasing/Budget:					
Executive:	<i>h</i>	2/2/93			

SUBJECT:

Ordinance providing for the issuance and sale of limited tax general obligation bonds in the amount of \$8,300,000.00

ATTACHMENTS:

Ordinance

SUMMARY STATEMENT:

Please complete sections of box as appropriate & explain the item below.

Related County contract #: N/A	Should Clerk schedule a hearing? NO /x / YES / / Requested date:
Amount budgeted for this item/project: \$ N/A	Is it (or will it be) within budget? YES / / NO / / (Please explain below)
Budget line item number(s):	

This is an ordinance which:

1. Authorizes the issuance and sale of \$8,300,000 in limited tax, general obligation bonds;
2. Provides the date, form, terms and maturities of said bonds;
3. Creates a bond fund;
4. Provides for the disposition of the proceeds of sale of such bonds;
5. Provides for the annual levy of taxes to pay the principal and interest of said bonds, and;
6. Provides for the sale thereof to Seattle Northwest Securities Corporation.

ORIGINATOR'S RECOMMENDED ACTION:

Approval.

COMMITTEE ACTION TAKEN:

COUNCIL ACTION TAKEN:

- 2/9/93: Introduced
- 2/23/93: Council adopted the ordinance. 7-0.

Related File Numbers:

Ordinance or Resolution Number (this item only): 093-010

WHATCOM COUNTY, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BONDS, 1993

\$8,400,000

ORDINANCE NO. 93-010

AN ORDINANCE OF WHATCOM COUNTY, WASHINGTON,
PROVIDING FOR THE ISSUANCE AND SALE OF LIMITED TAX
GENERAL OBLIGATION BONDS OF THE COUNTY IN THE
PRINCIPAL SUM OF \$8,400,000, FOR THE PURPOSE OF
PROVIDING THE FUNDS NECESSARY TO PAY A PORTION OF
THE COSTS TO ACQUIRE, CONSTRUCT AND INSTALL CAPITAL
IMPROVEMENTS TO COUNTY FACILITIES; PROVIDING THE
DATE, FORM, TERMS AND MATURITIES OF SAID BONDS;
CREATING A BOND FUND; PROVIDING FOR THE DISPOSITION
OF THE PROCEEDS OF SALE OF SUCH BONDS; PROVIDING FOR
THE ANNUAL LEVY OF TAXES TO PAY THE PRINCIPAL OF AND
INTEREST ON SAID BONDS; AND PROVIDING FOR THE SALE
THEREOF TO SEATTLE-NORTHWEST SECURITIES
CORPORATION.

PASSED: FEBRUARY 23, 1993

PREPARED BY:

PRESTON THORGRIMSON SHIDLER GATES & ELLIS

5000 Columbia Center
701 Fifth Avenue
Seattle, Washington 98104-7078

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* This Table of Contents and the Cover Page are not a part of this ordinance and are included only for the convenience of the reader.

1 SPONSORED BY: Consent

2 PROPOSED BY: Treasurer

3 INTRODUCTION DATE: 2/9/93

4
5 ORDINANCE NO. 93-010

6 AN ORDINANCE OF WHATCOM COUNTY, WASHINGTON,
7 PROVIDING FOR THE ISSUANCE AND SALE OF LIMITED TAX
8 GENERAL OBLIGATION BONDS OF THE COUNTY IN THE
9 PRINCIPAL SUM OF \$8,400,000, FOR THE PURPOSE OF
10 PROVIDING THE FUNDS NECESSARY TO PAY A PORTION OF
11 THE COSTS TO ACQUIRE, CONSTRUCT AND INSTALL CAPITAL
12 IMPROVEMENTS TO COUNTY FACILITIES; PROVIDING THE
13 DATE, FORM, TERMS AND MATURITIES OF SAID BONDS;
14 CREATING A BOND FUND; PROVIDING FOR THE DISPOSITION
15 OF THE PROCEEDS OF SALE OF SUCH BONDS; PROVIDING FOR
16 THE ANNUAL LEVY OF TAXES TO PAY THE PRINCIPAL OF AND
17 INTEREST ON SAID BONDS; AND PROVIDING FOR THE SALE
18 THEREOF TO SEATTLE-NORTHWEST SECURITIES
19 CORPORATION.

20 WHEREAS, Whatcom County, Washington (the "County") has heretofore determined a need to
21 construct and install capital improvements to various County facilities; and

22 WHEREAS, in order to pay part of the costs of said project, the County will need to issue and sell
23 its general obligation bonds in the aggregate principal amount of \$8,400,000; and

24 WHEREAS, the County has received an offer from Seattle-Northwest Securities Corporation to
25 underwrite such bonds, which offer is acceptable to this Council;

26 NOW, THEREFORE, THE WHATCOM COUNTY COUNCIL DOES ORDAIN, as follows:

Section 1. Definitions. As used in this ordinance the following words shall have the following
meanings:

"Arbitrage Certificate" means the Certificate of that name executed and delivered by the County on
the date of issuance and delivery of the Bonds.

1 "Bond Fund" means the "Whatcom County, Limited Tax General Obligation Bond Redemption
2 Fund, 1993" created by Section 8 of this ordinance.

3 "Bond Register" means the books or records maintained by the Bond Registrar, pursuant to Section
4 149(a) of the Code, containing the name and mailing address of the owner of each Bond or nominee of such
5 owner and the principal amount and number of Bonds held by each owner or nominee.

6 "Bond Registrar" means the fiscal agency of the State of Washington in either Seattle, Washington,
7 or New York, New York, for the purposes of registering and authenticating the Bonds, maintaining the
8 Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the
9 Bonds.

10 "Bonds" means the \$8,400,000 principal amount of the Whatcom County, Washington, Limited
11 Tax General Obligation Bonds, 1993, issued pursuant to this ordinance for the purpose of paying costs
12 authorized by Section 3 hereof.

13 "Bond Year" has the meaning given such term in the Arbitrage Certificate.

14 "Code" means the Internal Revenue Code of 1986, as amended, together with all applicable
15 regulations thereunder.

16 "Computation Date" means the Installment Computation Date or the Final Computation Date.

17 "County" means Whatcom County, Washington, a political subdivision duly organized and existing
18 under and by virtue of the Constitution and laws of the State of Washington.

19 "Council" means the general legislative body of the County as the same shall be duly and regularly
20 constituted from time to time.

21 "Final Computation Date" means the date that the last Bond is discharged. A Bond is discharged on
22 the date when all amounts due under the terms of the Bond are actually and unconditionally due if cash is
23 available at the place of payment and no interest accrues with respect to the Bond after such date.

24 "Government Obligations" means those obligations now or hereafter defined as such in chapter
25 39.53 RCW.
26

1 "Installment Computation Date" means the last day of the fifth Bond Year and of each succeeding
2 fifth Bond Year.

3 "Project" means the construction and installation of capital improvements to County facilities
4 described in Section 2 of this Ordinance.

5 "Project Fund" means the "Whatcom County, County Administration Building Project Fund" of the
6 County authorized to be created by Section 16 of Ordinance No. 91-045.

7 "Rebatable Arbitrage" means the amount determined pursuant to Section 10 of this ordinance.

8 "Rebate Computation Certificate" means the certificate executed by the County setting forth the
9 methodology for computation of Rebatable Arbitrage.

10 "Treasurer" means the Treasurer of Whatcom County.

11 Words importing the singular number include the plural number and vice versa.

12 Section 2. Authorization of Project. The plan of the County to acquire, construct and install
13 capital improvements to various County facilities are hereinafter referred to collectively as the "Project."

14 Proceeds from the sale of the Bonds will be used to provide a portion of the funds required for the
15 following:

16 (a) purchase and install additional equipment to complete the integration of the
17 County's various phone systems into a single system;

18 (b) purchase modular and stand-alone furnishings for the County
19 Courthouse/Administration Building;

20 (c) purchase and furnish a mobile home to replace existing Sheriff's Deputy's living
21 quarters;

22 (d) acquire and remodel space and purchase equipment to establish a County morgue;

23 (e) remodel an existing County-owned building into administrative offices;

24 (f) repay 1992 Bond Anticipation Note;

25 (g) provide funds to complete the construction of the County
26 Courthouse/Administration Building.

1 (h) remodel County Buildings to comply with requirements of the American with
2 Disabilities Act; and

3 (i) provide funds to pay issuance costs and contingency.

4 Section 3. Authorization of Bonds. The County hereby authorizes the issuance and sale of limited
5 tax general obligation bonds in the aggregate principal amount of \$8,400,000 (the "Bonds") to provide the
6 funds necessary to pay part of the costs of the Project and all costs incidental thereto and to the issuance of
7 the Bonds. The Bonds shall be general obligations of the County; shall be designated "Whatcom County,
8 Washington, Limited Tax General Obligation Bonds, 1993"; shall be dated as of March 1, 1993; shall be
9 issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof; provided, that
10 no Bond shall represent more than one maturity, shall be numbered separately and in the manner and with
11 any additional designation as the Bond Registrar deems necessary for purposes of identification; shall bear
12 interest from their date, until the Bonds have been paid or their payment duly provided for, at the following
13 rates, payable on June 1, 1993, and semiannually thereafter on the first day of each June and December; and
14 shall mature on December 1 of each year as follows:

15	Maturity Year(s)	Principal	Interest
16	<u>(December 1)</u>	<u>Amounts</u>	<u>Rates</u>
17	1993	\$510,000	6.00%
18	1994	410,000	6.00
19	1995	430,000	6.00
20	1996	445,000	6.00
21	1997	465,000	3.90
22	1998	485,000	4.20
23	1999	505,000	4.35
24	2000	280,000	4.55
25	2001	295,000	4.75
26	2002	310,000	4.80
	2003	325,000	4.90
	2004	345,000	5.10
	2005	365,000	5.20
	2006	385,000	5.35
	2007	405,000	5.60
	2008	430,000	5.70
	2009	460,000	5.75

1	2010	485,000	5.80
2	2012	1,065,000	5.75

3 Section 4. Bonds Issued in Registered Form. The County hereby specifies and adopts the system
4 of registration for the Bonds approved by the State Finance Committee, and the fiscal agencies of the State
5 of Washington in the cities of Seattle, Washington, and New York, New York, shall act as authenticating
6 trustee, transfer agent, paying agent and registrar for the Bonds (collectively, the "Bond Registrar"). Both
7 principal of and interest on the Bonds shall be payable in lawful money of the United States of America.
8 Interest on the Bonds shall be paid by check or draft of the Bond Registrar mailed (on the date such interest
9 is due) to the registered owners or nominees at the addresses appearing on the Bond Register as of the 15th
10 day of the month prior to the interest payment date. Principal of the Bonds shall be payable upon
11 presentation and surrender of the Bonds to the Bond Registrar by the registered owners or nominees at the
12 principal offices of either of the fiscal agencies of the State of Washington in the cities of Seattle,
13 Washington, or New York, New York.

14 Section 5. Transfer and Exchange of Bonds. The Bonds may be transferred only on the Bond
15 Register maintained by the Bond Registrar for that purpose upon the surrender thereof by the registered
16 owner or nominee or his duly authorized agent and only if endorsed in the manner provided thereon, and
17 thereupon a new fully registered Bond of like principal amount, maturity and interest rate shall be issued to
18 the transferee in exchange therefor. Such transfer shall be without cost to the registered owner or transferee.
19 The County and Bond Registrar may deem the person in whose name each Bond is registered to be the
20 absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Bonds
21 and for any and all other purposes whatsoever.

22 Upon surrender thereof to the Bond Registrar, the Bonds are interchangeable for Bonds in any
23 authorized denomination of an equal aggregate principal amount and of the same interest rates and
24 maturities.

25 The Bond Registrar shall not be required to issue, register, transfer or exchange any of the Bonds
26 during a period beginning at the opening of business on the 15th day of the month next preceding any

1 interest payment date and ending at the close of business on the interest payment date, or, in the case of any
2 proposed redemption of the Bonds, after the mailing of notice of the call of such Bonds for redemption.

3 Section 6. Redemption Prior to Maturity and Purchase of Bonds.

4 A. Optional Redemption. The Bonds maturing on or prior to December 1, 2003 are not
5 callable for redemption prior to their scheduled maturity. The Bonds maturing on and after December 1,
6 2004 are subject to redemption at the option of the County, on and after December 1, 2003 in whole at any
7 time, or in part on any interest payment date (maturities to be selected by the County and by lot within a
8 maturity in such manner as the Bond Registrar in its discretion shall determine) at a price of 100% of the
9 principal amount thereof plus accrued interest thereon to the redemption date.

10 B. Mandatory Redemption. If not redeemed under the optional redemption provision set forth
11 above, the Bonds maturing in 2012 shall be called for redemption by lot (in such manner as the Bond
12 Registrar shall determine) at par plus accrued interest on December 1 in the years and amounts as follows:

<u>Year</u>	<u>Amounts</u>
2011	\$515,000
2012*	550,000

13
14
15 * Final maturity.

16 C. Selection of Bonds For Redemption. If the County redeems at any one time fewer than all
17 of the Bonds having the same maturity date, the particular Bonds or portions of Bonds of such maturity to
18 be redeemed shall be selected by lot in increments of \$5,000. In the case of a Bond of a denomination
19 greater than \$5,000, the County shall treat each Bond as representing such number of separate Bonds each
20 of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by
21 \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of the
22 Bond at the principal office of the Bond Registrar there shall be issued to the registered owner, without
23 charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the owner, a
24 Bond or Bonds of like maturity and interest rate in any of the denominations herein authorized.
25
26

1 D. Purchase of Bonds. The County reserves the right to use any legally available money at
2 any time to purchase any of the Bonds for retirement at a price deemed reasonable by the County.

3 Section 7. Notice of Redemption.

4 A. Official Notice. Unless waived by the owner of any Bond, official notice of any such
5 intended redemption shall be given not fewer than 30 nor more than 60 days prior to the date fixed for
6 redemption, by first class mail, postage prepaid, to the registered owner of any Bond to be redeemed at the
7 address appearing on the Bond Register. The requirements of this section shall be deemed to be complied
8 with when notice is mailed as herein provided, regardless of whether it is actually received by the owner of
9 any Bond.

10 All official notices of redemption shall be dated and shall state:

- 11 (a) the redemption date;
- 12 (b) the redemption price;
- 13 (c) if fewer than all outstanding Bonds are to be redeemed the identification (and, in
14 the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- 15 (d) that on the redemption date the redemption price will become due and payable upon
16 each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from
17 and after said date; and
- 18 (e) the place where such Bonds are to be surrendered for payment of the redemption
19 price, which place of payment shall be the principal office of the Bond Registrar.

20 On or prior to any redemption date, the County shall deposit with the Bond Registrar an amount of
21 money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed
22 on that date.

23 Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to
24 be redeemed shall, on the redemption date, become due and payable at the redemption price therein
25 specified, and from and after such date (unless the County shall default in the payment of the redemption
26 price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for

1 redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the
2 redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein
3 provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be
4 prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid
5 principal. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and
6 shall not be reissued.

7 B. Additional Notice. Notice shall also be mailed within the same time period, postage
8 prepaid, to Seattle-Northwest Securities Corporation at its office in Seattle, Washington, or to its business
9 successor, if any, but mailing of the notice shall not be a condition precedent to the call of any Bonds for
10 redemption.

11 In addition to the foregoing notice, further notice shall be given by the Bond Registrar as set out
12 below, but no defect in said further notice nor failure to give all or any portion of such further notice shall in
13 any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

14 (1) Each further notice of redemption given hereunder shall contain the information
15 required above for an official notice of redemption plus: (i) the CUSIP numbers of all Bonds being
16 redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond
17 being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive
18 information needed to identify accurately the Bonds being redeemed.

19 (2) Each further notice of redemption shall be sent at least 35 days before the
20 redemption date by registered or certified mail or overnight delivery service to all registered securities
21 depositories then in the business of holding substantial amounts of obligations of types comprising the
22 Bonds (such depositories now being The Depository Trust Company of New York, New York, Midwest
23 Securities Trust Company of Chicago, Illinois, and Philadelphia Depository Trust Company of
24 Philadelphia, Pennsylvania).

1 (3) Upon the payment of the redemption price of Bonds being redeemed, each check or
2 other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue or
3 maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

4 Section 8. Creation of Bond Fund and Provision for Tax Levy Payments. A special fund of the
5 County known as the "Whatcom County Limited Tax General Obligation Bond Redemption Fund, 1993"
6 (the "Bond Fund") is hereby authorized and directed to be created in the office of the Treasurer. The Bond
7 Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Bonds.

8 The County hereby further irrevocably covenants and agrees for as long as any of the Bonds are
9 outstanding and unpaid, that each year it will include in its budget and levy an ad valorem tax upon all the
10 property within the County subject to taxation in an amount which will be sufficient, together with all other
11 moneys of the County which may legally be used and which the County may apply for such purposes to pay
12 the principal of and interest on the Bonds as the same shall become due. All of such taxes and any of such
13 other moneys so collected shall be paid into the Bond Fund. None of the moneys in the Bond Fund shall be
14 used for any other purpose than the payment of the principal of and interest on the Bonds. Moneys in the
15 Bond Fund not needed to pay the interest or principal next coming due may temporarily be deposited in such
16 institutions or invested in such obligations as may be lawful for the investment of County moneys. Any
17 interests or profit from the investment of such moneys shall be deposited in the Bond Fund.

18 The County hereby irrevocably pledges that the annual tax provided for herein to be levied for the
19 payment of such principal and interest shall be within and as a part of the tax millage levy permitted to
20 counties without a vote of the people, and that a sufficient portion of each annual levy to be levied and
21 collected by the County prior to the full payment of the principal of and interest on the Bonds, together with
22 other legally available funds, will be and is hereby irrevocably set aside, pledged and appropriated for the
23 payment of the principal of and interest on the Bonds as aforesaid.

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

1 Section 9. Defeasance. In the event that money and/or Government Obligations maturing at such
2 time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire the Bonds
3 in accordance with their terms, are set aside in a special account to effect such redemption or retirement and
4 such money and the principal of and interest on such obligations are irrevocably set aside and pledged for
5 such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of
6 and interest on the Bonds so provided for and such Bonds shall cease to be entitled to any lien, benefit or
7 security of this ordinance except the right to receive the funds so set aside and pledged, and such Bonds
8 shall be deemed not to be outstanding hereunder.

9 Section 10. Tax Covenants.

10 A. Covenants Regarding Arbitrage and Private Activity Bonds. The County hereby covenants
11 that it will not make any use of the proceeds of sale of the Bonds or any other funds of the County which
12 may be deemed to be proceeds of such Bonds pursuant to Section 148 of the Code which will cause the
13 Bonds to be "arbitrage bonds" within the meaning of said section. The County will comply with the
14 requirements of Section 148 of the Code (or any successor provision thereof applicable to the Bonds) and
15 the applicable Regulations thereunder throughout the term of the Bonds.

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

18 B. Bonds "Qualified Tax-Exempt Obligations." The County hereby designates the Bonds as
19 "qualified tax-exempt obligations" for purchase by financial institutions pursuant to Section 265(b) of the
20 Code. The County does not anticipate that it will issue more than \$10,000,000 in tax-exempt obligations
21 during 1993.

22 C. Arbitrage Rebate. The County will pay to the United States of America in accordance with
23 the provisions of this section (i) at least 90% of the Rebtable Arbitrage with respect to the Bonds as of
24 each Installment Computation Date, (ii) 100% of the Rebtable Arbitrage with respect to the Bonds as of
25 the Final Computation Date and (iii) any income attributable to such Rebtable Arbitrage.
26

1 Reference is hereby made to additional provisions of this bond set forth on the reverse side hereof
2 and such additional provisions shall for all purposes have the same effect as if set forth in this space.
3 Reference also is made to the Bond Ordinance (defined on the reverse side hereof) as more fully describing
4 the covenants with and the rights of registered owners of the bonds or registered assigns and the meanings of
5 capitalized terms appearing on the bonds which are defined in such Bond Ordinance.

6 This bond shall not be valid or become obligatory for any purpose or be entitled to any security or
7 benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually
8 signed by or on behalf of the Bond Registrar or by its duly designated agent.

9 The County hereby irrevocably covenants and agrees with the owner of this bond that it will include
10 in its annual budget and levy taxes annually within and as a part of the tax levy permitted to counties
11 without a vote of the electorate, amounts sufficient, together with all other moneys legally available therefor,
12 to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and
13 resources of the County are hereby irrevocably pledged for the annual levy and collection of such taxes and
14 the prompt payment of such principal and interest.

15 It is hereby certified and declared that this bond is issued pursuant to and in strict compliance with
16 the Constitution and laws of the State of Washington, the Charter and Code of the County and its duly
17 passed ordinances, that all acts, conditions and things required to be done precedent to and in the issuance of
18 this bond and the bonds of this issue have happened, been done and performed and that this bond and the
19 bonds of this issue do not exceed any Constitutional, Charter, Code or statutory limitations.

20 IN WITNESS WHEREOF, Whatcom County, Washington, has caused this bond to be signed on
21 behalf of the County with the facsimile signature of its County Executive, to be attested by the facsimile
22 signature of the Clerk of its County Council, and the official seal of the County to be impressed or a
23 facsimile thereof to be imprinted hereon, as of this first day of March, 1993.

24 WHATCOM COUNTY, WASHINGTON

25 By _____
26 County Executive

ATTEST:

Clerk of the County Council

[SEAL]

CERTIFICATE OF AUTHENTICATION

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Date of Authentication: _____

This bond is one of the bonds described in the within-referenced Bond Ordinance of Whatcom County, Washington, and is one of the Limited Tax General Obligation Bonds, 1993, dated March 1, 1993, of such County.

WASHINGTON STATE FISCAL AGENCY, As
Bond Registrar

By _____
Authorized Signer

ADDITIONAL BOND PROVISIONS

This bond is one of an issue of limited tax general obligation bonds of the County of like date and tenor, except as to number, interest rate and date of maturity, in the aggregate principal amount of \$8,400,000, issued pursuant to Ordinance No. _____, passed by the County Council on February 23, 1993 (the "Bond Ordinance"), to provide funds to pay part of the costs of renovating and expanding the County Courthouse and Administration facilities and other County facilities.

The bonds maturing on or prior to December 1, 2003, are not subject to redemption prior to their scheduled maturity. The bonds of this issue maturing on or after December 1, 2004, are subject to redemption at the option of the County on and after December 1, 2003, in whole on any date or in part on any interest payment date, with maturities to be selected by the County and by lot within a maturity, in such manner as the Bond Registrar shall determine, at a price of 100% of the principal amount thereof plus accrued interest to the date of redemption.

The Bonds of this issue which mature on December 1, 2012, if not previously redeemed pursuant to optional call provisions set forth above, are subject to mandatory redemption by lot, at par, in the following sinking fund installments, plus accrued interest on December 1 of the following years:

<u>Year</u>	<u>Amounts</u>
2011	\$515,000
2012*	550,000

* Final maturity.

If the County redeems at any one time fewer than all of the bonds having the same maturity date, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot in increments of \$5,000. In the case of a bond of a denomination greater than \$5,000, the County shall treat each such bond as representing such number of separate bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such bond by \$5,000. In the event that only a portion of

1 the principal sum of a bond is redeemed, upon surrender of the bond at the principal office of the Bond
2 Registrar, there shall be issued to the registered owner, a bond or bonds of like maturity and interest rate in
3 any of the denominations authorized in the Bond Ordinance.

4 Notice of any such intended redemption shall be given not less than 30 nor more than 60 days prior
5 to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of any bond to
6 be redeemed at the address appearing on the Bond Register. The requirements of the Bond Ordinance shall
7 be deemed to be complied with when notice is mailed as therein provided, regardless of whether or not it is
8 actually received by the owner of any bond.

9 Interest on any bond so called for redemption shall cease to accrue on the date fixed for redemption
10 unless such bond or bonds so called are not redeemed upon presentation made pursuant to such call.

11 Portions of the principal sum of this bond in installments of \$5,000 or any integral multiple thereof
12 may also be redeemed at the times set forth above, and if less than all of the principal sum hereof is to be
13 redeemed, upon the surrender of this bond at the principal office of the Bond Registrar there shall be issued
14 to the registered owner, without charge therefor, for the then unredeemed balance of the principal sum
15 hereof, at the option of the owner, a bond or bonds of like maturity and interest rate in any of the
16 denominations authorized by the Bond Ordinance.

17 The pledge of tax levies for payment of principal of and interest on the bonds may be discharged
18 prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set
19 forth in the Bond Ordinance.

20 The Bonds of this issue are not private activity bonds within the meaning of Section 141 of the
21 Internal Revenue Code of 1986, as amended (the "Code"). The bonds of this issue are eligible for
22 investment by financial institutions pursuant to Section 265(b) of the Code.

23 The bonds of this issue are issued in fully registered form in the denomination of \$5,000 each or any
24 integral multiple thereof provided that no bond shall represent more than one maturity. Upon surrender to
25 the Bond Registrar, bonds are interchangeable for bonds in any authorized denomination of an equal
26 aggregate principal amount and of the same interest rate and maturity. This bond is transferable only on the
records maintained by the Bond Registrar for that purpose upon the surrender of this bond by the registered
owner hereof or his/her duly authorized agent and only if endorsed in the manner provided hereon, and
thereupon a new fully registered bond of like principal amount, maturity and interest rate shall be issued to
the transferee in exchange therefor. Such exchange or transfer shall be without cost to the registered owner
or transferee. The County and Bond Registrar may deem the person in whose name this bond is registered
to be the absolute owner hereof for the purpose of receiving payment of the principal of and interest on the
bond and for any and all other purposes whatsoever.

The Bond Registrar is not required to issue, register, transfer or exchange any of the bonds during a
period beginning at the opening of business on the 15th day of the month next preceding any interest
payment date and ending at the close of business on the interest payment date, or, in the case of any
proposed redemption of the bonds, after the mailing of notice of the call of such bonds for redemption.

1 The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations.

2 TEN COM - as tenants in common

3 TEN ENT - as tenants by the entireties

4 JT TEN - as joint tenants with right of survivorship and not as tenants in common

5 UNIF GIFT (TRANSFER)

6 MIN ACT - _____ Custodian _____
(Cust) (Minor)

7 under Uniform Gifts (Transfer) to Minors Act _____
(State)

8 Additional abbreviations may also be used although not listed above.

9 (Form of Assignment)

10 ASSIGNMENT

11 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

12 _____ PLEASE INSERT SOCIAL SECURITY OR TAXPAYER
13 IDENTIFICATION NUMBER OF TRANSFEREE

14 / _____ /

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

16 _____ the within bond and all rights thereunder and does hereby
17 irrevocably constitute and appoint _____ of _____, or its
18 successor, as Agent to transfer said bond on the books kept by the Bond Registrar for registration thereof,
19 with full power of substitution in the premises.

20 DATED: _____, 19 ____.

21 SIGNATURE GUARANTEED:
22 _____
23 _____
24 _____

25 NOTE: The signature of this Assignment must
26 correspond with the name of the registered owner as it appears upon the face of the within bond in

every particular, without alteration or enlargement or any change whatever.

1
2
3 Section 13. Execution of Bonds. The Bonds shall be signed on behalf of the County by the
4 facsimile signature of the County Executive, shall be attested by the facsimile signature of the Clerk of the
5 County Council, and shall have the corporate seal of the County impressed or a facsimile thereof imprinted
6 on each bond.

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

12 In case either of the officers who shall have executed the Bonds shall cease to be such officer or
13 officers of the County before the Bonds so signed shall have been authenticated or delivered by the Bond
14 Registrar, or issued by the County, such Bonds may nevertheless be authenticated, delivered and issued and
15 upon such authentication, delivery and issuance, shall be as binding upon the County as though those who
16 signed the same had continued to be such officers of the County. Any Bond may also be signed and attested
17 on behalf of the County by such persons as at the actual date of execution of such Bond shall be the proper
18 officers of the County although at the original date of such Bond any such person shall not have been such
19 officer of the County.

20 Section 14. Bond Registrar. The Bond Registrar shall keep, or cause to be kept, at its principal
21 corporate trust office, sufficient books or records for the registration and transfer of the Bonds which shall
22 at all times be open to inspection by the County. The Bond Registrar is authorized, on behalf of the County,
23 to authenticate and deliver the Bonds transferred or exchanged in accordance with the provisions of such
24 Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this
25 ordinance.
26

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

6 Section 15. Sale of Bonds. The sale of the Bonds to Seattle-Northwest Securities Corporation,
7 Seattle, Washington, at the price and pursuant to the terms and conditions set forth herein and in its offer
8 dated as of the date of final passage of this ordinance, is hereby in all respects ratified and confirmed.

9 The Chairman of the County Council and the County Executive, Clerk of the Council and County
10 Treasurer each is hereby authorized to review and approve on behalf of the County the preliminary and final
11 Official Statements relative to the Bonds with such additions and changes as may be deemed necessary or
12 advisable to each of them. The Preliminary Official Statement for the Bonds, dated as of February 11,
13 1993, is hereby deemed final for purposes of Securities and Exchange Commission Rule 15c2-12. The
14 proper County officials are hereby authorized and directed to do everything necessary for the prompt
15 execution and delivery of the Bonds to said purchaser and for the proper application and use of the proceeds
16 of sale thereof.

17 Section 16. Application of Proceeds of Bonds. There has heretofore been created in the office of
18 the Treasurer a special fund of the County to be known as the "County Courthouse/Administration Building
19 Fund" (the "Project Fund"). At the time of delivery of the Bonds, the proceeds of the Bonds, with the
20 exception of accrued interest to the date of delivery which shall be deposited in the Bond Fund, shall be paid
21 into the Project Fund to be used for the purpose of paying the costs of the Project authorized in Section 2
22 hereof, including costs necessary and incidental thereto and the costs of issuance of the Bonds, or for the
23 purpose of reimbursing any fund or funds of the County for advances, if any, made to pay such costs.
24 Other money of the County may be deposited in the Project Fund for the purpose of paying costs of the
25 Project; however, the County Treasurer shall maintain separate records of investments and expenditures of
26 Bond proceeds in order to comply with the requirements of Section 10 of this ordinance.

1 If available funds are sufficient, the County shall acquire, construct, equip and make other
2 improvements to the facilities of the County, all as the County Council finds necessary.

3 The County shall determine the application of available moneys as between the components of the
4 Project so as to accomplish, as nearly as may be, the entire Project. The County shall determine the exact
5 extent and specifications for construction of structures or other improvements. If the County shall
6 determine that it has become impracticable to accomplish any portion of the Project by reason of changed
7 conditions or needs, incompatible development, costs substantially in excess of those estimated, or
8 acquisition by a superior governmental authority, the County shall not be required to accomplish such
9 portion and may apply Bond proceeds as set forth in this section. If any or all of the Project has been
10 completed, or their completion duly provided for, or their completion found to be impractical, the County
11 may apply the Bond proceeds or any portion thereof to other portions of the Project or other public purposes
12 of the County, or to payment of principal of or interest on the Bonds, as the County in its discretion shall
13 determine. In the event that the proceeds of sale of the bonds, plus any other moneys of the County legally
14 available, are insufficient to accomplish all of the Project, the County shall use the available funds for
15 paying the cost of that portion of the Project deemed by the County most necessary and in the best interest
16 of the County.

17 The Council will amend its current annual budget, if necessary, to include an appropriation for
18 expenditure of funds for the Project. Money on hand in the Project Fund shall be invested as provided by
19 direction of the County Treasurer in legal investments for County funds.

20 Upon completion of the Project, any remaining money in the Project Fund shall be transferred to the
21 Bond Fund, and the Project Fund shall be closed.

22 Section 17. Authorization of Temporary Bond. Until the definitive Bonds are prepared, the County
23 may, if deemed necessary by the County Executive, utilize a temporary Bond which shall be typewritten,
24 and which shall be delivered to the purchaser or purchasers of the Bonds in lieu of definitive Bonds, but
25 subject to the same provisions, limitations and conditions as the definitive Bonds. The temporary Bond shall
26 be dated March 1, 1993, shall be in the denomination of \$8,400,000, shall be substantially of the tenor of

1 such definitive Bonds, but with such omissions, insertions and variations as may be appropriate to
2 temporary bonds, and shall be signed by the County Executive and the Clerk of the Council.

3 Upon surrender to the County of the temporary Bond, the County, without charge to the holder,
4 shall execute and deliver to the holder of the temporary Bond, in exchange therefor, definitive Bonds of the
5 same maturities, interest rates, redemption provisions and aggregate principal amount as the temporary
6 Bond, if any, surrendered. Until so exchanged, the temporary Bond shall be in all respects entitled to the
7 same benefit and security as definitive Bonds executed and issued pursuant to this ordinance.

8 Section 18. Severability. If any one or more of the covenants or agreements provided in this
9 ordinance to be performed on the part of the County shall be declared by any court of competent jurisdiction
10 to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and
11 shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no
12 way affect the validity of the other provisions of this ordinance or of the Bonds.

13 Section 19. Effective Date. This ordinance shall be effective after its passage and publication as
14 required by law.

15 APPROVED this 23rd day of February, 1993.

16 WHATCOM COUNTY COUNCIL
17 WHATCOM COUNTY, WASHINGTON

18 ATTEST:

19 Marge Haidlaw
Chair

20 Barbara Maher
21 Clerk of the Council

() Approved

() Vetoed

22 APPROVED AS TO FORM:

23 Shirley Van Zanten
24 Shirley Van Zanten
County Executive

25 _____
Deputy Prosecuting Attorney

26 Date _____