

*Not an official copy.*

ORDINANCE NO. 99-086

AN ORDINANCE of the County Council of Snohomish County, Washington, providing for the issuance and sale of limited tax general obligation bonds of the County in the aggregate principal amount of not to exceed \$30,000,000 for the purpose of providing funds required to make certain capital improvements; providing the date, form, terms and maturities of the bonds to be issued and for tax levies to pay the principal thereof and interest thereon as a part of the tax millage levy permitted to counties without a vote of the people; approving a preliminary official statement; and approving the public sale of such bonds.

WHEREAS, Snohomish County, Washington (the "County") has undertaken certain capital projects described herein which require funding by the issuance of the limited tax general obligation bonds of the County; and

WHEREAS, it appears to the County Council that it is in the best interest of the County that the bonds provided for herein be sold in a single issue of limited tax general obligation bonds in an aggregate principal amount of not to exceed \$30,000,000 and that the public sale of the Bonds be approved;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF SNOHOMISH COUNTY, WASHINGTON, as follows:

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

“Agreements” means those interlocal financing agreements to be entered into between the County and the Cities and District to finance, through the issuance of the Bonds, the respective shares of the County and each of the Cities and the District in the capital cost of the ERS (in substantially the form attached hereto).

“Bond Registrar” means the fiscal agencies of the State of Washington in either Seattle, Washington, or New York, New York, for the purposes of registering and authenticating the Bonds,

maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

“Bond” or “Bonds” means the Snohomish County, Washington, Limited Tax General Obligation Bonds, 1999, in the principal amount of not to exceed \$30,000,000, issued pursuant to this Ordinance.

“Code” means the federal Internal Revenue Code of 1986, as amended from time to time, and the applicable regulations thereunder.

“Capital Fund” means the fund of that name established pursuant to Section 10 of this Ordinance.

“Cities” means the cities of Brier, Edmonds, Lynnwood, Marysville, Mill Creek, Mountlake Terrace and Woodway.

“County” means Snohomish County, Washington, a home rule charter county duly organized and existing under and by virtue of the laws of the State of Washington.

“County Council” means the duly constituted County Council as the general legislative authority of the County.

“County Executive” means the duly elected, qualified and acting County Executive of Snohomish County.

“Director of Budget and Finance” or “Director” means the duly chosen, qualified and acting Snohomish County Director of Budget and Finance, or any successor to the functions of that position.

“District” means Fire Protection District No. 111 of Snohomish County, Washington.

“DTC” means The Depository Trust Company.

“ERS” means the Emergency Radio System, a public nonprofit corporation created under RCW 39.34.040(3) pursuant to the ERS Agreement.

“Interlocal Agreements” means the interlocal financing agreements between the County and the Cities and the District with respect to the ERS in substantially the form attached hereto as Exhibit B.

“Issuance Costs” means all costs and expenses of issuance of the Bonds, including, but not limited to: (a) underwriter’s discount or fee; (b) counsel fees, including bond counsel, underwriter’s counsel, and County counsel, as well as any other specialized counsel fees incurred in connection with

the issuance of the Bonds; (c) financial advisor fees and expenses incurred in connection with the issuance of the Bonds; (d) costs of printing the Preliminary Official Statement and Official Statement for the Bonds; (e) publication or copying costs associated with the proceedings relating to the Bonds; (f) costs of insuring the Bonds and (g) fees and expenses, if any, of the rating agency relating to the Bonds.

"Letter of Representations" means the form of blanket issuer letter of representations to DTC so named which is now on file with the County.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions.

"NRMSIR" means a nationally recognized municipal securities information repository.

"OID" means original issue discount.

"Ordinance" means this Ordinance.

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

"SID" means a state information depository for the State of Washington (if one is created).

"SNOCOM" means the Southwest Snohomish County Public Safety Communications Agency, an interlocal association of Snohomish County municipalities and special purpose districts.

"SNOCOM Agreements" means the agreements between the County and the Cities of Edmonds, Mountlake Terrace and Lynnwood with respect to SNOCOM, as set forth in Exhibit C.

"Treasurer" means the Treasurer of Snohomish County, as ex officio treasurer of the County, or any successor to the functions of the Treasurer.

"1999 Bond Fund" means the special fund of the County designated as the "Snohomish County Limited Tax General Obligation Bond Redemption Fund 1999" created in the office of the Treasurer by Section 11 of this Ordinance for the purpose of paying the Bonds.

## Section 2. Authorization of Bonds.

(a) Purpose and Authorization. Snohomish County, Washington shall now issue and sell a single issue of limited tax general obligation bonds designated "Snohomish County,

Washington, Limited Tax General Obligation Bonds, 1999, in the aggregate principal amount of not to exceed \$30,000,000, for the following purposes:

(1) Designing, developing, financing, acquiring and installing a public safety communications service for public safety and other agencies on a county-wide basis within the County (the "ERS"), as set forth in Exhibit A, attached hereto and incorporated by reference herein. The County has entered into an interlocal agreement with the Cities of Brier, Edmonds, Everett, Lynnwood, Marysville, Mill Creek, Mountlake Terrace, Mukilteo and Woodway to form the ERS and, pursuant to separate interlocal agreements (the "Agreements") authorized herein, will agree to finance the agreed shares of the Cities and the District of the capital costs (including Issuance Costs of the Bonds) of the ERS by issuing the Bonds. The County will also fund its own share of such capital costs by issuance of Bonds in the principal amount of \$4,660,841 plus Issuance Costs and OID, if any, less premium, if any. After payment of Issuance Costs, the amount of \$4,660,841 will be paid into the Emergency Response System Agency Fund. Bonds will be issued to fund the loans provided for by the Agreements.

(2) Acquiring and installing the Geographic Information Systems (GIS) project and funding payment of bond anticipation notes issued for such purposes. Bonds will be issued for this project in the amount of \$2,820,000 plus Issuance Costs and OID, if any, less premium, if any. The amount remaining after payment of Issuance Costs, less amounts necessary to pay such bond anticipation notes pursuant to Section 10, will be distributed to the Geographic Information Systems program of Information Services Fund 505.

(3) Funding payment of bond anticipation notes issued for the purpose of acquiring a 73,770 square foot general use building (commonly referred to as the C-3 building) on County property for commercial aeronautical purposes. Bonds will be issued in the amount of \$1,170,000, plus Issuance Costs and OID, if any, less premium, if any, for this project and applied as set forth in Section 10.

(4) Acquiring an 18,724 square foot general use building (commonly referred to as the C-5 building) for commercial purposes. Bonds will be issued for this project in the amount of \$1,100,000, plus Issuance Costs and OID, if any, less premium, if any. The amount

remaining after payment of Issuance Costs and net of OID and premium will be distributed to the Airport Fund 410.

(5) Acquiring and installing facilities to upgrade the Imaging System of the Snohomish County Auditor's Office. Bonds will be issued for this project in the amount of \$472,000 plus Issuance Costs and OID, if any, less premium. The amount remaining after payment of Issuance Costs and net of OID will be distributed to the Operations and Maintenance Fund 189.

(6) Acquiring and developing land for Cathcart athletic fields and other North Creek mitigation area athletic fields. Bonds will be issued for these projects in the amount of \$8,200,000 plus Issuance Costs and OID, if any, less premium, if any. The amount remaining after payment of Issuance Costs and OID, less premium will be distributed to the Ballfields program of Parks Construction Fund 309.

(7) Any Bond proceeds remaining after application of such proceeds to the foregoing purposes may be applied to such capital purposes of the County as the County Council shall determine.

The above described bonds shall be combined and sold as a single issue of Bonds.

The County may utilize Bond proceeds to reimburse funds of the County heretofore expended for such purposes. All bond proceeds, if any, remaining after application as provided above and in Sections 10 and 18 shall be deposited into the 1999 Bond Fund.

(b) Description. The Bonds shall be dated as of November 1, 1999, shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each, or any integral multiple thereof, provided that no Bond shall represent more than one maturity, shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification, shall bear interest from their date payable on the first days of each June and December, commencing on June 1, 2000 at the actual per annum interest rates established upon the sale of the Bonds as provided in Section 14 hereof, and shall mature on December 1 in the years and amounts as set forth in the notice of bond sale published by the Director of Budget and Finance as approved pursuant to Section 14 hereof.

The Bonds shall be in registered form as to both principal and interest. The Bond Registrar shall maintain the Bond Register. Such Bond Register shall contain the name and mailing address of the owner of each Bond or nominee of such owner and the principal amount and number of Bonds held by each owner or nominee.

Upon surrender thereof to the Bond Registrar, the Bonds are interchangeable for Bonds in any authorized denomination of an equal aggregate principal amount and of the same interest rate and maturity. Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Such exchange or transfer shall be without cost to the owner or transferee.

Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be paid by check or draft mailed (on the date such interest is due) to the registered owners or assigns at the addresses appearing on the Bond Register as of the 15th day of the month preceding the interest payment date. Principal of the Bonds shall be payable upon presentation and surrender of the Bonds by the registered owners at the principal offices of either of the fiscal agencies of the State of Washington in the cities of Seattle, Washington, or New York, New York, at the option of such owners.

Interest on each Bond shall cease to accrue on its respective maturity date whether or not it is surrendered for payment, unless the County fails to deposit with the Bond Registrar sufficient funds to provide for the payment of principal and interest thereon when due, in which case interest shall continue to accrue on the unpaid principal balance until the full amount of such unpaid principal balance shall have been paid or deposited with the Bond Registrar.

Section 3. Book Entry, Exchanges and Transfers. The Bonds initially shall be held in fully-immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Blanket Issuer Letter of Representations. To induce DTC to accept the Bonds as eligible for deposit at DTC, the County has heretofore executed and delivered the Letter of Representations. The Director of Budget and Finance is hereby authorized to execute the Letter of Representations with such changes as may hereafter be approved by such Director, and such approval shall be conclusively presumed by such Director's execution thereof. The Bonds shall be issued in denominations equal to the aggregate

principal amount of each maturity and initially shall be registered in the name of CEDE & Co., as the nominee of DTC.

Neither the County nor the Bond Registrar shall have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the accuracy of any records maintained by DTC or any DTC participant as to the Bonds, the payment by DTC or any DTC participant of any amount in respect of the principal or redemption price of or interest on the Bonds, any notice that is permitted or required to be given to registered owners under the Ordinance (except any such notices as shall be required to be given by the County to the Bond Registrar or to DTC), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Bonds or any consent given or other action taken by DTC as the registered owner of the Bonds. For so long as any Bonds are held in fully-immobilized form hereunder, DTC or its successor depository shall be deemed to be the registered owner for all purposes hereunder, and all references in the Ordinance to registered owners, bondowners or the like shall mean DTC or its nominee and shall not mean the owners of any beneficial interests in the Bonds.

A. The Bonds shall be registered initially in the name of "CEDE & Co.," as nominee of DTC, with one Bond maturing on each of the maturity dates set forth in the purchase contract described in Section 14 hereof in a denomination corresponding to the total principal amount therein designated to mature on such date. Purchases of the Bonds may be made through brokers and dealers, who must be or act through participants in DTC, in principal amounts of \$5,000 and integral multiples thereof. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (i) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository appointed by the County pursuant to subsection B below or such substitute depository's successor; or (iii) to any person as provided in subsection D below.

B. Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or a determination by the County that it is no longer in the best interests of owners of beneficial interests in the Bonds to continue the system of book-entry

transfers through DTC or its successor (or any substitute depository or its successor), the County may appoint a substitute depository or terminate the use of a depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

C. In the case of any transfer pursuant to clause (i) or (ii) of subsection A above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the County, issue a single new Bond for each maturity of such Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the County.

D. In the event that (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository or (ii) the County determines that it is in the best interests of the County or the beneficial owners of the bonds that they be able to obtain bond certificates, the ownership of Bonds may then be transferred to any person or entity as herein provided, and the Bonds shall no longer be held in fully-immobilized form. The County shall deliver a written request to the Bond Registrar together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt of all then outstanding Bonds by the Bond Registrar together with a written request on behalf of the County to the Bond Registrar, new Bonds shall be issued in such denominations and registered in the names of such persons as are specified in such written request.

E. As long as DTC or its successor (or substitute depository or its successor) is not the registered owner of the Bonds, any Bond may be transferred pursuant to its provisions at the principal office for such purpose of the Bond Registrar by surrender of such Bond for cancellation, accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner in person or by his duly authorized attorney, and thereupon the County will issue and the Bond Registrar will authenticate and deliver at the principal office of the Bond Registrar (or send by registered or first class insured mail to the owner thereof at his expense), in the name of the transferee or transferees, a new Bond of the same interest rate, principal amount and maturity, and on which interest accrues from the last interest payment date to which interest has been



paid so that there shall result no gain or loss of interest as a result of such transfer, upon payment of any applicable tax or governmental charge. To the extent of denominations authorized in respect of any such Bond by the terms of the Ordinance, one such Bond may be transferred for several such Bonds of the same interest rate and maturity, and for a like aggregate principal amount, and several such Bonds of the same interest rate and maturity may be transferred for one or several such Bonds, respectively, of the same interest rate and maturity and for a like aggregate principal amount.

Upon the request of the County, the Bond Registrar shall notify the County of all registrations of Bonds and all changes in registrations of Bonds. The Bond Registrar shall maintain the registration books on behalf of the County and make copies thereof available to the County on request.

In every case of a transfer of any Bonds, the surrendered Bonds shall be canceled by the Bond Registrar and a certificate evidencing such cancellation shall be promptly transmitted by the Bond Registrar to the County. As a condition of any such transfer, the County, at its option, may require the payment by the transferor or a sum sufficient to reimburse it for any tax or other governmental charge that may be imposed thereon. All Bonds executed, authenticated and delivered in exchange for or upon transfer of Bonds so surrendered shall be valid obligations of the County evidencing the same debt as the Bonds surrendered, and shall be entitled to all the benefits and protection of the Ordinance to the same extent as the Bonds upon transfer of which they were executed, authenticated and delivered.

Section 4. Payment of Bonds and Interest. The principal of, premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America. For so long as all outstanding Bonds are registered in the name of CEDE & Co. or its registered assign, payments of principal and interest thereon shall be made as provided in the Letter of Representations. All such payments shall be valid and shall satisfy and discharge the liability of the County upon such Bonds to the extent of the amount or amounts so paid.

In the event that the Bonds are no longer registered in the name of CEDE & Co. or its registered assign, the principal and premium, if any, on the Bonds shall be payable at the principal offices of the Bond Registrar in Seattle, Washington or New York, New York. Interest on the Bonds will be paid by check or draft of the Bond Registrar mailed to the registered owner or assigns (on the

date such interest payment is due) at the addresses appearing on the registration books as of the 15th day of the month prior to such interest payment dates. Wire transfers will be made only if so requested to the Bond Registrar in writing and if the registered owner owns at least \$1,000,000 par value of the Bonds.

All payments of or on account of interest to any registered owner of any Bond (or to his or her assigns), and all payments of or on account of principal to any registered owner of any Bond (or to his or her assigns), shall be valid and effectual and shall be a discharge of the County and the Bond Registrar in respect of the liability upon the Bonds or claims for interest, as the case may be, to the extent of the sum or sums paid.

The County or Bond Registrar shall not be required to issue, transfer, or exchange Bonds after the 15th day of the month prior to any interest payment date.

Section 5. Optional and Mandatory Redemption and Purchase of Bonds. The Bonds maturing on and prior to December 1, 2009 are not subject to optional redemption prior to their stated maturity dates. The Bonds maturing on and after December 1, 2010, are subject to redemption at the option of the County on and after December 1, 2009, in whole or in part on any date (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 par plus accrued interest to the date of redemption.

If Bonds are called for optional redemption, portions of the principal amount of Bonds, in installments of \$5,000 or any integral multiple of \$5,000, may be redeemed. If less than all of the Bonds subject to optional redemption are called for redemption, the District shall choose the maturities to be redeemed. If less than a whole of a maturity is called for redemption, the Bonds to be redeemed shall be chosen by lot by the Bond Registrar or, for so long as the Bonds are in book-entry form, the selection of Bonds within a maturity to be redeemed and the manner of providing notice of redemption to beneficial owners shall be governed by the operational arrangements of DTC, as then in effect.

The Bonds may be subject to mandatory redemption as set forth in the notice of bond sale and designated by the successful bidder.

The County reserves the right to purchase any of the Bonds in the open market at any time at a price deemed reasonable by the County.

Section 6.     Notice of Redemption.   Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the County by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

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

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

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

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as

herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

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

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

(b) Each further notice of redemption may be sent at least 35 days before the redemption date by first class mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and shall be sent to one or more national information services that disseminate notices of redemption of obligations such as the Bonds (such as Moody's Investors Service and Standard & Poor's Corporation at their respective offices in New York, New York).

The Bond Registrar shall provide additional notice of redemption (at least 30 days) to each NRMSIR and SID, if any, in accordance with Section 17 hereof. The foregoing notice provisions of this Section 6, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 7.      Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. \_\_\_\_\_

\$ \_\_\_\_\_

STATE OF WASHINGTON

SNOHOMISH COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BOND, 1999

INTEREST RATE:

MATURITY DATE:

CUSIP NO.:

SEE REVERSE SIDE FOR  
CERTAIN ADDITIONAL PROVISIONS

Registered Owner:

Principal Amount:

SNOHOMISH COUNTY, WASHINGTON (the "County"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount set forth above and to pay interest thereon from November 1, 1999, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on the first days of each June 1 and December 1, commencing on June 1, 2000. Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest shall be paid by mailing a check or draft (on the date such interest is due) to the Registered Owner or assigns at the address shown on the Bond Register as of the 15th day of the month prior to the interest payment date. Principal shall be paid to the Registered Owner or assigns upon presentation and surrender of this bond at the principal office of the fiscal agencies of the State of Washington in either Seattle, Washington or New York, New York (collectively the "Bond Registrar").

Reference is hereby made to additional provisions of this bond set forth on the reverse side hereof and such additional provisions shall for all purposes have the same effect as if set forth in this space.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under Ordinance No. \_\_\_\_\_ of the County (the "Bond Ordinance") until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond and the bonds of this issue does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the County may incur.

IN WITNESS WHEREOF, Snohomish County, Washington has caused this bond to be executed by the facsimile signatures of the County Executive and Clerk of the County Council and the seal of the County to be imprinted hereon as of this 1<sup>st</sup> day of November, 1999.

SNOHOMISH COUNTY, WASHINGTON

By                     /s/ facsimile                      
County Executive

ATTEST:

                    /s/ facsimile                      
Clerk, County Council

ADDITIONAL PROVISIONS

This bond is one of an authorized issue of bonds of like date and tenor, except as to number, amount, rate of interest and date of maturity in the aggregate principal amount of not to exceed \$30,000,000, and is issued to make certain capital improvements.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinances duly adopted by the County Council.

The County has reserved the right to redeem any or all of the outstanding bonds of this series maturing on or after December 1, 2010, on and after December 1, 2009, in whole or in part on any date (with maturities to be selected by the County and by lot within a maturity, in increments of \$5,000, with the manner of selection to be as chosen by the Bond Registrar), at a redemption price of par, plus accrued interest to the date of redemption.

Notice of any such intended redemption as provided above shall be given no fewer than 30 nor more than 60 days prior to said redemption date by first class mail, postage prepaid, to the Registered Owner of any bond to be redeemed at the address appearing on the Bond Register. The requirements of the Bond Ordinance shall be deemed to be complied with when notice is mailed as herein provided, regardless of whether or not it is actually received by the owner of any bond. Interest on any bond so called for redemption shall cease on such redemption date unless the same is not paid in full upon presentation made pursuant to such call.

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

The bonds of this issue are not "private activity bonds" as such term is defined in the Internal Revenue Code of 1986, as amended (the "Code"). The bonds of this issue are not qualified tax-exempt obligations under Section 265(b) of the Code.

The County hereby irrevocably covenants that it will budget for and levy taxes annually upon all the taxable property in the County within and as a part of the tax millage levy permitted to counties without a vote of the people in amounts sufficient, with other money legally available therefor, to pay the principal of and interest on the bonds of this issue as the same shall become due. The full faith, credit and resources of the County are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest. The pledge of tax levies may be discharged prior to maturity of the bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

Bonds are interchangeable for bonds of any authorized denomination of equal aggregate principal amount and of the same series, interest rate and maturity upon presentation and surrender to the Bond Registrar.

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.

UNIF GIFTS (TRANSFERS)

MIN ACT - \_\_\_\_\_  
(Cust)

Custodian \_\_\_\_\_  
(Minor)

under Uniform Gifts (Transfers) to Minors Act

\_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the list above.

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation Bonds, 1999 of Snohomish County, Washington, dated November 1, 1999.

WASHINGTON STATE FISCAL AGENCY  
as Bond Registrar

By \_\_\_\_\_

Authorized Signer

(form of assignment)

ASSIGNMENT

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

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

[Empty rectangular box for Social Security or Taxpayer Identification Number]

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

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

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

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

SIGNATURE GUARANTEED:

Section 8. Execution of Bonds. The Bonds shall be executed on behalf of the County with the facsimile signatures of the County Executive and Clerk of the County Council, and the seal of the County shall be imprinted thereon.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Ordinance. Such Certificate of Authentication shall be conclusive evidence that



the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Ordinance.

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

Section 9.     Bond Registrar. The County appoints the fiscal agencies of the State of Washington as Bond Registrar and hereby adopts the system of registration specified and approved by the Washington State Finance Committee. The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Bonds which shall at all times be open to inspection by the County. The Bond Registrar is authorized, on behalf of the County, to authenticate and deliver the Bonds transferred or exchanged in accordance with the provisions of such Bonds and this Ordinance and to carry out all of the Bond Registrar's powers and duties under this Ordinance.

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

The Bonds shall be transferable by the registered owners thereof or by any registered owner's duly authorized agent at the office of the Bond Registrar, but only upon the due completion of the assignment form appearing thereon and upon the surrender and cancellation of the Bond to be transferred. Upon such transfer, a new Bond (or Bonds at the option of the new registered owner) of

the same maturity and interest rate and for the same aggregate principal amount will be issued to the new registered owner, without charge, in exchange therefor. The Bonds may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same maturity and interest rate in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during the fifteen days preceding any principal payment or redemption date.

Section 10.      Application of Bond Proceeds. The proceeds of sale of the Bonds shall be applied as follows:

A.      There shall be paid into the Snohomish County Limited Tax General Obligation Note Fund, 1998, a sum sufficient, together with other legally available moneys on hand therein, to pay the principal of and interest on the outstanding Limited Tax General Obligation Bond Anticipation Note, 1998, issued under date of March 24, 1998, pursuant to Ordinance No. 98-010 of the County, the proceeds of which were used to fund Project No. (2) as set forth in Section 2(a) above and such note shall be paid and redeemed.

B.      There shall be paid into the Snohomish County Limited Tax General Obligation Note Fund, 1996B, a sum sufficient, together with other legally available moneys in hand therein, to pay the principal of and interest on the outstanding Bond Anticipation Note, 1996B issued under date of September 9, 1996 pursuant to County Ordinance No. 96-058, the proceeds of which were used to fund Project No. (3) in Section 2(a) above and such note shall be paid and redeemed.

C.      All remaining proceeds of sale of the Bonds (exclusive of accrued interest which shall be paid into the Bond Fund) shall be applied and paid into funds all as provided in Section 2(a) and Section 18 hereof, and applied to pay the costs of the Projects therein specified which are not otherwise provided for in this Section and all costs related thereto, to pay incidental costs and Issuance Costs.

Section 11.      Creation of Bond Fund and Provision for Tax Levy. A special program within Limited Debt Service Fund 215 known as the "Snohomish County Limited Tax General Obligation Bond Redemption Fund 1999 (the "1999 Bond Fund"), is hereby created in the office of the County

Department of Finance. The 1999 Bond Fund shall be a debt service trust fund drawn upon for the sole purpose of paying the principal of and interest on the Bonds.

The County hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid, that each year it will include in its budget and levy an *ad valorem* tax in the amount which will be sufficient, together with other money of the County on hand and legally available for such purposes, to pay the principal of and interest on the Bonds as the same shall become due. All of such taxes and any such other money shall be paid into the 1999 Bond Fund. None of the money in the 1999 Bond Fund shall be used for any purpose other than the payment of the principal of and interest on the Bonds. Moneys in the 1999 Bond Fund not needed to pay the interest or principal next coming due, either at maturity or upon optional or mandatory redemption, may temporarily be deposited in such institutions or invested in such obligations as may be lawful for the investment of County money. Any interest or profit from the investment of such money shall be deposited in the 1999 Bond Fund, and any losses from such investments shall be charged against the 1999 Bond Fund.

The annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the tax millage levy permitted to counties without a vote of the people, and a sufficient portion of each annual levy to be levied and collected by the County prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably pledged to be set aside and appropriated for the payment of the principal of and interest on the Bonds.

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

Section 12.    Defeasance. In the event that money and/or "Government Obligations," as such Obligations are defined in Ch. 39.53 RCW, as now or hereafter amended, maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money, if necessary) sufficient to redeem and retire part or all of the Bonds authorized hereunder in accordance with their terms, are set aside in a special fund of the County to effect such redemption and retirement, and such money and the principal of and interest on such obligations are irrevocably set aside and pledged for

such purpose, then no further payments need be made into the 1999 Bond Fund of the County for the payment of the principal of and interest on the Bonds so provided for, and such Bonds shall cease to be entitled to any lien, benefit or security of this Ordinance except the right to receive the money so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder. If less than all of a maturity is so provided for, the specific Bonds so provided for shall be chosen by the Bond Registrar or by DTC, as appropriate, by lot.

Section 13. Tax Covenants Regarding Arbitrage and Private Activity Bonds. The County shall comply with the provisions of this section unless, in the written opinion of nationally-recognized bond counsel to the County, such compliance is not required in order to maintain the exemption of the interest on the Bonds from federal income taxation.

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

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

Section 14. Sale of Bonds. Bids for the Bonds were received by the County at the office of Preston Gates & Ellis LLP, Columbia Center, 701 5th Avenue, Suite 5000, Seattle, Washington, and at the County offices, at 10:00 a.m. on this date.

The County shall determine by motion whether or not to accept the best bid for the Bonds which bid is now on file with the County. The Council will determine by motion the final principal amount, redemption provisions and maturities of the Bonds.

The actions of the Director of Finance and Budget and A. Dashen & Associates in publishing notice of the public sale of such Bonds and in preparing an official statement of the County with respect

thereto, are hereby approved, ratified and confirmed. The form and content of the notice of Bond sale is approved. The Official Statement is approved as provided in Section 16 hereof.

The proper officials of the County are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Bonds to the purchaser at such sale and for the proper application and use of the proceeds of sale thereof. The Director is authorized to enter into agreements providing for insurance for the Bonds, if the Director determines that such insurance would provide an interest saving to the County.

Section 15. Authorization of Temporary Bond. Until the definitive Bonds are prepared, the County may utilize a temporary Bond which shall be typewritten and shall be delivered to the purchaser or purchasers of the Bonds in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds. The temporary Bond shall be dated November 1, 1999, shall be in the denomination of not to exceed \$30,000,000, shall be substantially of the tenor of definitive Bonds, but with such omissions, insertions and variations as may be appropriate to temporary bonds, and shall be signed by the County Executive and Clerk of the County Council.

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

Section 16. Approval of Preliminary Official Statement. The County hereby approves the preliminary official statement presented to the County Council on this date and authorizes, ratifies and approves the distribution of the preliminary official statement in connection with the offering of the Bonds. Pursuant to Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), the County deems this preliminary official statement as final as of its date except for the omission of information dependent upon the pricing of the issue and the completion of the underwriting agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per

maturity, delivery dates, and other terms of the Bonds dependent on the foregoing matters. The County agrees to cooperate with the successful bidder to deliver or cause to be delivered, within seven business days from the date of the sale of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the purchaser of the Bonds, copies of a final official statement in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rule-making Board.

Section 17. Undertaking to Provide Ongoing Disclosure

A. Contract/Undertaking. This section constitutes the County's written undertaking for the benefit of the owners of the Bonds as required by Section (b)(5) of the Rule.

B. Financial Statements/Operating Data. The County agrees to provide or cause to be provided to each NRMSIR and to the SID, if any, in each case as designated by the Commission in accordance with the Rule, the following annual financial information and operating data for the prior fiscal year (commencing in 2000 for the fiscal year ended December 31, 1999):

1. Annual financial statements showing ending fund balances prepared in accordance with regulations prescribed by the Auditor of the State of Washington from time to time and generally of the type included in the official statement for the Bonds under the headings "Statement of General Fund Revenues and Expenditures" and "Summary of Debt Service Requirements."

2. The assessed valuation of taxable property in the County;
3. Property taxes due, property taxes collected and property taxes delinquent;
4. Property tax levy rates per \$1,000 of assessed valuation; and
5. Outstanding general obligation debt of the County.

Such annual information and operating data described above shall be so provided on or before the expiration of seven months after the end of the County's fiscal year (which now ends December 31). The County may adjust such date if the County changes its fiscal year by providing written notice of the change of fiscal year and the new reporting date to each then existing NRMSIR and the SID, if any. In lieu of providing such annual financial information and operating data, the County may cross-reference

to other documents provided to the NRMSIRs, the SID or to the Commission and, if such document is a final official statement within the meaning of the Rule, available from the MSRB.

If not provided as part of the annual financial information discussed above, the County shall provide the County's audited annual financial statement prepared in accordance with regulations prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statutes), when and if available, to each then existing NRMSIR and the SID, if any.

C. Material Events. The County agrees to provide or cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR or to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves for the Bonds, if any, reflecting financial difficulties; and
4. Unscheduled draws on credit enhancements, if any, for the Bonds reflecting financial difficulties;
5. Substitution of credit or liquidity providers, if any, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modifications to the rights of bond owners;
8. Optional redemption of Bonds prior to their maturity;
9. Defeasance of the Bonds; and
10. Release, substitution or sale of property, if any, securing repayment of the Bonds.
11. Rating changes for the Bonds.

With reference to items 3 and 10 above, no debt service reserves secure payment of the Bonds and no property secures the repayment thereof, as the County lacks legal authority for either measure. Therefore, the occurrence of such events is not now possible. If further changes in the law permit such measures, and if the County subsequently chooses to establish such reserves or provide such property

as security for the Bonds, the County will provide notice of such establishment or provision and will provide notice of material events relating thereto, should such events occur.

D. Notification Upon Failure to Provide Financial Data. The County agrees to provide or cause to be provided, in a timely manner, to each NRMSIR or to the MSRB and to the SID, if any, notice of its failure to provide the annual financial information described in subsection B above on or prior to the date set forth in subsection B above.

E. Termination/Modification. The County's obligations to provide annual financial information and notices of material events shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. This section, or any provision hereof, shall be null and void if the County (1) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this section, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; and (2) notifies each then existing NRMSIR and the SID, if any, of such opinion and the cancellation of this section. Notwithstanding any other provision of the Ordinance, the County may amend this Section 17 and any provision of this Section 17 may be waived, provided that the following conditions are satisfied:

1. If the amendment or waiver relates to the provisions of Section 17B 1 to 5 or C, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

2. The undertaking, as amended or taking into account such waiver, would, in the opinion of national recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

3. The amendment or waiver either (i) is approved by the owners of the Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the owners or beneficial owners of the Bonds.



In the event of any amendment of or waiver of a provision of this Section 17, the County shall describe such amendment in the next annual report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under Subsection C, and (ii) the annual report for the year in which the change is made should present a comparison (in narrative form and also, if practical, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

F. Bond Owner's Remedies Under This Section. The right of any Bondowner or Beneficial Owner of Bonds to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the County's obligations hereunder, and any failure by the County to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds under the Ordinance. For purposes of this section, "Beneficial Owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds, including persons holding Bonds through nominees or depositories.

Section 18. Interlocal Financing Agreements. The entry of the County into Interlocal Agreements with each of the Cities and the District with respect to the ERS, and the SNOCOM Agreements with the Cities of Edmonds, Mountlake Terrace and Lynnwood, all in substantially the forms attached hereto, and incorporated by reference herein, is approved. The appropriate officials of the County are authorized to execute such agreements on behalf of the County, to execute such other documents as are required to effect such agreements and to take all other actions deemed necessary to accomplish the transactions therein contemplated. The amounts to be loaned to each of the Cities and the District shall be the following amounts, plus Issuance Costs and OID, if any, less premium, if any:

ERS Funding

- (1) \$1,453,300 to the City of Edmonds.

- (2) \$1,762,951 to the City of Lynnwood.
- (3) \$1,175,578 to the City of Marysville.
- (4) \$443,617 to the City of Mill Creek.
- (5) \$778,150 to the City of Mountlake Terrace.
- (6) \$59,587 to the City of Woodway.
- (7) \$1,191,000 to Fire Protection District No. 111.

The amounts to be loaned pursuant to the SNOCOM Agreements shall be in the following amounts plus Issuance Costs and OID, if any, less premium, if any:

SNOCOM Funding

- (1) \$397,731 to the City of Edmonds.
- (2) \$485,291 to the City of Lynnwood.
- (3) \$212,014 to the City of Mountlake Terrace.

Section 19. Severability. If any one or more of the covenants or agreements provided in this Ordinance to be performed on the part of the County shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds.

Section 20. Effective Date. This Ordinance shall become effective ten days following its passage and enactment as provided by the County Charter.

ADOPTED by the County Council of Snohomish County, Washington, at a regular meeting thereof held this 20<sup>th</sup> day of October, 1999.

SNOHOMISH COUNTY COUNCIL  
SNOHOMISH COUNTY, WASHINGTON

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Chair

Approved as to Form:

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Special Deputy  
Prosecuting Attorney

ATTEST:

\_\_\_\_\_  
Clerk of the County Council

Date: \_\_\_\_\_

( ) \_\_\_\_\_

( ) \_\_\_\_\_

\_\_\_\_\_  
County Executive

Published \_\_\_\_\_ and \_\_\_\_\_

Attest

\_\_\_\_\_

CERTIFICATE

I, the undersigned, Clerk of the County Council of Snohomish County (the "County"), DO  
HEREBY CERTIFY:

1. That the attached Ordinance No. \_\_\_\_\_ (the "Ordinance") is a true and correct copy of an ordinance of the County as passed at an open public meeting of the County Council held on the 20<sup>th</sup> day of October, 1999, and duly recorded in my office;

2. That said meeting was duly convened and held in all respects in accordance with law; and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of members of the County Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate;

3. That the Ordinance has not been amended, superseded or repealed since its passage, and remains in full and force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County this 20<sup>th</sup> day of October, 1999.

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Clerk of the County Council

## EXHIBIT A

### DESCRIPTION OF THE PROJECT

The following description is based upon that appearing in the ERS Agreement and is intended to provide information as to the contemplated nature and function of the Project. The following information does not constitute a warranty or a representation in any sense and shall not be construed to impose any covenant or create any obligation on the part of the County.

#### A.1 Introduction.

The Emergency Radio System (the “System”) is intended to provide a significantly improved level of communications capability when compared to existing radio systems. The System is intended to provide effective and coordinated public safety communications on a day-to-day basis, provide significant operational enhancements, increase user safety, and provide an increased level of interoperability and coordination among the four dispatch centers in Snohomish County (three city/county dispatch centers and one Washington State Patrol dispatch center).

#### A.2. System Elements.

The System will consist of the following tangible elements: (a) a county-wide 800 MHz trunked radio system with compatible mobile, portable, and control station radios; (b) a county-wide VHF paging system; (c) county-wide VHF radio interoperability systems (including enhancements to existing VHF infrastructure in the Phase II service area to improve back country and search and rescue operations); (d) an upgraded county-wide 900 MHz mobile data system; (e) a county-wide microwave transmission network to link system facilities; and (f) related real property, vehicles, equipment, and appurtenances.

#### A.3. System Design Features.

The System will be designed to provide the full range of available radio system features and to improve upon the overall area coverage offered by existing radio systems.

The System will be designed to provide participating agencies (Members and Users) effective communications in the event of a major disaster.

The 800 MHz radio system will operate in simulcast mode from multiple sites, supported by new or upgraded towers and buildings. The system will also include separate low capacity trunked “filler” radio sites in difficult service areas. All conventional and filler sites will be integrated into a single system at the system controller/audio switch, allowing radios that are in transit to automatically “roam” while maintaining effective communications.

The VHF paging system will consist of a multiple site simulcast system. The paging system will be alpha-numeric. It will be designed to provide improved police, fire, and EMS paging.

The VHF radio interoperability systems will link non-participating agencies (federal, state, and other local agencies) to the System, and will link participating agencies (Members and Users) during transition to full System operation. Interoperability with the King County Regional Radio System and

the trunked radio system operated by the Boeing Company will be provided using 800 MHz radios compatible with the Motorola trunked radio technology used by those systems.

The existing 900 MHz mobile data system owned by Snohomish County Public Utility District No. 1, which is used by participating agencies (Members and Users) under existing agreements with dispatch centers, will be upgraded pursuant to one or more agreements to be approved by ERS. The upgraded system will provide enhanced coverage and capacity required to support use of that system by participating agencies (Members and Users).

The microwave transmission network will be loop-protected, except insofar as the County may determine that loop-protection is not possible in Phase II. The network will provide excess capacity for additional ERS radio systems, PSAP links, or other point-to-point government communication needs.

The System will provide encrypted communications through an infrastructure design that supports digital communications, except that the County may determine that encrypted communications are not possible in Phase II. Two deployable encryption-capable repeaters will be available to participating agencies for specialized operations or for use outside of the System's service areas.

The three dispatch centers operated by SNOCOM, SNOFAC, and the City of Marysville will be upgraded with new console equipment required to operate the System. That equipment will be connected to the ERS microwave network via a protected spur microwave facility or, where possible, directly to the high capacity loop. All operational system features will be provided through participating dispatch centers.

#### A.4. Phased Construction.

The System will be designed as a county-wide entity, but will be constructed in two phases. ERS will proceed with construction of Phase I following approval of the final system design. Construction of Phase II is contingent upon funding by the County, and ERS will proceed with construction of Phase II only if authorized by the County.

##### A.4.1. Phase I Service Area.

The Phase I service area is bounded to the North by the northerly boundary of the City of Marysville, to the South by the boundary of Snohomish and King Counties, to the West by Puget Sound, and to the East by SR 9. The 800 MHz system in this service area will include approximately nine channels operating from approximately eight sites. Stand alone filler sites will be provided for the Edmonds/Lynnwood waterfront areas and Everett rail tunnel.

#### A.4.2. Phase II Service Area.

The Phase II service area is the remainder of the County. Construction of Phase II is contingent upon funding by the County, and may be developed in stages or limited to particular features or parts of the Phase II service area as directed by the County. The 800 MHz radio system will consist of approximately seven channels operating from approximately seven simulcast sites. Low capacity trunked filler or conventional 800 MHz sites will provide back-country coverage as required for effective coverage. While the number of filler sites needed to serve the most rural portions of the County has not yet been determined, a stand alone filler site will serve the Darrington area and a stand alone filler site will serve the Index area. All trunked filler and conventional 800 MHz facilities will be fully integrated into the county-wide radio system. The infrastructure supporting VHF interoperability in the Phase II service area will be upgraded to ensure high-performance, county-wide interoperability. The VHF system supporting back country and search and rescue operations will be upgraded to provide for added voting receivers and simulcast operation and to comply with regulatory changes resulting from the FCC “refarming” rulemaking.

EXHIBIT B



SNOHOMISH COUNTY, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BONDS, 1999

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ORDINANCE NO. 99-086

AN ORDINANCE of the County Council of Snohomish County, Washington, providing for the issuance and sale of limited tax general obligation bonds of the County in the aggregate principal amount of not to exceed \$30,000,000 for the purpose of providing funds required to make certain capital improvements; providing the date, form, terms and maturities of the bonds to be issued and for tax levies to pay the principal thereof and interest thereon as a part of the tax millage levy permitted to counties without a vote of the people; approving a preliminary official statement; and approving the public sale of such bonds.

APPROVED ON OCTOBER 20, 1999

PREPARED BY:

PRESTON GATES & ELLIS LLP

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

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Exhibit A – Description of the ERS Project

Exhibit B – Form of Interlocal Financing Agreement

Exhibit C – Form of SNOCOM Interlocal Financing Agreement

\* This table of contents is not a part of this Ordinance; it is included for convenience of the reader only.