

MASON COUNTY, WASHINGTON

RESOLUTION NO. 46-98

A RESOLUTION of the Board of Commissioners of Mason County, Washington, adopting a system of registration of bonds and obligations of the County.

WHEREAS, Section 149(a) of the Internal Revenue Code of 1986, as amended, requires municipal bonds and obligations offered to the public having a maturity of more than one year to be in registered form as a condition of the exclusion from gross income for federal income tax purposes of the interest on those bonds and obligations; and

WHEREAS, RCW 39.46.030 authorizes Mason County (the "County") to establish a system of registering the ownership of their bonds or obligations as to principal and interest, or principal only; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF MASON, COUNTY, WASHINGTON, as follows:

Section 1. Definitions. The following words have the following meanings when used in this resolution:

- (a) "Bond" or "bonds" has the meaning defined in RCW 39.46.020(1), as the same may be amended from time to time.
- (b) "County" means Mason County, Washington.
- (c) "Fiscal Agencies" means the duly appointed fiscal agencies of the State of Washington serving as such at any given time.
- (d) "Obligation" or "obligations" has the meaning defined in RCW 39.46,020(3), as the same from time to time may be amended.
- (e) "Registrar" means the person, persons or entity designated by the County to register ownership of bonds or obligations under this resolution or under a resolution of the County authorizing the issuance of such bonds or obligations.

Section 2. Findings. The Board of Commissioners of the County finds that it is in the County's best interest to establish a system of registering the ownership of the County's bonds and obligations in the manner permitted by law.

Section 3. Adoption of Registration System. The County adopts the following system of registering the ownership of its bonds and obligations.

- (a) Registration Requirement. All bonds and obligations offered to the public, having a maturity of more than one year, on which the interest is intended to be excluded from

gross income for federal income tax purposes, shall be registered as to both principal and interest as provided in this resolution.

(b) Method of Registration. The registration of all County bonds and obligations required to be registered shall be carried out either by

1. a book entry system of recording the ownership of the bond or obligation on the books of the Registrar, whether or not a physical instrument is issued; or

2. recording the ownership of the bond or obligation and requiring as a condition of the transfer of ownership of any bond or obligation the surrender of the old bond or obligation and either the reissuance of the old bond or obligation or the issuance of a new bond or obligation to the new owner.

No transfer of any bond or obligation subject to registration requirements shall be effective until the name of the new owner and the new owner's mailing address, together with such other information deemed appropriate by the Registrar, are recorded on the books of the Registrar.

(c) Denominations. Except as may be provided otherwise by the resolution authorizing their issuance, registered bonds or obligations may be issued and reissued in any denomination up to the outstanding principal amount of the bonds or obligations of which they are a part. Such denominations may represent all or a part of a maturity or several maturities and on reissuance may be in smaller amounts than the individual denominations for which they are reissued.

(d) Appointment of Registrar. Unless otherwise provided in the resolution authorizing the issuance of registered bonds or obligations, the County Treasurer (the "Treasurer"), shall be the Registrar for all registered interest-bearing warrants, installment contracts, interest-bearing leases and other registered bonds or obligations not usually subject to trading without a fixed maturity date or maturing one year or less after issuance and the Fiscal Agencies shall be the Registrar for all other County bonds and obligations without a fixed maturity date or maturing more than one year after issuance.

(e) Duties of Registrar. The Registrar shall serve as the County's authenticating trustee, transfer agent, registrar and paying agent for all registered bonds and obligations for which he, she, or it serves as Registrar and shall comply fully with all applicable federal and state laws and regulations respecting the carrying out of those duties.

The rights, duties, responsibilities and compensation of the Registrar shall be prescribed in each resolution authorizing the issuance of the bonds or obligations, which rights, duties, responsibilities and compensation shall be embodied in a contract executed by the County and the Registrar, except that (i) when the Fiscal Agencies serve as Registrar, the County adopts by reference the contract between the State Finance Committee of the State of Washington and the Fiscal Agencies in lieu of executing a separate contract and prescribing by resolution the rights, duties, obligations and compensation of the Registrar and (ii) when the Treasurer serves as Registrar, a separate contract shall not be required.

In all cases when the Registrar is not the Fiscal Agencies and the bonds or obligations are assignable, the resolution authorizing the issuance of the registered bonds or obligations shall specify the terms and conditions of:

1. making payments of principal and interest;
2. printing any physical instruments, including the use of identifying numbers or other designation;
3. specifying record and payment dates;
4. determining denominations;
5. establishing the manner of communicating with the owners of the bonds or obligations;
6. establishing the methods of receipting for the physical instruments for payment of principal, the destruction of such instruments and the certification of such destruction;
7. registering or releasing security interests, if any; and
8. such other matters pertaining to the registration of the bonds or obligations authorized by such resolution as the County may deem to be necessary or appropriate.

Section 4. Statement of Transfer Restrictions. Any physical instrument issued or executed by the County subject to registration under this resolution shall state on its face that the principal of and interest on the bonds or obligations shall be paid only to the owner thereof registered as such on the books of the Registrar as of the record date defined in the instrument and to no other person, and that such instrument, either principal or interest, may not be assigned except on the books of the Registrar.


ADOPTED by the Board of Commissioners of Mason County, Washington, at a regular open public meeting thereof this 5th day of May, 1998.



Chair and Commissioner



Commissioner



Commissioner

ATTEST:



Clerk of the Board of County Commissioners