



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Ordinance 20073

Proposed No. 2026-0104.1

Sponsors Dembowski

1 AN ORDINANCE authorizing the issuance and sale of one
2 or more series of sewer revenue bonds and limited tax
3 general obligation bonds (payable from sewer revenues) of
4 the county in an aggregate principal amount not to exceed
5 \$1,000,000,000 to provide funds for acquiring and
6 constructing improvements to the sewer system and to pay
7 the costs of issuing such bonds; authorizing the issuance
8 and sale of one or more series of sewer revenue bonds and
9 limited tax general obligation bonds (payable from sewer
10 revenues) of the county to refund outstanding obligations of
11 the county payable from sewer revenues and to pay the
12 costs of issuing such refunding bonds; pledging sewer
13 revenues to pay the principal of and interest on sewer
14 revenue bonds issued under this ordinance; pledging the
15 annual levy of taxes and an additional pledge of sewer
16 revenues to pay the principal of and interest on limited tax
17 general obligation bonds (payable from sewer revenues)
18 issued under this ordinance; delegating authority to the
19 county's Finance Director to approve the issuance and sale
20 of sewer revenue bonds and limited tax general obligation

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21 bonds (payable from sewer revenues) within specified
22 parameters; and providing for the form, terms and
23 covenants of the bonds issued under this ordinance.

24 PREAMBLE:

25 The county owns and operates facilities for the conveyance and treatment
26 of sewage and control of combined sewer overflows that include
27 wastewater treatment plants, interceptor and trunk sewers, pumping
28 stations, regulator stations, outfall sewers, storm sewers to divert
29 stormwater from sanitary sewers, lands for application of biosolids,
30 property rights, and buildings and other structures and equipment
31 (collectively, the "System"), all in accordance with a comprehensive plan
32 for metropolitan water pollution abatement under the authority of chapters
33 36.56 and 35.58 of the Revised Code of Washington ("RCW").

34 Long-term service agreements with participating municipalities and other
35 entities (the "Participants") obligate the county to treat and dispose of
36 sewage collected by the Participants. The Participants must pay the costs
37 of these services including debt service on bonds payable from sewer
38 revenues, including the bonds authorized by this ordinance, and other
39 indebtedness payable from and secured by sewer revenues. Comparable
40 rates and charges have been established for customers who deliver sewage
41 to the System but are not subject to a contract with the county for this
42 service.

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43 In accordance with RCW 35.58.200(3), the county has declared that the
44 health, safety and welfare of people within the metropolitan area require
45 that certain Participants discharge sewage collected by those Participants
46 into facilities of the System.

47 It is necessary and desirable for the county to issue and sell, from time to
48 time, one or more series of its bonds payable from sewer revenues in an
49 aggregate principal amount not to exceed \$1,000,000,000 (the "Project
50 Bonds") to pay costs of capital improvements to the System, in accordance
51 with the Comprehensive Plan and the Capital Improvement Budget, and to
52 pay the costs of issuing the bonds.

53 In addition, the county may have opportunities to refund, including by
54 purchase or exchange, or defease all or portions of its currently
55 outstanding obligations of the county payable from sewer revenues, in
56 each case to effect a saving to the county and ratepayers of the System or
57 when necessary or in the best interest of the county and ratepayers of the
58 System to modify debt service or reserve requirements, sources of
59 payment, covenants or other terms of the obligations to be refunded.

60 The county has issued its sewer revenue bonds secured by a senior lien on
61 Revenue of the System, as set forth in Attachment A, Section I, to this
62 ordinance (as further defined herein, the "Parity Bonds").

63 The county has issued its limited tax general obligation bonds additionally
64 secured by a lien on Revenue of the System junior and subordinate to the

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65 lien thereon of the Parity Bonds, as set forth in Attachment A, Section II,
66 to this ordinance (as further defined herein, the "Parity Lien Obligations").

67 The county has issued its sewer revenue bonds secured by a lien on
68 Revenue of the System junior and subordinate to the lien thereon of the
69 Parity Lien Obligations, as set forth in Attachment A, Section III, to this
70 ordinance (as further defined herein, the "Junior Lien Obligations").

71 The county has issued its limited tax general obligation bonds additionally
72 secured by a lien on Revenue of the System junior and subordinate to the
73 lien thereon of the Junior Lien Obligations (as further defined herein, the
74 "Multi-Modal LTGO/Sewer Revenue Bonds"), which includes multi-
75 modal limited tax general obligation notes (payable from sewer revenues)
76 in the commercial paper mode, as set forth in Attachment A, Section IV,
77 to this ordinance.

78 The county has reserved the right to issue certain revenue bonds or other
79 revenue obligations with a lien on Revenue of the System junior and
80 inferior to the lien thereon of the Multi-Modal LTGO/Sewer Revenue
81 Bonds (as further defined herein, the "Subordinate Lien Obligations").

82 The county has entered into loan agreements with the State Department of
83 Ecology under the State water pollution control revolving fund loan
84 program (the "SRF Loans") and with the State Department of Commerce
85 under the Public Works Board loan program (the "Public Works Board
86 Loans"), the repayment obligations of which are secured by a lien on

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87 Revenue of the System junior and subordinate to the lien thereon of the
88 Subordinate Lien Obligations.

89 It is necessary and advisable for the county to issue and sell, from time to
90 time, one or more series of its bonds payable from sewer revenue (the
91 "Refunding Bonds," and together with the Project Bonds, the "Bonds") to
92 effect the refunding of Parity Bonds, Parity Lien Obligations, Junior Lien
93 Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, SRF Loans and
94 Public Works Board Loans, and any Future Parity Bonds, Future Parity
95 Lien Obligations, Future Junior Lien Obligations, Future Multi-Modal
96 LTGO/Sewer Revenue Bonds, Subordinate Lien Obligations, and future
97 SRF Loans and Public Works Board Loans, and to pay the costs of issuing
98 the bonds and accomplishing the refunding.

99 It is in the best interest of the county to designate, pursuant to RCW
100 39.46.040 and other authority of the county, the county's Finance Director
101 to serve as its designated representative to accept offers to purchase the
102 Bonds on behalf of the county consistent with terms and parameters
103 established by this ordinance and county debt policy.

104 As designated representative, the Finance Director has authority to sell the
105 Bonds in one or more series, as either Parity Bonds or Parity Lien
106 Obligations, or a combination thereof, by competitive bid or negotiated
107 sale, or to the federal government or another direct purchaser, and to
108 identify any obligations to be refunded, including by purchase or
109 exchange, with the proceeds of the Bonds, all in consultation with the

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110 county's financial advisors, and consistent with terms and parameters
111 established by this ordinance and county debt policy.

112 The sale of any series of the Bonds shall be reported to the county council
113 and the Executive Finance Committee, as part of the annual report
114 provided for in this ordinance.

115 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

116 SECTION 1. Definitions. The following words and terms as used in this
117 ordinance have the following meanings for all purposes of this ordinance, unless some
118 other meaning is plainly intended.

119 "Accreted Value" means, for any Capital Appreciation Bonds, as of any date of
120 calculation, the sum of the amounts set forth in the ordinance, resolution or Sale
121 Document authorizing such bonds, representing the initial principal amount of such
122 bonds plus the interest accumulated, compounded and unpaid thereon as of the most
123 recent compounding date, as provided in the ordinance, resolution or Sale Document
124 authorizing the issuance of such bonds; provided, that if such calculation is not made as
125 of a compounding date, such amount shall be determined by straight-line interpolation as
126 of the immediately preceding and the immediately succeeding compounding dates.

127 "Agency Customer" means any city, town, water-sewer district or other political
128 subdivision, person, firm, private corporation or other entity that collects sewage from
129 customers and disposes of any portion of that sewage into the System and is not a
130 Participant.

131 "Annual Debt Service" means, for any calendar year, the sum of the following:

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132 1. The interest due on all outstanding Parity Bonds and Parity Lien
133 Obligations: (a) on all interest payment dates other than January 1 in such calendar year;
134 and (b) on January 1 of the next succeeding year, and any Payment Agreement Payments
135 due on such dates in respect of any Parity Payment Agreements and Parity Lien
136 Obligation Payment Agreements, minus any Payment Agreement Receipts due in such
137 period in respect of any Parity Payment Agreements and Parity Lien Obligation Payment
138 Agreements.

139 a. For purposes of calculating the amounts required to pay
140 interest on Parity Bonds or Parity Lien Obligations, capitalized interest and accrued
141 interest paid to the county upon the issuance of Parity Bonds or Parity Lien Obligations
142 shall be excluded and interest on any Balloon Maturity shall also be excluded.

143 b. The amount of interest deemed to be payable on any issue
144 of Variable Rate Parity Bonds or Variable Rate Parity Lien Obligations shall be
145 calculated on the assumption that the interest rate on those bonds would be equal to the
146 rate that is the average of the SIFMA Municipal Swap Index over the 10 calendar years
147 preceding the quarter in which the calculation is made (the "assumed variable rate");
148 provided, that for purposes of determining actual compliance in any past calendar year
149 with the rate covenant made in section 18 of this ordinance, the actual amount of interest
150 paid on any issue of Variable Rate Parity Bonds or Parity Lien Obligations shall be taken
151 into account;

152 2. The principal due, at maturity or upon the mandatory redemption
153 of Term Bonds prior to their maturity, for all outstanding Parity Bonds and Parity Lien
154 Obligations other than any Balloon Maturity: (a) on all principal payment dates other

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155 than January 1 of such calendar year; and (b) on January 1 of the next succeeding year;
156 and

157 3. The Assumed Debt Service for any Balloon Maturity of a Parity
158 Bond or Parity Lien Obligation for that calendar year.

159 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or
160 upon the mandatory redemption of Parity Term Bonds that are Capital Appreciation
161 Bonds shall be included in the calculation of Annual Debt Service, and references in this
162 ordinance to principal of Parity Bonds shall include the Accreted Value due at maturity or
163 upon the mandatory redemption of any Capital Appreciation Bonds.

164 Notwithstanding the foregoing, debt service on Parity Bonds or Parity Lien
165 Obligations with respect to which a Payment Agreement is in force shall be calculated by
166 the county to reflect the net economic effect on the county intended to be produced by the
167 terms of the Parity Bonds or Parity Lien Obligations and the terms of the applicable
168 Payment Agreement, in accordance with the requirements for Payment Agreements set
169 forth in section 27 of this ordinance and any other applicable requirements from the
170 ordinances authorizing the issuance of such Parity Bonds or Parity Lien Obligations.

171 For purposes of satisfying the rate covenant in section 18.B. of this ordinance and
172 the tests for the issuance of additional Parity Lien Obligations in section 25 of this
173 ordinance, Annual Debt Service for any fiscal year or calendar year shall exclude any
174 Debt Service Offsets, i.e., any Debt Service Offsets shall be deducted from Annual Debt
175 Service.

176 "Annual Parity Debt Service" means, for any calendar year, the sum of the
177 following:

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178 1. The interest due on all outstanding Parity Bonds: (a) on all interest
179 payment dates other than January 1 in such calendar year; and (b) on January 1 of the
180 next succeeding year, and any Payment Agreement Payments due on such dates in
181 respect of Parity Payment Agreements, minus any Payment Agreement Receipts due in
182 such period in respect of such Parity Payment Agreements.

183 a. For purposes of calculating the amounts required to pay
184 interest on Parity Bonds, capitalized interest and accrued interest paid to the county upon
185 the issuance of Parity Bonds shall be excluded and interest on any Balloon Maturity shall
186 also be excluded.

187 b. The amount of interest deemed to be payable on any issue
188 of Variable Rate Parity Bonds shall be calculated on the assumption that the interest rate
189 on those bonds would be equal to the rate that is the average of the SIFMA Municipal
190 Swap Index over the 10 calendar years preceding the quarter in which the calculation is
191 made (the "assumed variable rate"); provided, that for purposes of determining actual
192 compliance in any past calendar year with the rate covenant made in section 18 of this
193 ordinance, the actual amount of interest paid on any issue of Variable Rate Parity Bonds
194 shall be taken into account.

195 2. The principal due at maturity or upon the mandatory redemption of
196 Term Bonds prior to their maturity for all outstanding Parity Bonds other than any
197 Balloon Maturity: (x) on all principal payment dates other than January 1 of such
198 calendar year; and (y) on January 1 of the next succeeding year.

199 3. The Assumed Debt Service for any Balloon Maturity of a Parity
200 Bond for that calendar year.

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201 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or
202 upon the mandatory redemption of Parity Term Bonds that are Capital Appreciation
203 Bonds shall be included in the calculation of Annual Debt Service, and references in this
204 ordinance to principal of Parity Bonds shall include the Accreted Value due at maturity or
205 upon the mandatory redemption of any Capital Appreciation Bonds.

206 Notwithstanding the foregoing, debt service on Parity Bonds with respect to
207 which a Payment Agreement is in force shall be calculated by the county to reflect the net
208 economic effect of the terms of the Parity Bonds and the applicable Payment Agreement,
209 in accordance with the requirements set forth in section 27 of this ordinance and any
210 other applicable requirements from the ordinances authorizing issuance of such Parity
211 Bonds.

212 For purposes of calculating the Reserve Requirement and satisfying the rate
213 covenant in section 18.A. of this ordinance and the tests for the issuance of Future Parity
214 Bonds in section 24 of this ordinance, Annual Parity Debt Service for any fiscal year or
215 calendar year shall exclude any Debt Service Offsets, i.e., any Debt Service Offsets shall
216 be deducted from Annual Parity Debt Service.

217 "Assumed Amortization Period" means an assumed amortization period for a
218 Balloon Maturity as specified in the Sale Document designating the Balloon Maturity. An
219 Assumed Amortization Period may not be longer than the lesser of: (a) the useful life, as
220 of the date of designation, of the assets being financed; and (b) 75 years. The Assumed
221 Amortization Period for a Balloon Maturity applies, i.e., is not reset, until the Balloon
222 Maturity, and any Balloon Maturity issued to refund that Balloon Maturity, is no longer
223 outstanding.

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224 "Assumed Debt Service" for any Balloon Maturity for any calendar year means an
225 amount equal to the principal and interest that would be payable in each calendar year if
226 that Balloon Maturity were amortized over the Assumed Amortization Period on a
227 substantially level debt service basis, calculated based on the actual interest rate on the
228 Balloon Maturity, if fixed, and based on the average of the SIFMA Municipal Swap
229 Index over the 10 calendar years preceding the quarter in which the calculation is made,
230 if variable.

231 "Balloon Maturity" means any scheduled principal maturity of any Series of
232 Parity Bonds or Parity Lien Obligations that the county designates in the Sale Document
233 for that Series to be a Balloon Maturity for the purposes of the definitions of Annual Debt
234 Service and Annual Parity Debt Service. Any Balloon Maturity includes any
235 corresponding scheduled principal maturity of Parity Bonds or Parity Lien Obligations
236 issued to refund such Balloon Maturity unless the Balloon Maturity designation is
237 rescinded in the Sale Document approving the refunding.

238 "Beneficial Owner" means, with respect to a Bond, the owner of the beneficial
239 interest in that Bond.

240 "Bond Purchase Agreement" means any bond purchase agreement for the sale of a
241 Series of Bonds approved by the Finance Director pursuant to section 28.B. of this
242 ordinance.

243 "Bond Register" means the registration books maintained by the Registrar for
244 purposes of identifying ownership of the Bonds.

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245 "Bonds" means the county's Project Bonds, Refunding Bonds or both, authorized
246 to be issued under this ordinance. The Bonds may be issued in one or more Series of
247 Parity Bonds or Parity Lien Obligations, as provided in this ordinance.

248 "Capital Appreciation Bonds" means any Parity Bonds the interest on which is
249 compounded, accumulated and payable only upon redemption or on the maturity date of
250 such Parity Bonds; provided, that Parity Bonds may be deemed to be Capital
251 Appreciation Bonds for only a portion of their term pursuant to the ordinance, resolution
252 or Sale Document authorizing their issuance. On the date on which Parity Bonds no
253 longer are Capital Appreciation Bonds, they shall be deemed outstanding in a principal
254 amount equal to their Accreted Value.

255 "Capital Improvement Budget" means the capital improvement budget of the
256 county in effect from time to time, as such budget may have been amended or
257 supplemented.

258 "Certificate of Award" means any certificate of award for the sale of a Series of
259 Bonds approved by the Finance Director pursuant to section 28.C. of this ordinance.

260 "Certified Public Accountant" means an independent certified public accountant
261 or firm of certified public accountants selected by the county and having a favorable
262 national reputation.

263 "Closing" means the delivery of a Series of the Bonds to, and payment of the
264 purchase price therefor by, the initial purchaser or purchasers of that Series of Bonds.

265 "Code" means the Internal Revenue Code of 1986 as in effect on the date of
266 issuance of a Series of Tax-Advantaged Obligations or Tax-Exempt Obligations or,
267 except as otherwise referenced herein, as it may be amended to apply to obligations

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268 issued on the date of issuance of the Tax-Advantaged Obligations or Tax-Exempt
269 Obligations, together with applicable proposed, temporary, and final regulations
270 promulgated, and applicable official public guidance published, under the Code.

271 "Comprehensive Plan" means the county's comprehensive water pollution
272 abatement plan authorized by RCW 35.58.200 and defined in K.C.C. 28.82.150 as the
273 Comprehensive Sewage Disposal Plan adopted by Resolution No. 23 of the Municipality
274 of Metropolitan Seattle on April 22, 1959, and all amendments thereto, together with any
275 amendments hereafter approved by ordinance.

276 "Construction Account" means the "Water Quality Construction Fund" of the
277 County.

278 "Credit Facility" means any letter of credit, standby bond purchase agreement,
279 line of credit, surety bond, insurance policy or other insurance commitment or similar
280 agreement, but not including a Payment Agreement, satisfactory to the county, that is
281 provided by a commercial bank, insurance company or other financial institution, with a
282 current long-term rating or whose obligations thereunder are guaranteed by a financial
283 institution with a long-term rating: (a) from Moody's and S&P not lower, when issued,
284 than the credit rating of any Series of Parity Bonds, to provide support for a Series of
285 Parity Bonds, and shall include any substitute therefor in accordance with the provisions
286 of the ordinance providing for the issuance of Parity Bonds supported by a Credit
287 Facility; or (b) from Fitch, Moody's and S&P not lower, when issued, than the credit
288 rating of any Series of Parity Lien Obligations, to provide support for a Series of Parity
289 Lien Obligations, including Variable Rate Parity Lien Obligations, and shall include any

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290 substitute therefor in accordance with the provisions of the ordinance providing for the
291 issuance of Parity Lien Obligations supported by a Credit Facility.

292 "Customers" means Residential Customers and Residential Customer Equivalents
293 as defined and determined in the existing Service Agreements.

294 "Debt Service Offset" means receipts of the county, including federal interest
295 subsidy payments, designated as such by the county that are not included in Revenue of
296 the System and that are legally available to pay debt service on Parity Bonds, Parity Lien
297 Obligations or other obligations of the county payable from and secured by a pledge of
298 Revenue of the System.

299 "DTC" means The Depository Trust Company, New York, New York.

300 "EPA" means the United States Environmental Protection Agency.

301 "Fair Market Value" means the price at which a willing buyer would purchase an
302 investment from a willing seller in a bona fide, arm's-length transaction, except for
303 specified investments as described in Treasury Regulation § 1.148-5(d)(6), including
304 United States Treasury obligations, certificates of deposit, guaranteed investment
305 contracts, and investments for yield-restricted defeasance escrows. Fair Market Value is
306 generally determined on the date on which a contract to purchase or sell an investment
307 becomes binding, and, to the extent required by the applicable regulations under the
308 Code, the term "investment" will include a hedge.

309 "Federal Tax Certificate" means the certificate executed by the Finance Director
310 setting forth the requirements of the Code for maintaining the tax status of the applicable
311 Tax-Advantaged Obligations or Tax-Exempt Obligations, and attachments thereto.

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312 "Finance Director" means the director of the finance and business operations
313 division of the department of executive services of the county or any other county officer
314 who succeeds to the duties now delegated to that office, or the designee of such officer.

315 "Fitch" means Fitch Ratings, and its successors and assigns, except that if such
316 entity is dissolved or liquidated or no longer performs the functions of a securities rating
317 agency, then the term "Fitch" shall be deemed to refer to any other nationally recognized
318 securities rating agency selected by the county.

319 "Future Junior Lien Obligations" means any sewer revenue bonds, warrants or
320 other obligations that may be issued in the future with a lien on Revenue of the System
321 equal to the lien thereon of the currently outstanding Junior Lien Obligations.

322 "Future Multi-Modal LTGO/Sewer Revenue Bonds" means any limited tax
323 general obligation bonds that may be issued in the future that are additionally secured by
324 a lien on Revenue of the System on a parity with the lien thereon of the currently
325 outstanding Multi-Modal LTGO/Sewer Revenue Bonds.

326 "Future Parity Bonds" means any sewer revenue bonds, warrants or other
327 obligations that may be issued in the future with a lien on Revenue of the System equal to
328 the lien thereon of the currently outstanding Parity Bonds.

329 "Future Parity Lien Obligations" means any limited tax general obligation bonds
330 that may be issued in the future that are additionally secured by a lien on Revenue of the
331 System on a parity with the lien thereon of the currently outstanding Parity Lien
332 Obligations.

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333 "Government Obligations" means "government obligations," as defined in chapter
334 39.53 RCW, as such chapter may be hereafter amended or restated, except as such
335 definition is further limited in the Sale Document.

336 "Junior Lien Obligations" means the outstanding Junior Lien Obligations, which
337 are identified in Attachment A, Section III, to this ordinance, and any Future Junior Lien
338 Obligations.

339 "Letter of Representations" means the Blanket Issuer Letter of Representations
340 dated December 17, 2025, by and between the county and DTC, as it may be amended
341 from time to time, and any successor or substitute letter relating to the operational
342 procedures of the Securities Depository.

343 "Loan Agreement" means any loan agreement, including any WIFIA master
344 agreement or direct purchase agreement, for the sale of a Series of Bonds approved by the
345 Finance Director pursuant to section 28.D. of this ordinance. A WIFIA loan agreement
346 subject to a WIFIA master agreement is a supplement or amendment to such WIFIA
347 master agreement.

348 "Moody's" means Moody's Ratings, and its successors and assigns, except that if
349 such corporation is dissolved or liquidated or no longer performs the functions of a
350 securities rating agency, then the term "Moody's" shall be deemed to refer to any other
351 nationally recognized securities rating agency selected by the county.

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

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354 "Multi-Modal LTGO/Sewer Revenue Bonds" means the outstanding Multi-Modal
355 LTGO/Sewer Revenue Bonds, which are identified in Attachment A, Section IV, to this
356 ordinance, and any other Future Multi-Modal LTGO/Sewer Revenue Bonds.

357 "Net Revenue" means Revenue of the System less Operating and Maintenance
358 Expenses.

359 "Official Notice of Bond Sale" means, with respect to each Series of Bonds sold
360 by competitive bid, the official notice of sale therefor prepared pursuant to section 28 of
361 this ordinance.

362 "Operating and Maintenance Expenses" means all normal expenses incurred by
363 the county in causing the System to be maintained in good repair, working order and
364 condition and includes payments to any private or governmental agency for the operation
365 or maintenance of facilities or for the disposal of sewage but excludes any allowance for
366 depreciation.

367 "Owner" means, with respect to a Bond, without distinction, the Beneficial Owner
368 or the Registered Owner.

369 "Parity Bond Fund" means the "Water Quality Revenue Bond Account"
370 designated pursuant to Ordinance 12076, Section 30, and continued pursuant to section 9
371 of this ordinance for the purpose of paying and securing the payment of the Parity Bonds.

372 "Parity Bond Reserve Account" means the bond reserve account in the Parity
373 Bond Fund securing the payment of the Parity Bonds.

374 "Parity Bonds" means the bonds identified in Attachment A, Section I, to this
375 ordinance, together with: (a) any Bonds issued under this ordinance with a lien on
376 Revenue of the System equal to the lien thereon of those bonds; and (b) any Future Parity

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377 Bonds. "Parity Bonds" include any Parity Payment Agreements and parity
378 reimbursement agreements entered into with the provider of a Credit Facility securing
379 any Parity Bonds.

380 "Parity Lien Obligation Bond Fund" means the "Water Quality Limited Tax
381 General Obligation Bond Redemption Fund" established pursuant to Ordinance 11241,
382 Section 8, and continued pursuant to section 10 of this ordinance, to provide for payment
383 of Parity Lien Obligations.

384 "Parity Lien Obligation Payment Agreement" means a Payment Agreement under
385 which the county's payment obligations are expressly stated to constitute a charge and
386 lien on Revenue of the System equal in rank with the charge and lien on Revenue of the
387 System securing amounts required to be paid into the Parity Lien Obligation Bond Fund
388 to pay and secure the payment of principal of and interest on the Parity Lien Obligations.

389 "Parity Lien Obligation Term Bonds" means Parity Lien Obligations that are
390 Term Bonds.

391 "Parity Lien Obligations" means bonds identified in Attachment A, Section II, to
392 this ordinance, together with: (a) any Bonds issued under this ordinance with a lien on
393 Revenue of the System equal to the lien thereon of those bonds; and (b) any Future Parity
394 Lien Obligations. "Parity Lien Obligations" include any Parity Lien Obligation Payment
395 Agreements and parity reimbursement agreements entered into with the provider of a
396 Credit Facility securing any Parity Lien Obligations.

397 "Parity Payment Agreement" means a Payment Agreement under which the
398 county's payment obligations are expressly stated to constitute a charge and lien on
399 Revenue of the System equal in rank with the charge and lien on Revenue of the System

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400 securing amounts required to be paid into the Parity Bond Fund to pay and secure the
401 payment of principal of and interest on the Parity Bonds.

402 "Parity Term Bonds" means Parity Bonds that are Term Bonds.

403 "Participant" means each city, town, county, water-sewer district, municipal
404 corporation, person, firm, private corporation or other entity that disposes of any portion
405 of its sanitary sewage into the System and has entered into a Service Agreement with the
406 county.

407 "Payment Agreement" means, to the extent permitted from time to time by
408 applicable law, a written agreement entered into by the county: (a) in connection with or
409 incidental to the issuance, incurring or carrying of bonds or other obligations of the
410 county secured in whole or in part by a lien on Revenue of the System; (b) for the
411 purpose of managing or reducing the county's exposure to fluctuations or levels of
412 interest rates, currencies or commodities or for other interest rate, investment, asset or
413 liability management purposes; (c) with a Qualified Counterparty; and (d) which
414 provides, on either a current or forward basis, for an exchange of payments determined in
415 accordance with a formula specified therein.

416 "Payment Agreement Payments" means the amounts periodically required to be
417 paid by the county to the Qualified Counterparty pursuant to a Payment Agreement. The
418 term "Payment Agreement Payments" does not include any termination payment required
419 to be paid with respect to a Payment Agreement.

420 "Payment Agreement Receipts" means the amounts periodically required to be
421 paid by the Qualified Counterparty to the county pursuant to a Payment Agreement.

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422 "Permitted Investments" means any investment permitted by law, but only to the
423 extent that the same are acquired at Fair Market Value.

424 "Professional Utility Consultant" means a licensed professional engineer, a
425 Certified Public Accountant, or other independent person or firm selected by the county
426 having a favorable reputation for skill and experience with sewer systems of comparable
427 size and character to the System in such areas as are relevant to the purposes for which
428 they are retained.

429 "Project Bonds" means the bonds of the county authorized by this ordinance to be
430 issued in an aggregate principal amount not to exceed \$1,000,000,000 to pay costs of
431 acquiring and constructing improvements to the System, and any bond anticipation notes,
432 commercial paper or other interim financing issued in advance thereof to be repaid from
433 the proceeds of such bonds. The Project Bonds may be issued in one or more Series of
434 Parity Bonds or Parity Lien Obligations, as provided in this ordinance.

435 "Public Works Board Loans" means loans to the county by the State Department
436 of Commerce under the Public Works Board loan program pursuant to loan agreements
437 in effect as of the effective date of this ordinance and any loan agreements hereafter
438 entered into by the county under the Public Works Board loan program, the repayment
439 obligations of which are secured by a lien on Revenue of the System equal to the lien
440 thereon established by such loan agreements in effect as of the effective date of this
441 ordinance.

442 "Qualified Counterparty" means with respect to a Payment Agreement an entity:
443 (a) whose senior long-term debt obligations, other senior unsecured long-term obligations
444 or claims paying ability, or whose payment obligations under a Payment Agreement are

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445 guaranteed by an entity whose senior long-term debt obligations, other senior unsecured
446 long-term obligations or claims paying ability, are rated, at the time the Payment
447 Agreement is entered into, at least as high as A3 by Moody's and A- by S&P, and A- by
448 Fitch for any Parity Lien Obligation Payment Agreement, or the equivalent thereof by
449 any successor thereto; and (b) who is otherwise qualified to act as the other party to a
450 Payment Agreement under any applicable laws of the State.

451 "Qualified Insurance" means any unconditional municipal bond insurance policy
452 or surety bond issued by any insurance company licensed to conduct an insurance
453 business in any state of the United States or by a service corporation acting on behalf of
454 one or more such insurance companies, which insurance company or service corporation,
455 as of the time of issuance of such policy or surety bond, is then rated in one of the two
456 highest rating categories by Moody's, S&P, and any other rating agency then maintaining
457 a rating on the Parity Bonds and maintains a policy owner's surplus in excess of
458 \$500,000,000.

459 "Qualified Letter of Credit" means any irrevocable letter of credit issued by a
460 bank for the account of the county and for the benefit of the registered owners of Parity
461 Bonds, provided that such bank maintains an office, agency or branch in the United
462 States, and provided further, that as of the time of issuance of such letter of credit, such
463 bank is currently rated in one of the two highest rating categories by Moody's, S&P, and
464 any other rating agency then maintaining a rating on the Parity Bonds.

465 "Rate Stabilization Fund" means the fund of that name created pursuant to
466 Ordinance 12314, Section 13.D., and continued pursuant to section 13.B. of this
467 ordinance.

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468 "RCW" means the Revised Code of Washington.

469 "Rebate Amount" means the amount, if any, determined to be payable with
470 respect to the Bonds by the county to the United States of America in accordance with
471 Section 148(f) of the Code.

472 "Record Date" means, except as otherwise set forth in the applicable Sale
473 Document, for an interest or principal payment date or for a maturity date, the 15th day of
474 the calendar month next preceding that date. With respect to redemption of a Bond prior
475 to its maturity, "Record Date" means the Registrar's close of business on the date on
476 which the Registrar sends notice of the redemption.

477 "Refunded Bonds" means, for each Series of Refunding Bonds, all or a portion of
478 the Refunding Candidates that will be refunded, including by purchase or exchange, with
479 proceeds of or in exchange for that Series of Bonds, as determined by the Finance
480 Director pursuant to sections 16 and 28 of this ordinance and set forth in a closing
481 certificate or a Refunding Agreement in accordance with sections 16 and 28 of this
482 ordinance.

483 "Refunding Account" means any account authorized to be created pursuant to
484 section 16 of this ordinance to provide for the refunding of any Refunded Bonds.

485 "Refunding Agreement" means a refunding trust agreement entered into between
486 the county and a Refunding Trustee in connection with the refunding of Refunded Bonds.

487 "Refunding Bonds" means the bonds authorized to be issued by this ordinance to
488 be issued in one or more series to refund the Refunded Bonds, including by purchase or
489 exchange. The Refunding Bonds may be issued in one or more Series of Parity Bonds or
490 Parity Lien Obligations, as provided in this ordinance.

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491 "Refunding Candidates" means any Parity Bonds, Parity Lien Obligations, Junior
492 Lien Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, Subordinate Lien
493 Obligations, SRF Loans, or Public Works Board Loans, and any bond anticipation notes,
494 commercial paper or other interim financing issued in advance thereof to be repaid from
495 the proceeds of such bonds identified by the Finance Director as Refunding Candidates,
496 whether currently outstanding or issued after the effective date of this ordinance,
497 including any Series of Bonds issued under this ordinance.

498 "Refunding Trustee" means each corporate trustee chosen pursuant to the
499 provisions of section 16 of this ordinance to serve as refunding trustee or escrow agent in
500 connection with the refunding of Refunded Bonds.

501 "Registered Owner" means, with respect to a Bond, the person in whose name
502 that Bond is registered on the Bond Register.

503 "Registrar" means, unless otherwise designated in the Sale Document, the fiscal
504 agent of the State, as the same may be designated by the State from time to time, for the
505 purposes of registering and authenticating the Bonds, maintaining the Bond Register,
506 effecting the transfer of ownership of the Bonds and paying principal of and premium, if
507 any, and interest on the Bonds.

508 "Reserve Requirement" means \$0, except as otherwise set forth in any Sale
509 Document, or other ordinance or sale document authorized under such ordinance;
510 provided, the Reserve Requirement amount may in no event exceed maximum Annual
511 Parity Debt Service.

512 "Revenue Fund" means the "Water Quality Operating Account" as designated by
513 Ordinance 12076, Section 30.

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514 "Revenue of the System" means all the earnings, revenues and money received by
515 the county from or on account of the operations of the System and the income from the
516 investment of money in the Revenue Fund or any account within such fund, but shall not
517 include any money collected pursuant to the Service Agreements applicable to
518 administrative costs of the county other than costs of administration of the System. For
519 certain purposes described in section 13.B. of this ordinance, deposits from the Rate
520 Stabilization Fund into the Revenue Fund may be included in calculations of "Revenue of
521 the System."

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

524 "S&P" means S&P Global Ratings and its successors and assigns, except that if
525 such entity is dissolved or liquidated or no longer performs the functions of a securities
526 rating agency, then the term "S&P" will be deemed to refer to any other nationally
527 recognized securities rating agency selected by the county.

528 "Sale Document" means the Bond Purchase Agreement, Certificate of Award or
529 Loan Agreement, as applicable, for a Series of Bonds.

530 "Securities Depository" means DTC, any successor thereto, any substitute
531 securities depository selected by the county that is qualified under applicable laws and
532 regulations to provide the services proposed to be provided by it, or the nominee of any
533 of the foregoing.

534 "Series" means any series of Parity Bonds or Parity Lien Obligations.

535 "Service Agreements" means the sewage disposal agreements entered into
536 between the county and municipal corporations, persons, firms, private corporations, or

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537 governmental agencies providing for the disposal by the county of sewage collected from
538 such contracting parties.

539 "SRF Loans" means loans to the county by the State Department of Ecology
540 pursuant to loan agreements in effect as of the effective date of this ordinance and any
541 loans and loan agreements hereafter entered into by the county under the State water
542 pollution control revolving fund loan program, the repayment obligations of which are
543 secured by a lien on Revenue of the System equal to the lien thereon established by such
544 loan agreements in effect as of the effective date of this ordinance.

545 "State" means the State of Washington.

546 "Subordinate Lien Obligations" means those revenue bonds or other revenue
547 obligations that may be issued by the county in the future with a lien on Revenue of the
548 System junior and inferior to the lien thereon of the Multi-Modal LTGO/Sewer Revenue
549 Bonds, and payable from Revenue of the System that is available after first making the
550 payments required to be made under paragraph "First" through "Seventh" but before
551 making the payments required to be made under paragraph "Ninth" of section 14 of this
552 ordinance.

553 "System" means the sewers and sewage disposal facilities now or hereafter
554 acquired, constructed, used or operated by the county for the purpose of carrying out the
555 Comprehensive Plan.

556 "Taxable Obligations" means the Bonds of any Series determined to be issued on
557 a taxable basis pursuant to section 28 of this ordinance.

558 "Tax-Advantaged Obligations" means the Bonds of any Series determined to be
559 issued upon a tax-advantaged basis pursuant to section 28 of this ordinance.

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560 "Tax-Exempt Obligations" means the Bonds of any Series determined to be
561 issued on a tax-exempt basis pursuant to section 28 of this ordinance.

562 "Term Bonds" means those bonds identified as such in the applicable Sale
563 Document, the principal of which is amortized by a schedule of mandatory redemptions.

564 "Trustee" means a trustee for the Parity Bonds authorized to be appointed by
565 registered owners of Parity Bonds, as provided by this ordinance.

566 "Variable Rate Parity Bonds" means Parity Bonds bearing interest at a variable
567 rate of interest, provided that at least one of the following conditions is met: (a) at the
568 time of issuance the county has entered into a Payment Agreement with respect to such
569 Parity Bonds, which Payment Agreement converts the effective interest rate to the county
570 on the Variable Rate Parity Bonds from a variable interest rate to a fixed interest rate; or
571 (b) the Parity Bonds bear interest at a variable rate but are issued concurrently in equal
572 par amounts with other Parity Bonds bearing interest at a variable rate and are required to
573 remain outstanding in equal amounts at all times, if the net effect of such equal par
574 amounts and variable rates at all times is a fixed rate of interest to the county.

575 "Variable Rate Parity Lien Obligations" means Parity Lien Obligations bearing
576 interest at a variable rate of interest, provided that at least one of the following conditions
577 is met: (a) at the time of issuance the county has entered into a Payment Agreement with
578 respect to such Parity Lien Obligations, which Payment Agreement converts the effective
579 interest rate to the county on the Variable Rate Parity Lien Obligations from a variable
580 interest rate to a fixed interest rate; or (b) the Parity Lien Obligations bear interest at a
581 variable rate but are issued concurrently in equal par amounts with other Parity Lien
582 Obligations bearing interest at a variable rate and which are required to remain

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583 outstanding in equal amounts at all times, if the net effect of such equal par amounts and
584 variable rates at all times is a fixed rate of interest to the county.

585 "WIFIA" means the Water Infrastructure Finance and Innovation Act, § 5021 et
586 seq. of Public Law 113-121, codified as 33 U.S.C. §§ 3901-3914, as amended from time
587 to time.

588 SECTION 2. Findings. The county council hereby makes the following
589 findings:

590 A. Because conditions in the capital markets are volatile, it is in the best
591 interests of the county and ratepayers of the System that the county retain the flexibility
592 to issue the Bonds in one or more Series, as Parity Bonds or Parity Lien Obligations, to
593 maximize interest rate savings and, where possible, to achieve further savings by
594 refunding all or some of the Refunding Candidates, including by purchase or exchange.

595 B. To achieve this flexibility, it is in the best interests of the county and
596 ratepayers of the System to delegate to the Finance Director the authority to sell the
597 Bonds in one or more Series, as Parity Bonds or Parity Lien Obligations, as Tax-Exempt
598 Obligations, Tax-Advantaged Obligations or Taxable Obligations, by competitive bid or
599 negotiated sale, or to the federal government or another purchaser, for current or future
600 delivery, and to identify any Refunding Candidates to be refunded, including by purchase
601 or exchange, in consultation with the county's financial advisors and consistent with
602 terms and parameters established by this ordinance and county debt policy.

603 SECTION 3. Authorization of Bonds. To provide funds necessary to pay costs
604 of acquiring, constructing and equipping improvements, additions or betterments to the
605 System as set forth in the Comprehensive Plan and the Capital Improvement Budget, the

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606 county is authorized to issue one or more Series of Project Bonds in an aggregate
607 principal amount not to exceed \$1,000,000,000. To provide funds to refund any of the
608 Refunding Candidates, including by purchase or exchange, the county is authorized to
609 issue one or more Series of Refunding Bonds in principal amounts to be established
610 within the parameters provided in sections 16 and 28 of this ordinance.

611 The Bonds may be issued in one or more Series of Parity Bonds or Parity Lien
612 Obligations, as provided in section 28 of this ordinance. Except as otherwise provided in
613 a Sale Document, each such Series of Parity Bonds shall be designated as "King County,
614 Washington, Sewer Revenue [and Refunding] Bonds [Bond Anticipation Notes]" with an
615 applicable year and Series designation, and each such Series of Parity Lien Obligations
616 shall be designated as "King County Limited Tax General Obligation [and Refunding]
617 Bonds [Bond Anticipation Notes] (Payable from Sewer Revenues)" with an applicable
618 year and Series designation. The Bonds shall be fully registered as to both principal and
619 interest; shall be in the denomination of \$5,000 or any integral multiple thereof within a
620 single Series, maturity and interest rate, except as provided in the Sale Document,
621 provided that no Bond shall represent more than one maturity within a Series; shall be
622 numbered separately in such manner and with any additional designation as the Registrar
623 deems necessary for purposes of identification; and shall be dated the date and mature on
624 the dates, in the years and in the amounts approved by the Finance Director, subject to the
625 parameters set forth in section 28.E. of this ordinance.

626 Each Series of Bonds shall bear interest, computed, unless otherwise provided in
627 the Sale Document, on the basis of a 360-day year of twelve 30-day months, from their
628 dated date, payable on interest payment dates and at the rate or rates approved by the

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629 Finance Director, subject to the parameters set forth in section 28.E. of this ordinance.

630 The Accreted Values of any Bonds that are Capital Appreciation Bonds shall be set forth

631 in a Sale Document.

632 SECTION 4. Registration, Exchange and Payments.

633 A. Registrar/Bond Register. Unless otherwise specified in the Sale

634 Document, the county, in accordance with K.C.C. chapter 4.84, adopts for the Bonds the

635 system of registration specified and approved by the Washington State Finance

636 Committee, which utilizes the fiscal agent of the State as Registrar. The Registrar shall

637 keep, or cause to be kept, at its designated corporate trust office, the Bond Register,

638 which shall be open to inspection by the county at all times. The Bond Register shall

639 contain the name and mailing address of the Registered Owner of each Bond and the

640 principal amount and number of each of the Bonds held by each Registered Owner. The

641 Registrar is authorized, on behalf of the county, to authenticate and deliver Bonds

642 transferred or exchanged in accordance with the provisions of the Bonds and this

643 ordinance, to serve as the county's paying agent for the Bonds and to carry out all of the

644 Registrar's powers and duties under this ordinance.

645 The Registrar shall be responsible for the representations contained in its

646 Certificate of Authentication on the Bonds. The Registrar may become the Owner of

647 Bonds with the same rights it would have if it were not the Registrar and, to the extent

648 permitted by law, may act as depository for and permit any of its officers or directors to

649 act as members of, or in any other capacity with respect to, any committee formed to

650 protect the rights of Owners.

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651 B. Registered Ownership. The Bonds shall be issued only in registered form
652 as to both principal and interest and shall be recorded on the Bond Register. The county
653 and the Registrar, each in its discretion, may deem and treat the Registered Owner of
654 each Bond as the absolute owner thereof for all purposes, and neither the county nor the
655 Registrar shall be affected by any notice to the contrary. Payment of each Bond shall be
656 made as described in subsection D. of this section, but registration of ownership of each
657 Bond may be transferred as provided herein. All payments made as described in
658 subsection D. of this section shall be valid and shall satisfy and discharge the liability of
659 the county upon such Bond to the extent of the amount or amounts so paid.

660 C. Use of Depository. Unless otherwise specified in the Sale Document, the
661 Bonds initially shall be registered in the name of Cede & Co., as the nominee of DTC.
662 Each Bond registered in the name of the Securities Depository shall be held fully
663 immobilized in book-entry only form by the Securities Depository in accordance with the
664 provisions of the Letter of Representations. Neither the county nor the Registrar shall
665 have any obligation to participants of any Securities Depository or the persons for whom
666 they act as nominees regarding the accuracy of any records maintained by the Securities
667 Depository or its participants. Neither the county nor the Registrar shall be responsible
668 for any notice that is permitted or required to be given to the Registered Owner of any
669 Bond registered in the name of the Securities Depository except such notice as is required
670 to be given by the Registrar to the Securities Depository.

671 If and for so long as the Bonds are registered in the name of the Securities
672 Depository, the Securities Depository shall be deemed to be the Registered Owner for all
673 purposes hereunder, and all references to Registered Owners shall mean the Securities

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674 Depository and shall not mean the Beneficial Owners. Registered ownership of any
675 Bond registered in the name of the Securities Depository may not be transferred except:
676 (a) to any successor Securities Depository; (b) to any substitute Securities Depository
677 appointed by the county; or (c) to any person if the Bond is no longer to be held by a
678 Securities Depository.

679 Upon the resignation of the Securities Depository, or upon a termination of the
680 services of the Securities Depository by the county, the county may appoint a substitute
681 Securities Depository. If the Securities Depository resigns and the county does not
682 appoint a substitute Securities Depository, or if the county terminates the services of the
683 Securities Depository, the Bonds no longer shall be held in book-entry only form and the
684 registered ownership of each Bond may be transferred to any person as provided in this
685 ordinance or as set forth in the Sale Document.

686 D. Place and Medium of Payment. Principal of and premium, if any, and
687 interest on the Bonds are payable in lawful money of the United States of America.
688 Principal of and premium, if any, and interest on each Bond registered in the name of the
689 Securities Depository are payable in the manner set forth in the Letter of Representations.
690 Unless otherwise specified in the Sale Document, interest on each Bond not registered in
691 the name of the Securities Depository is payable by electronic transfer on the interest
692 payment date, or by check or draft of the Registrar mailed on the interest payment date to
693 the Registered Owner at the address appearing on the Bond Register on the Record Date.
694 The county is not required to make electronic transfers except pursuant to a request by a
695 Registered Owner in writing received on or prior to the Record Date and at the sole
696 expense of the Registered Owner. Unless otherwise specified in the Sale Document,

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697 principal of and premium, if any, on each Bond not registered in the name of the
698 Securities Depository are payable upon presentation and surrender of the Bond by the
699 Registered Owner to the Registrar at maturity or upon prior redemption in full.

700 E. Transfer or Exchange of Registered Ownership; Change in
701 Denominations. The registered ownership of any Bond may be transferred or exchanged,
702 but no transfer of any Bond shall be valid unless it is surrendered to the Registrar with the
703 assignment form appearing on such Bond duly executed by the Registered Owner or such
704 Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon
705 such surrender, the Registrar shall cancel the surrendered Bond and shall authenticate and
706 deliver, without charge to the Registered Owner or transferee therefor, a new Bond or
707 Bonds, at the option of the new Registered Owner, of the same Series, date, maturity and
708 interest rate and for the same aggregate principal amount in any authorized denomination,
709 naming as Registered Owner the person or persons listed as the assignee on the
710 assignment form appearing on the surrendered Bond, in exchange for such surrendered
711 and cancelled Bond. Any Bond may be surrendered to the Registrar and exchanged,
712 without charge, for an equal aggregate principal amount of Bonds of the same Series,
713 date, maturity and interest rate, in any authorized denomination. The Registrar shall not
714 be obligated to exchange or transfer any Bond after the Record Date for any principal
715 payment or redemption date, or, in the case of any proposed redemption of a Bond, after
716 mailing of the notice of the call of the Bond for redemption.

717 SECTION 5. Redemption Provisions; Purchase of Bonds.

718 A. Optional Redemption. All or some of the Bonds of a Series may be
719 subject to redemption, including extraordinary redemption, prior to their stated maturity

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720 dates at the option of the county at the times and on the terms set forth in the Sale
721 Document.

722 B. Mandatory Redemption. The county shall redeem any Term Bonds, if not
723 redeemed under the optional redemption provisions set forth in the Sale Document or
724 purchased under the provisions set forth herein, randomly, or in such other manner as set
725 forth in the Sale Document or as the Registrar shall determine, at par plus accrued interest
726 on the dates and in the years and principal amounts set forth in the Sale Document.

727 If the county redeems Term Bonds under the optional redemption provisions set
728 forth in the Sale Document or purchases for cancellation or defeases Term Bonds, the
729 Term Bonds so redeemed, purchased or defeased, irrespective of their redemption or
730 purchase prices, shall, unless otherwise provided in the Sale Document, be credited
731 against one or more scheduled mandatory redemption amounts for those Term Bonds.
732 The county shall determine the manner in which the credit is to be allocated and shall
733 notify the Registrar in writing of its allocation.

734 C. Partial Redemption. Whenever less than all of the Bonds of a single
735 maturity of a Series are to be redeemed, the Securities Depository shall select the Bonds
736 registered in the name of the Securities Depository to be redeemed in accordance with the
737 Letter of Representations, and the Registrar shall select all other Bonds to be redeemed
738 randomly, or in such other manner set forth in the Sale Document or as the Registrar shall
739 determine.

740 Portions of the principal amount of any Bond, in integral amounts of \$5,000
741 within a Series and maturity, may be redeemed, unless otherwise provided in the Sale
742 Document. If less than all of the principal amount of any Bond is redeemed, upon

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743 surrender of that Bond to the Registrar, there shall be issued to the Registered Owner,
744 without charge therefor, a new Bond or Bonds, at the option of the Registered Owner, of
745 the same Series, maturity and interest rate in any authorized denomination in the
746 aggregate total principal amount of such Bond remaining outstanding.

747 D. Purchase. The county reserves the right and option to purchase for cash or
748 exchange consideration any or all of the Bonds offered to the county at any time at any
749 price acceptable to the county plus accrued interest to the date of purchase.

750 SECTION 6. Notice and Effect of Redemption. Notice of redemption of each
751 Bond registered in the name of the Securities Depository shall be given in accordance
752 with the Letter of Representations. Notice of redemption of each other Bond, unless
753 waived by the Registered Owner, shall be given by the Registrar not less than 20 nor
754 more than 60 days prior to the date fixed for redemption by first-class mail, postage
755 prepaid, to the Registered Owner at the address appearing on the Bond Register on the
756 Record Date, except as otherwise set forth in the Sale Document. The requirements of
757 the preceding sentences shall be deemed to have been fulfilled when notice has been
758 mailed as so provided, whether or not it is actually received by any Owner. Notice of
759 redemption shall also be mailed or sent electronically within the same period to the
760 MSRB, to any nationally recognized rating agency then maintaining a rating on the
761 Bonds at the request of the county, and to such other persons and with such additional
762 information as the Finance Director shall determine, but such further notice shall not be a
763 condition precedent to the redemption of any Bond.

764 In the case of an optional redemption, the notice of redemption may state that the
765 county retains the right to rescind the redemption notice and the redemption by giving a

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766 notice of rescission to the affected Registered Owners at any time on or prior to the date
767 fixed for redemption. Any notice of optional redemption that is so rescinded shall be of
768 no effect, and each Bond for which a notice of optional redemption has been rescinded
769 shall remain outstanding.

770 Interest on each Bond called for redemption shall cease to accrue on the date fixed
771 for redemption, unless either the notice of optional redemption is rescinded as set forth
772 above, or money sufficient to effect such redemption is not on deposit in the Parity Bond
773 Fund or the Parity Lien Obligation Bond Fund, as applicable, or in a trust account
774 established to refund or defease the Bond.

775 SECTION 7. Form and Execution of Bonds. Bonds issued as Parity Bonds shall
776 be in substantially the form set forth in Attachment B to this ordinance. Bonds issued as
777 Parity Lien Obligations shall be in substantially the form set forth in Attachment C to this
778 ordinance. The Bonds shall be signed by the county executive and the clerk of the county
779 council, either or both of whose signatures may be manual or in facsimile, and the seal of
780 the county or a facsimile reproduction thereof shall be impressed or printed thereon.

781 Only a Bond bearing a Certificate of Authentication in the form set forth in
782 Attachment B or Attachment C to this ordinance, as applicable, manually signed by the
783 Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this
784 ordinance. The authorized signing of a Certificate of Authentication shall be conclusive
785 evidence that the Bond so authenticated has been duly executed, authenticated and
786 delivered and is entitled to the benefits of this ordinance.

787 If any officer whose manual or facsimile signature appears on a Bond ceases to be
788 an officer of the county authorized to sign bonds before the Bond bearing that officer's

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789 manual or facsimile signature is authenticated by the Registrar or issued or delivered by
790 the county, that Bond nevertheless may be authenticated, issued and delivered and, when
791 authenticated, issued and delivered, shall be as binding on the county as though that
792 person had continued to be an officer of the county authorized to sign bonds. Any Bond
793 also may be signed on behalf of the county by any person who, on the actual date of
794 signing of the Bond, is an officer of the county authorized to sign bonds, although such
795 officer did not hold the required office on the dated date of the Bond.

796 SECTION 8. Lost, Stolen or Destroyed Bonds. If any Bond is lost, stolen or
797 destroyed, the Registrar may authenticate and deliver a new Bond or Bonds of like
798 amount, date, Series, interest rate and tenor to the Registered Owner thereof upon the
799 Registered Owner paying the expenses and charges of the county and the Registrar in
800 connection therewith and upon filing with the Registrar evidence satisfactory to the
801 Registrar that such Bond was actually lost, stolen or destroyed and of registered
802 ownership thereof, and upon furnishing the county and the Registrar with indemnity
803 satisfactory to the Finance Director and the Registrar.

804 SECTION 9. Parity Bond Fund. A special fund of the county known as the
805 "Water Quality Revenue Bond Account" (the "Parity Bond Fund") has heretofore been
806 created and is hereby continued, along with the accounts therein described in this section.
807 The Parity Bond Fund is at all times completely segregated and set apart from all other
808 funds and accounts of the county and is a trust fund for the security and payment of
809 principal of and premium, if any, and interest on Parity Bonds. All money credited to the
810 Parity Bond Fund is pledged and ordered to be used for the sole purpose of paying the
811 principal of and premium, if any, and interest on Parity Bonds.

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812 A. Debt Service Account. A "Debt Service Account" has heretofore been
813 established in the Parity Bond Fund. The county hereby obligates and binds itself to set
814 aside and pay into that account out of Revenue of the System amounts sufficient, together
815 with accrued interest, if any, received at the time of delivery of any Series of Bonds that
816 are Parity Bonds and deposited therein, income from the investment of money in the Debt
817 Service Account and Parity Bond Reserve Account, and any other money on deposit in
818 the Debt Service Account and legally available, to pay the principal of and interest on
819 outstanding Parity Bonds as the same become due and payable.

820 For each Series of the Bonds that are Parity Bonds there is hereby authorized to
821 be created a special subaccount in the Debt Service Account. All money required by this
822 subsection A. to be deposited into the Debt Service Account for the payment of principal
823 of and interest on that Series of the Bonds shall be deposited into the subaccount created
824 for the Series, and the county hereby covenants to budget for each such payment of
825 principal and interest when due. Money in the subaccount will be treated in all respects
826 as all other money in the Debt Service Account, but will be accounted for separately for
827 the purpose of calculating any Rebate Amount payable with respect to that Series of the
828 Bonds.

829 Payments on account of each Series of the Bonds that are Parity Bonds will be
830 made out of Revenue of the System into the applicable debt service subaccount in the
831 Parity Bond Fund on or before the day each payment of interest on or principal of those
832 Bonds is due.

833 Notwithstanding the foregoing, the county may in its discretion establish and
834 designate such funds, including accounts and subaccounts contained therein, as deemed

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835 expedient to pay the principal of and premium, if any, and interest on Parity Bonds as the
836 same become due and payable; provided, however, that the money in such funds,
837 accounts, and subaccounts must at all times be accounted for separately as necessary to
838 satisfy the provisions of this ordinance.

839 B. Term Bond Provisions. If any Bonds issued as Parity Bonds are
840 designated as Term Bonds pursuant to section 28 of this ordinance, the Sale Document
841 for that Series of Bonds shall set forth a mandatory redemption schedule to amortize the
842 principal of those Parity Term Bonds. Payments of principal of Parity Term Bonds under
843 any such mandatory redemption schedule shall be made from the Debt Service Account,
844 as provided in subsection A. of this section, to the extent not credited pursuant to section
845 5.B. of this ordinance.

846 The county covenants that if it issues any Future Parity Bonds as Term Bonds, it
847 will identify those Future Parity Bonds as Parity Term Bonds in the proceedings
848 authorizing their issuance and establish a schedule of mandatory redemptions, payable
849 from the Debt Service Account, to amortize the principal of the Parity Term Bonds prior
850 to their maturity.

851 C. Parity Bond Reserve Account. A Parity Bond Reserve Account has
852 heretofore been established in the Parity Bond Fund. The county hereby pledges that it
853 will pay into and maintain in the Parity Bond Reserve Account, an amount that, together
854 with other funds in the Parity Bond Reserve Account, will be at least equal to the Reserve
855 Requirement. The county may substitute Qualified Insurance or a Qualified Letter of
856 Credit for amounts required to be paid into or maintained in the Parity Bond Reserve
857 Account. The Qualified Letter of Credit or Qualified Insurance must not be cancelable

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858 on less than five years' notice. In the event of any cancellation, the Parity Bond Reserve
859 Account will be funded in accordance with the provisions of this section providing for
860 payment in the event of a deficiency therein, as if the Parity Bonds that remain
861 outstanding had been issued on the date of such notice of cancellation.

862 On the date of Closing of a Series of Bonds that are Parity Bonds, an amount
863 sufficient to satisfy the Reserve Requirement, in the Parity Bond Reserve Account
864 required by the issuance of that Series of Bonds must be deposited therein from the
865 proceeds of Parity Bonds or other funds available therefor or provided for by Qualified
866 Insurance or a Qualified Letter of Credit, as herein permitted.

867 If there is a deficiency in the Debt Service Account to make any payment when
868 due of either principal of or interest on any Parity Bonds, the deficiency will be made up
869 from the Parity Bond Reserve Account by the withdrawal of money therefrom and by the
870 sale or redemption of obligations held in the Parity Bond Reserve Account, if necessary,
871 in such amounts as will provide cash in the Parity Bond Reserve Account sufficient to
872 make up any such deficiency. If a deficiency still exists immediately prior to an interest
873 payment date and after the withdrawal of cash, the county will then draw from any
874 Qualified Letter of Credit, Qualified Insurance, or other equivalent credit facility in
875 sufficient amount to make up the deficiency. The draw will be made at such times and
876 under such conditions as the agreement for the Qualified Letter of Credit or Qualified
877 Insurance provides. If more than one Qualified Letter of Credit or Qualified Insurance is
878 available, draws will be made ratably thereon to make up the deficiency. Any deficiency
879 created in the Parity Bond Reserve Account by reason of any such withdrawal must then
880 be made up from Revenue of the System that is available after first making the payments

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881 required to be made under paragraph "First" through "Third" of section 14 of this
882 ordinance.

883 Income from the investment of money in the Parity Bond Reserve Account will
884 be deposited in and become a part of the Parity Bond Fund.

885 SECTION 10. Parity Lien Obligation Bond Fund. A special fund of the county
886 known as the "Water Quality Limited Tax General Obligation Bond Redemption Fund"
887 (the "Parity Lien Obligation Bond Fund") has heretofore been created and is hereby
888 continued, along with the accounts therein described in this section. The Parity Lien
889 Obligation Bond Fund is at all times completely segregated and set apart from all other
890 funds and accounts of the county and is a trust fund for the security and payment of
891 principal of and premium, if any, and interest on Parity Lien Obligations. All money
892 credited to the Parity Lien Obligation Bond Fund is pledged and ordered to be used for
893 the sole purpose of paying principal of and premium, if any, and interest on Parity Lien
894 Obligations.

895 A. Debt Service Account. A "Debt Service Account" has heretofore been
896 established in the Parity Lien Obligation Bond Fund. The county hereby obligates and
897 binds itself to set aside and pay into that account out of Revenue of the System amounts
898 sufficient, together with accrued interest, if any, received at the time of delivery of any
899 Series of Bonds issued as Parity Lien Obligations and deposited therein, income from the
900 investment of money in the Debt Service Account and any other money on deposit in the
901 Debt Service Account and legally available, to pay the principal of and interest on
902 outstanding Parity Lien Obligations as the same become due and payable.

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903 For each Series of the Bonds issued as Parity Lien Obligations, there is hereby
904 authorized to be created a special subaccount in the Debt Service Account. All money
905 required by this subsection A. to be deposited into the Debt Service Account for the
906 payment of principal of and interest on that Series of the Bonds will be deposited into the
907 subaccount created for the Series, and the county hereby covenants to budget for each
908 such payment of principal and interest when due. Money in that subaccount will be
909 treated in all respects as all other money in the Debt Service Account, but will be
910 accounted for separately for the purpose of calculating any Rebate Amount payable with
911 respect to that Series of the Bonds.

912 Payments on account of each Series of the Bonds issued as Parity Lien
913 Obligations will be made out of Revenue of the System into the applicable debt service
914 subaccount in the Parity Lien Obligation Bond Fund on or before the day each payment
915 of interest on or principal of those Bonds is due.

916 Notwithstanding the foregoing, the county may in its discretion establish and
917 designate such funds, including accounts and subaccounts contained therein, as deemed
918 expedient to pay the principal of and premium, if any, and interest on the Parity Lien
919 Obligations as the same become due and payable; provided, however, that the money in
920 such funds, accounts, and subaccounts must at all times be accounted for separately as
921 necessary to satisfy the provisions of this ordinance.

922 B. Term Bond Provisions. If any Bonds issued as Parity Lien Obligations are
923 designated as Term Bonds pursuant to section 28 of this ordinance, the Sale Document
924 for that Series of Bonds shall set forth a mandatory redemption schedule to amortize the
925 principal of those Parity Lien Obligation Term Bonds. Payments of principal of Parity

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926 Lien Obligation Term Bonds under any such mandatory redemption schedule will be
927 made from the Debt Service Account, as provided in subsection A. of this section, to the
928 extent not credited pursuant to section 5.B. of this ordinance.

929 The county covenants that if it issues any Future Parity Lien Obligations as Term
930 Bonds, it will identify those Parity Lien Obligations as Term Bonds in the proceedings
931 authorizing their issuance and establish a schedule of mandatory redemptions, payable
932 from the Debt Service Account, to amortize the principal of those Parity Lien Obligation
933 Term Bonds prior to their maturity.

934 SECTION 11. Pledge of Taxation and Credit. The county hereby irrevocably
935 covenants and agrees that, for as long as any Bonds issued as Parity Lien Obligations are
936 outstanding and unpaid, each year it will include in its budget and levy an ad valorem tax
937 upon all the property within the county subject to taxation in an amount that will be
938 sufficient, together with all other revenues and money of the county legally available for
939 such purposes, to pay the principal of and interest on those Bonds issued as Parity Lien
940 Obligations as the same shall become due. All of the taxes so collected will be paid into
941 the Parity Lien Obligation Bond Fund no later than the date those funds are required for
942 the payment of principal of and interest on the Bonds issued as Parity Lien Obligations.

943 The county hereby irrevocably pledges that the annual tax herein authorized to be
944 levied for the payment of such principal and interest shall be within and a part of the tax
945 levy permitted to counties without a vote of the people, and that a sufficient portion of the
946 taxes to be levied and collected annually by the county prior to the full payment of the
947 principal of and interest on the Bonds issued as Parity Lien Obligations will be and is
948 hereby irrevocably set aside and pledged for the payment of the principal of and interest

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949 on those Bonds, and the county hereby covenants to budget for each such payment of
950 principal and interest when due.

951 The full faith, credit and resources of the county are hereby irrevocably pledged
952 for the annual levy and collection of those taxes and for the prompt payment of the
953 principal of and interest on those Bonds issued as Parity Lien Obligations as the same
954 become due.

955 Any Bonds issued hereunder as Parity Bonds are not general obligations of the
956 county, and neither the full faith and credit nor the taxing power of the county are
957 pledged to pay or secure the payment of Bonds issued as Parity Bonds hereunder.

958 SECTION 12. Pledge of Sewer Revenues.

959 A. Parity Bonds. The amounts covenanted to be paid out of Revenue of the
960 System into the Parity Bond Fund and the accounts therein shall constitute a lien and
961 charge on Revenue of the System superior to all other charges of any kind or nature
962 except Operating and Maintenance Expenses, and of equal lien to any charges heretofore
963 or hereafter made on Revenue of the System for the payment of the principal of and
964 interest on any Parity Bonds.

965 If money and investments in the Debt Service Account of the Parity Bond Fund
966 and the Parity Bond Reserve Account are reduced below the amounts required to pay the
967 principal and/or interest then due and payable on any Parity Bonds, funds on deposit in
968 any reserve created in the Revenue Fund not then required for the payment of necessary
969 Operating and Maintenance Expenses will be transferred to the Debt Service Account of
970 the Parity Bond Fund to the extent required to pay that principal and interest.

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971 B. Parity Lien Obligations. The amounts covenanted to be paid out of
972 Revenue of the System into the Parity Lien Obligation Bond Fund and the accounts
973 therein shall constitute a lien and charge on Revenue of the System subject to Operating
974 and Maintenance Expenses, and junior, subordinate and inferior to the lien and charge on
975 Revenue of the System for the payments required by the ordinances authorizing the
976 Parity Bonds to be made into the Parity Bond Fund and the accounts therein, and equal to
977 the lien and charge on Revenue of the System for the payments required to be made by
978 the ordinances authorizing the issuance of the outstanding Parity Lien Obligations and
979 any additional Parity Lien Obligations, and superior to all other liens and charges on
980 Revenue of the System whatsoever.

981 SECTION 13. Revenue Fund; Rate Stabilization Fund.

982 A. Revenue Fund. A special fund of the county known as the "Water Quality
983 Operating Account" (the "Revenue Fund") has heretofore been created and is hereby
984 continued. All Revenue of the System will be deposited in the Revenue Fund. All
985 Operating and Maintenance Expenses will be paid out of the Revenue Fund or
986 appropriate reserves therein.

987 B. Rate Stabilization Fund. In anticipation of increases in revenue
988 requirements of the System, a special fund of the county designated as the "Sewer Rate
989 Stabilization Fund" (the "Rate Stabilization Fund") has heretofore been established and is
990 hereby continued. The county may from time to time appropriate or budget amounts in
991 the Revenue Fund for deposit in the Rate Stabilization Fund, as provided in section 14 of
992 this ordinance, and may from time to time withdraw amounts therefrom for deposit in the
993 Revenue Fund to prevent or mitigate sewer rate increases or for other lawful purposes of

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994 the county related to the System, including calculations of "Net Revenue" and "Revenue
995 of the System" for the purposes of satisfying requirements of sections 18, 24, and 25 of
996 this ordinance.

997 For any fiscal year: (a) amounts withdrawn from the Revenue Fund and deposited
998 into the Rate Stabilization Fund for that fiscal year must be subtracted from Net Revenue
999 for that fiscal year; and (b) amounts withdrawn from the Rate Stabilization Fund and
1000 deposited in the Revenue Fund for that fiscal year may be added to Revenue of the
1001 System for that fiscal year.

1002 SECTION 14. Sewer Revenue Priorities of Payment. So long as any Bond is
1003 outstanding, all Revenue of the System will be deposited into the Revenue Fund and used
1004 and applied in the following order of priority:

1005 First, to pay all Operating and Maintenance Expenses;

1006 Second, to make all required deposits into the Debt Service Account in the Parity
1007 Bond Fund to provide for the payment of principal of and interest on Parity Bonds as the
1008 same become due and payable and to make any Payment Agreement Payments with
1009 respect to any Parity Payment Agreements;

1010 Third, to make all payments required to be made pursuant to a reimbursement
1011 agreement or agreements or other equivalent documents in connection with Qualified
1012 Insurance or a Qualified Letter of Credit; provided, that if there is not sufficient money to
1013 make all payments under such reimbursement agreements, the payments will be made on
1014 a pro rata basis;

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1015 Fourth, to establish and maintain the Parity Bond Reserve Account, including
1016 making deposits into such account and paying the costs of obtaining Qualified Insurance
1017 or a Qualified Letter of Credit therefor;

1018 Fifth, to make all required payments of principal of and interest on the Parity Lien
1019 Obligations and to make any Payment Agreement Payments with respect to any Parity
1020 Lien Obligation Payment Agreements;

1021 Sixth, to make all required payments of principal of and interest on the Junior
1022 Lien Obligations as the same become due and payable, to make all Payment Agreement
1023 Payments with respect to any Payment Agreements entered into with respect to Junior
1024 Lien Obligations, and to make any payments required to be made to providers of any
1025 credit enhancements or liquidity facilities for Junior Lien Obligations;

1026 Seventh, to make all required payments of principal of and interest on the Multi-
1027 Modal LTGO/Sewer Revenue Bonds as the same become due and payable, to make all
1028 Payment Agreement Payments for any Payment Agreements entered into with respect to
1029 Multi-Modal LTGO/Sewer Revenue Bonds, and to make any payments required to be
1030 made to providers of credit enhancements or liquidity facilities for any Multi-Modal
1031 LTGO/Sewer Revenue Bonds;

1032 Eighth, to make all required payments of principal of and interest on the
1033 Subordinate Lien Obligations as the same become due and payable;

1034 Ninth, to make all required payments of principal of and interest on bonds, notes,
1035 warrants and other evidences of indebtedness, the lien and charge on Revenue of the
1036 System of which are junior and inferior to the Subordinate Lien Obligations, as the same
1037 become due and payable; and

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1038 Tenth, to make all required payments of principal of and interest due on the SRF
1039 Loans and the Public Works Board Loans.

1040 Any surplus money that the county may have on hand in the Revenue Fund after
1041 making all required payments set forth above may be used by the county: (a) to make
1042 necessary improvements, additions and repairs to and extensions and replacements of the
1043 System; (b) to purchase or redeem and retire outstanding sewer revenue bonds of the
1044 county; (c) to make deposits into the Rate Stabilization Fund; or (d) for any other lawful
1045 purposes of the county related to the System.

1046 SECTION 15. Construction Account; Disposition of Bond Proceeds.

1047 A. Construction Account. There has heretofore been created a special fund of
1048 the county known as the Construction Account. For purposes of separately accounting
1049 for investment earnings on the proceeds of the Project Bonds to facilitate compliance
1050 with the requirements of section 21 of this ordinance, there is hereby established for each
1051 Series of Project Bonds issued hereunder a special subaccount within the Construction
1052 Account to be designated as the "Series [applicable year designation] Construction
1053 Subaccount" (each a "Construction Subaccount").

1054 Money in each Construction Subaccount will be held and applied to pay costs of
1055 acquiring, constructing and equipping improvements, additions or betterments to the
1056 System as set forth in the Comprehensive Plan and the Capital Improvement Budget and
1057 all costs incidental thereto, including engineering, architectural, planning, financial, legal,
1058 urban design or any other incidental costs, and to repay any advances heretofore or
1059 hereafter made on account of such costs, provided that if deficiencies exist in the Parity
1060 Bond Fund or Parity Lien Obligation Bond Fund, money in any Construction Subaccount

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1061 may be transferred to such fund in any amounts necessary to pay principal of and interest
1062 on Parity Bonds or Parity Lien Obligations, as applicable. Proceeds from the sale of a
1063 Series of Project Bonds may be designated to pay capitalized interest on those Project
1064 Bonds and may be held in the applicable Construction Subaccount or in a trust account to
1065 be established with an escrow agent or refunding trustee appointed by the Finance
1066 Director, as determined by the Finance Director upon the sale of such Series of Project
1067 Bonds.

1068 B. Disposition of Bond Proceeds. The proceeds of each Series of the Bonds
1069 will be deposited as follows:

1070 1. The amount equal to the interest, if any, accruing on each Series of
1071 the Bonds from their dated date to the date of their Closing will be deposited in the
1072 appropriate subaccount for the Series created in the Debt Service Account in the Parity
1073 Bond Fund or Parity Lien Obligation Bond Fund, as applicable;

1074 2. Proceeds of each Series of the Bonds issued as Parity Bonds may
1075 be deposited into the Parity Bond Reserve Account, as determined by the Finance
1076 Director upon the sale of any Bonds issued as Parity Bonds;

1077 3. The balance of the proceeds of any Series of Project Bonds will be
1078 deposited in the appropriate Construction Subaccount, including an escrow account that
1079 may be established for capitalized interest, as provided in subsection A. of this section
1080 and applied as provided therein; provided that the amount of such proceeds allocated by
1081 the Finance Director to pay the costs of issuing such Series of Project Bonds will be
1082 deposited in the appropriate fund or account as determined by the Finance Director, and
1083 used for such purpose; and

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1084 4. The balance of the proceeds of any Series of Refunding Bonds will
1085 be deposited into the appropriate Refunding Account and applied as provided in section
1086 16 of this ordinance; provided that the amount of such proceeds allocated by the Finance
1087 Director to pay the costs of issuing such Series of Refunding Bonds will be deposited in
1088 the appropriate fund or account as determined by the Finance Director, and used for such
1089 purpose.

1090 SECTION 16. Refunding Account; Plan of Refunding.

1091 A. Refunding Account; Refunding Authorization. The Finance Director is
1092 hereby authorized to determine whether to (i) transfer the proceeds of the sale of a Series
1093 of the Bonds to the Registrar on or prior to the redemption or purchase date for payment
1094 of the purchase price, principal of and interest coming due on the Refunding Candidates
1095 selected for redemption, including by purchase or exchange, or (ii) establish one or more
1096 special accounts of the county to be maintained with the Refunding Trustee, each to be
1097 known as a "King County [year and Series designation] Sewer Revenue Bonds
1098 Refunding Account" (each a "Refunding Account"). Each Refunding Account will be
1099 drawn upon for the sole purpose of paying the purchase price, principal of and premium,
1100 if any, and interest on, the applicable Refunded Bonds and of paying costs of issuing that
1101 Series of Refunding Bonds and refunding the applicable Refunded Bonds. Proceeds of
1102 the sale of any Refunding Bonds, together with other county funds that may be
1103 designated for that purpose, will be transferred to the Registrar or deposited into the
1104 applicable Refunding Account to provide for refunding the applicable Refunded Bonds,
1105 including by purchase or exchange, in accordance with the ordinances authorizing the
1106 Refunded Bonds and to pay the costs of issuing the Refunding Bonds.

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1107 The Finance Director is authorized to determine, in consultation with the county's
1108 financial advisors, which of the Refunding Candidates, if any, are to be refunded or
1109 purchased for cash or exchange consideration and whether such refunding shall be a
1110 current refunding, i.e., the redemption, purchase or exchange of Refunded Bonds paid for
1111 with proceeds of a Series of Bonds issued 90 or fewer days prior to the redemption date
1112 of the Refunded Bonds, or an advance refunding, i.e., the redemption, purchase, or
1113 exchange of Refunded Bonds paid for with proceeds of a Series of Bonds issued more
1114 than 90 days prior to the redemption date of the Refunded Bonds. The Finance Director
1115 is authorized to negotiate and approve terms for the acquisition of Refunding Candidates
1116 by purchase or exchange, and to negotiate, approve, and execute any offer, dealer
1117 manager agreements, or other documents in connection therewith, including amendments
1118 thereto from time to time.

1119 In determining which of the Refunding Candidates, if any, should be refunded
1120 under this ordinance, including by purchase or exchange, in order to effect a saving to the
1121 county and ratepayers of the System, the county council intends that the Finance Director
1122 adhere to the applicable present value savings targets identified in the adopted debt
1123 management policy of the county in effect at the time of sale. These requirements do not
1124 apply to the refunding of any Refunding Candidates, including by purchase or exchange,
1125 when necessary or in the best interest of the county and ratepayers of the System to
1126 modify debt service or reserve requirements, sources of payment, covenants or other
1127 terms of the Refunding Candidates.

1128 B. Plan of Refunding. Each plan of refunding and call for redemption,
1129 purchase or exchange of Refunded Bonds shall be set forth in the Refunding Agreement

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1130 or set forth in a closing certificate. Bond proceeds held by the county may be invested
1131 for a period not to exceed 30 days prior to the transfer of such funds to the Registrar to
1132 accomplish the redemption, purchase or exchange and shall be invested by the county
1133 pending such transfer in any investments permitted for funds of the county consistent
1134 with the Federal Tax Certificate or otherwise as approved by the county's bond counsel.
1135 Money in each Refunding Account shall be used immediately upon receipt thereof to
1136 defease the applicable Refunded Bonds and discharge the other obligations of the county
1137 relating thereto under the ordinances that authorized the Refunded Bonds, by providing
1138 for the payment of the principal of and premium, if any, and interest on the Refunded
1139 Bonds as set forth in such agreement. The county will defease such bonds and discharge
1140 such obligations by the use of the money in each Refunding Account to purchase
1141 Government Obligations (should the purchase of such obligations be deemed by the
1142 Finance Director as being in the best interest of the County, and if so purchased,
1143 "Acquired Obligations") bearing interest and maturing as to principal in such amounts
1144 and at such times that, together with any necessary beginning cash balance, will provide
1145 for the payment of such Refunded Bonds, as set forth in the Refunding Agreement. Such
1146 Acquired Obligations shall be purchased at a yield not greater than the yield permitted by
1147 the Code and regulations relating to the obligations acquired in connection with refunding
1148 bond issues.

1149 In connection with any issuance of a Series of Refunding Bonds to carry out the
1150 refunding and defeasance of Refunded Bonds, the Finance Director is hereby authorized
1151 to appoint a Refunding Trustee qualified by law to perform the duties described herein.
1152 Any beginning cash balance and the Acquired Obligations will be irrevocably deposited

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1153 with the Refunding Trustee in an amount sufficient to defease the Refunding Bonds in
1154 accordance with this section and the applicable Refunding Agreement.

1155 The county will take such actions as are found necessary to see that all necessary
1156 and proper fees, compensation and expenses of the Refunding Trustee are paid when due.
1157 The proper officers and agents of the county are directed to negotiate an agreement with
1158 each Refunding Trustee setting forth the duties, obligations and responsibilities of the
1159 Refunding Trustee in connection with the redemption and retirement of the Refunded
1160 Bonds as provided herein and setting forth provisions for the payment of the fees,
1161 compensation and expenses of the Refunding Trustee as are satisfactory to it. To carry
1162 out the Refunding Account purposes of this section, the Finance Director is authorized
1163 and directed to execute and deliver to each Refunding Trustee a Refunding Agreement
1164 and, if requested, a costs of issuance agreement, in forms approved by the county's bond
1165 counsel.

1166 C. Required Findings. The Refunding Agreement or closing certificate shall
1167 set forth the findings of the Finance Director made on behalf of the county that the sale of
1168 the Refunding Bonds accomplishes either:

1169 1. savings and defeasance regarding the Refunded Bonds authorized
1170 to be refunded, including by purchase or exchange, from the proceeds of each Series of
1171 Refunding Bonds; or

1172 2. the best interest of the county and ratepayers of the System from
1173 modifying debt service or reserve requirements, sources of payment, covenants or other
1174 terms of the Refunded Bonds authorized to be refunded from the proceeds of each Series
1175 of Refunding Bonds.

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1176 SECTION 17. Due Regard for Expenses and Sewer Revenues Pledged. The
1177 county council hereby declares that, in fixing the amounts to be paid into the Parity Bond
1178 Fund and Parity Lien Obligation Bond Fund, as applicable, and the accounts therein, out
1179 of Revenue of the System, it has exercised due regard for the Operating and Maintenance
1180 Expenses and has not obligated the county to set aside in such funds and accounts a
1181 greater amount of Revenue of the System than in its judgment will be available over and
1182 above the Operating and Maintenance Expenses and Revenue of the System previously
1183 pledged.

1184 SECTION 18. Rate Covenants.

1185 A. Parity Bonds. The county hereby covenants with the Registered Owner of
1186 each of the Bonds issued as Parity Bonds that, for so long as any of the same are
1187 outstanding, the county will at all times establish, maintain and collect rates and charges
1188 for sewage disposal service that will provide in each calendar year Net Revenue in an
1189 amount that, together with the interest earned during that calendar year on investments of
1190 money in the Parity Bond Fund, Parity Bond Reserve Account and Construction Account,
1191 will equal or exceed 1.15 times the amount required to pay the Annual Parity Debt
1192 Service for such calendar year.

1193 At all times and in any event, rates and charges for sewage disposal service will
1194 be sufficient to provide funds adequate to operate and maintain the System, to make all
1195 payments and to establish and maintain all reserves required by this or any other
1196 ordinance authorizing obligations of the county payable from Revenue of the System, to
1197 make up any deficit in such payments remaining from prior years and to pay all costs
1198 incurred in the construction or acquisition of any portion of the Comprehensive Plan that

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1199 may be ordered by the county and for the payment of which sewer revenue bonds, or
1200 other obligations payable from Revenue of the System, are not issued.

1201 B. Parity Lien Obligations. The county hereby covenants with the Registered
1202 Owner of each of the Bonds issued as Parity Lien Obligations that, for so long as any of
1203 the same are outstanding, the county will at all times establish, maintain and collect rates
1204 and charges for sewage disposal service that will be fair and nondiscriminatory and
1205 adequate to provide Revenue of the System sufficient for the proper operation and
1206 maintenance of the System; for the punctual payment of the principal of and interest on
1207 all outstanding Parity Bonds for which payment has not otherwise been provided and all
1208 amounts that the county is obligated to set aside in the Parity Bond Fund securing the
1209 Parity Bonds; for the punctual payment of the principal of and interest on all outstanding
1210 Parity Lien Obligations and for all amounts that the county is obligated to set aside in the
1211 Parity Lien Obligation Bond Fund; and for the payment of any and all other amounts that
1212 the county is now or may hereafter become obligated to pay from Revenue of the System.

1213 The county hereby further covenants with the Registered Owner of each of the
1214 Bonds issued as Parity Lien Obligations for so long as any of the same are outstanding
1215 that the county will at all times establish, maintain and collect rates and charges for
1216 sewage disposal service that will provide in each calendar year Net Revenue in an
1217 amount that, together with the interest earned during that calendar year on investments
1218 made of money in the Parity Bond Fund, Parity Bond Reserve Account, Parity Lien
1219 Obligation Bond Fund and Construction Account, is equal to at least 1.15 times the
1220 amounts required to pay the Annual Debt Service for such calendar year.

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1221 C. Rate Stabilization Fund. In determining compliance with the requirements
1222 of this section, Revenue of the System and Net Revenue shall be calculated by taking into
1223 account deposits and withdrawals from the Rate Stabilization Fund as provided in section
1224 13.B. of this ordinance.

1225 SECTION 19. Certain Other Covenants of the County Regarding the Bonds. The
1226 county hereby covenants with the Registered Owner of each of the Bonds for as long as
1227 any of the Bonds are outstanding, as follows:

1228 A. Maintain in Good Order. The county will cause the System and the
1229 business in connection therewith to be operated in a safe, sound, efficient, and economic
1230 manner in compliance with all health, safety, and environmental laws, regulatory body
1231 rules, regulatory body orders and court orders applicable to the county's operation of the
1232 System, and will cause the System to be maintained, preserved, reconstructed, expanded
1233 and kept, with all appurtenances and every part and parcel thereof, in good repair,
1234 working order and condition, and will from time to time cause to be made, without undue
1235 deferral, all necessary or proper repairs, replacements and renewals, so that at all times
1236 the operation of the System will be properly and advantageously conducted;

1237 B. Books and Records. The county will cause proper books of record and
1238 accounts of operation of the System to be kept, including an annual financial report;

1239 C. Annual Audit. The county will cause its books of accounts, including its
1240 annual financial report, to be audited annually by the State auditor's office or other State
1241 department or agency or Certified Public Accountant as may be authorized and directed
1242 by law to make such audits. If such an audit is not completed within twelve months after
1243 the close of any fiscal year, the county must cause its books of accounts for such fiscal

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1244 year, including its annual financial report, to be audited by a Certified Public Accountant.

1245 The county will furnish the audit to the Owner of any Bond upon written request therefor;

1246 D. Insurance. The county will at all times carry fire and extended coverage

1247 and such other forms of insurance on such of the buildings, equipment, facilities and

1248 properties of the System as under good practice are ordinarily carried on such buildings,

1249 equipment, facilities and properties by municipal or privately owned utilities engaged in

1250 the operation of sewer systems and will also carry adequate public liability insurance at

1251 all times, provided that the county may, if deemed advisable by the county council,

1252 institute or continue a self-insurance program for any or all of the aforementioned risks;

1253 E. Construction. The county will cause the construction of any duly

1254 authorized and ordered portions of the Comprehensive Plan to be performed and

1255 completed within a reasonable time and at the lowest reasonable cost;

1256 F. Collection of Revenue. The county will operate and maintain the System

1257 and conduct its affairs so as to entitle it at all times to receive and enforce payment to it

1258 of sewage disposal charges payable: (a) pursuant to the ordinance or ordinances

1259 establishing a tariff of rates and charges for sewage disposal services; and (b) under any

1260 Service Agreement that the county has now or may hereafter enter into and to entitle the

1261 county to collect all revenues derived from the operation of the System. The county shall

1262 not release the obligations of any person, corporation or political subdivision under such

1263 tariff of rates and charges or the Service Agreements and shall at all times, to the extent

1264 permitted by law, defend, enforce, preserve and protect the rights and privileges of the

1265 county and of the registered owners of the Parity Bonds and Parity Lien Obligations

1266 under or with respect thereto.

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1267 In accordance with RCW 35.58.200(3), the county shall require any county, city,
1268 special district or other political subdivision to discharge to the System all sewage
1269 collected by that entity from any portion of the Seattle metropolitan area that can drain by
1270 gravity flow into facilities of the System that serve such areas if the county council
1271 declares that the health, safety or welfare of the people within the metropolitan area
1272 require such action;

1273 G. Legal Authority. The county has full legal right, power and authority to
1274 adopt this ordinance, to sell, issue and deliver the Bonds as provided herein, and to carry
1275 out and consummate all other transactions contemplated by this ordinance;

1276 H. Due Authorization. By all necessary official action prior to or
1277 concurrently herewith, the county has duly authorized and approved the execution and
1278 delivery of, and the performance by the county of its obligations contained in, the Bonds
1279 and this ordinance and the consummation by it of all other transactions necessary to
1280 effectuate this ordinance in connection with the issuance of Bonds, and such
1281 authorizations and approvals are in full force and effect and have not been amended,
1282 modified or supplemented in any material respect;

1283 I. Binding Obligation. This ordinance constitutes a legal, valid and binding
1284 obligation of the county;

1285 J. No Conflict. The county's adoption of this ordinance and its compliance
1286 with the provisions contained herein do not and shall not conflict with or constitute a
1287 breach of or default under any constitutional provision, law, administrative regulation,
1288 judgment, decree, loan agreement, indenture, bond, note, resolution, ordinance, Sale
1289 Document, agreement or other instrument to which the county is a party or to which the

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1290 county or any of its property or assets are otherwise subject, nor will any such adoption
1291 or compliance result in the creation or imposition of any lien, charge or other security
1292 interest or encumbrance of any nature whatsoever upon any of the property or assets of
1293 the county or under the terms of any such law, regulation or instrument, except as
1294 permitted by this ordinance and the ordinances authorizing the issuance of other Parity
1295 Bonds and Parity Lien Obligations;

1296 K. Performance under Ordinance. None of the proceeds of the Bonds will be
1297 used for any purpose other than as provided in this ordinance, and except as otherwise
1298 expressly provided herein, the county shall not suffer any amendment or supplement to
1299 this ordinance, or any departure from the due performance of the obligations of the
1300 county hereunder, that might materially adversely affect the rights of the Registered
1301 Owners from time to time of the Bonds; and

1302 L. Sale or Disposition. The county will not sell or voluntarily dispose of all
1303 of the operating properties of the System unless provision is made for payment into the
1304 Parity Bond Fund and the Parity Lien Obligation Bond Fund of a sum sufficient to pay
1305 the principal of and interest on all outstanding Parity Bonds and Parity Lien Obligations
1306 in accordance with the terms thereof, nor will the county sell or voluntarily dispose of
1307 any part of the operating properties of the System unless provision is made: (a) for
1308 payment into the Parity Bond Fund of an amount that will bear at least the same
1309 proportion to the amount of the outstanding Parity Bonds that the estimated amount of
1310 any resulting reduction in Revenue of the System for the twelve months following such
1311 sale or disposition bears to the Revenue of the System that would have been realized if
1312 such sale or disposition had not been made; and (b) for payment into the Parity Lien

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1313 Obligation Bond Fund of an amount that will bear at least the same proportion to the
1314 amount of the outstanding Parity Lien Obligations that the estimated amount of any
1315 resulting reduction in Revenue of the System for the twelve months following such sale
1316 or disposition bears to the Revenue of the System that would have been realized if such
1317 sale or disposition had not been made. Those estimates must be made by a Professional
1318 Utility Consultant. Any money so paid into the Parity Bond Fund and the Parity Lien
1319 Obligation Bond Fund must be used to retire outstanding Parity Bonds and Parity Lien
1320 Obligations as provided herein at the earliest possible date; provided, however, that the
1321 county may sell or otherwise dispose of any of the works, plant, properties and facilities
1322 of the System or any real or personal property comprising a part of the System with a
1323 value of less than 5% of the net utility plant of the System or that have become
1324 unserviceable, inadequate, obsolete or unfit to be used in the operation of the System, or
1325 no longer necessary, material to or useful in such operation, without making any deposit
1326 into the Parity Bond Fund or Parity Lien Obligation Bond Fund.

1327 SECTION 20. Certain Other Covenants of the County Regarding the Bonds1328 Issued as Parity Lien Obligations. The county makes the following covenants and

1329 warranties to the Registered Owner of each of the Bonds issued as Parity Lien

1330 Obligations:

1331 A. The Bonds issued as Parity Lien Obligations, when issued, sold,
1332 authenticated and delivered, will constitute legal, valid and binding general obligations of
1333 the county.

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1334 B. The county covenants that the Bonds issued as Parity Lien Obligations
1335 will be issued within all statutory and constitutional debt limitations applicable to the
1336 county.

1337 SECTION 21. Federal Tax Law Covenants. The county will take all actions
1338 necessary to assure the tax-advantaged status of the Tax-Advantaged Obligations, or the
1339 exclusion of interest on the Tax-Exempt Obligations from the gross income of the owners
1340 of the Tax-Exempt Obligations to the same extent as such interest is permitted to be
1341 excluded from gross income under the Code as in effect on the date of issuance of the
1342 Tax-Advantaged or Tax-Exempt Obligations, as applicable and as set forth in the Federal
1343 Tax Certificate, including but not limited to the following to the extent applicable:

1344 A. The county will assure that the proceeds of the Tax-Exempt Obligations
1345 are not so used as to cause the Tax-Exempt Obligations issued as governmental bonds to
1346 satisfy the private business tests of Section 141(b) of the Code or the private loan
1347 financing test of Section 141(c) of the Code or to cause any other Tax-Exempt
1348 Obligations to fail to qualify as exempt private activity bonds;

1349 B. The county will not sell or otherwise transfer or dispose of: (i) any
1350 personal property components of the projects financed or refinanced with proceeds of the
1351 Tax-Exempt Obligations (the "Tax-Exempt Projects") other than in the ordinary course of
1352 an established government program under Treasury Regulation § 1.141-2(d)(4); or (ii)
1353 any real property components of the Tax-Exempt Projects, unless it has received an
1354 opinion of nationally recognized bond counsel to the effect that such disposition will not
1355 affect the treatment of interest on the Tax-Exempt Obligations as excludable from gross
1356 income for federal income tax purposes, as applicable;

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1357 C. The county will not take any action or permit or suffer any action to be
1358 taken if the result of such action would be to cause any of the Tax-Exempt Obligations to
1359 be "federally guaranteed" within the meaning of Section 149(b) of the Code;

1360 D. The county will take any and all actions necessary to assure compliance
1361 with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if
1362 any, to the federal government;

1363 E. The county will not take, or permit or suffer to be taken, any action with
1364 respect to the proceeds of the Tax-Exempt Obligations which, if such action had been
1365 reasonably expected to have been taken, or had been deliberately and intentionally taken,
1366 on the date of issuance of the Tax-Exempt Obligations would have caused the Tax-
1367 Exempt Obligations to be "arbitrage bonds" within the meaning of Section 148 of the
1368 Code;

1369 F. The county will maintain a system for recording the ownership of each
1370 Tax-Exempt Obligation that complies with the provisions of Section 149 of the Code
1371 until all Tax-Exempt Obligations have been surrendered and canceled;

1372 G. The county will retain its records of all accounting and monitoring it
1373 carries out with respect to the Tax-Exempt Obligations for at least three years after the
1374 Tax-Exempt Obligations mature or are redeemed, whichever is earlier; however, if the
1375 Tax-Exempt Obligations are redeemed and refunded, the county will retain its records of
1376 accounting and monitoring at least three years after the earlier of the maturity or
1377 redemption of the obligations that refunded the Tax-Exempt Obligations;

1378 H. In the event the county issues one or more Series of Tax-Advantaged
1379 Obligations eligible for federal tax credits, a federal interest subsidy, or other subsidy, the

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1380 county will comply with the provisions of the Federal Tax Certificate setting forth or
1381 incorporating applicable requirements; and

1382 I. The county will comply with the provisions of the Federal Tax Certificate
1383 with respect to the applicable Tax-Exempt Obligations or Tax-Advantaged Obligations,
1384 which are incorporated herein as if fully set forth herein. In the event of any conflict
1385 between this section and the Federal Tax Certificate, the provisions of the Federal Tax
1386 Certificate will prevail. Additional tax covenants as necessary or desirable for any Series
1387 of Bonds may be set forth in the Sale Document or Federal Tax Certificate for that Series
1388 of Bonds.

1389 The covenants of this section will survive payment in full or defeasance of the
1390 applicable Tax-Exempt Obligations or Tax-Advantaged Obligations.

1391 SECTION 22. Trustee for Registered Owners of Parity Bonds.

1392 A. Appointment of Trustee. Upon the occurrence of any "event of default"
1393 described in section 23.A. of this ordinance, the Registered Owners of a majority in
1394 principal amount of the outstanding Parity Bonds may appoint a Trustee by an instrument
1395 or concurrent instruments in writing signed and acknowledged by such Registered
1396 Owners or by their attorneys-in-fact duly authorized and delivered to the Trustee,
1397 notification thereof being given to the county. Any Trustee appointed under the
1398 provisions of this subsection A. must be a bank or trust company organized under the
1399 laws of the State or the State of New York or a national banking association. The fees
1400 and expenses of a Trustee must be borne by the owners of the Parity Bonds and not by
1401 the county. The bank or trust company acting as a Trustee may be removed at any time
1402 and a successor Trustee may be appointed by the Registered Owners of a majority in

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1403 principal amount of the outstanding Parity Bonds, by an instrument or concurrent
1404 instruments in writing signed and acknowledged by such Registered Owners or by their
1405 attorneys-in-fact duly authorized.

1406 The Trustee appointed in the manner herein provided, and each successor thereto,
1407 is hereby declared to be a trustee for the Registered Owners of all the Parity Bonds and is
1408 empowered to exercise all rights and powers herein conferred on the Trustee.

1409 B. Certain Rights and Obligations of Trustee. The Trustee will not be
1410 responsible for recitals in any ordinance or in the Parity Bonds, or for the validity of any
1411 Parity Bonds, nor will the Trustee be responsible for insuring the System or for collecting
1412 any insurance money or for the title to any property of the System.

1413 The Trustee will be protected in acting upon any notice, request, consent,
1414 certificate, order, affidavit, letter or other paper or document believed by it to be genuine
1415 and correct and to have been signed, sent or delivered by the person or persons by whom
1416 such paper or document is purported to have been signed, sent or delivered.

1417 The Trustee will not be answerable for any neglect or default of any person, firm
1418 or corporation employed and selected by it with reasonable care.

1419 The Trustee will permit the owner of any Parity Bonds to inspect any instrument,
1420 opinion or certificate filed with the Trustee by the county or by any person, firm or
1421 corporation acting for the county.

1422 The Trustee will not be bound to recognize any person as an owner of any Parity
1423 Bond until such person's title thereto, if disputed, has been established to the Trustee's
1424 reasonable satisfaction.

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1425 The Trustee may consult with counsel, and the opinion of such counsel will be
1426 full and complete authorization and protection in respect of any action taken or suffered
1427 by it hereunder in good faith and in accordance with the opinion of such counsel.

1428 SECTION 23. Events of Default for Parity Bonds; Powers and Duties of Trustee.

1429 A. Events of Default. The occurrence of one or more of the following is an
1430 "event of default" with respect to any Bonds issued as Parity Bonds under this ordinance:

1431 1. default in the payment of principal of or interest on any Parity
1432 Bonds when the same becomes due; or

1433 2. default in the observance or performance of any of the other
1434 covenants applicable to Parity Bonds herein contained, and the default continues for a
1435 period of six months after written notice to the county from the registered owner of a
1436 Parity Bond specifying the default and requiring that it be remedied.

1437 B. Powers of Trustee. The Trustee in its own name and on behalf of and for
1438 the benefit and protection of the registered owners of all Parity Bonds may proceed, and
1439 upon the written request of the Registered Owners of not less than 25% in principal
1440 amount of the Parity Bonds then outstanding must proceed, to protect and enforce any
1441 rights of the Trustee and, to the full extent that Registered Owners of Parity Bonds
1442 themselves might do, the rights of such Registered Owners of Parity Bonds under the
1443 laws of the State or under the ordinances providing for the issuance of the Parity Bonds,
1444 by such suits, actions or proceedings in equity or at law, either for the specific
1445 performance of any covenant contained herein or in aid or execution of any power herein
1446 granted or for any proper legal or equitable remedy as the Trustee may deem most
1447 effectual to protect and enforce the rights of the Trustee and the Registered Owners of

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1448 Parity Bonds. In the enforcement of any such rights under this or any other ordinance of
1449 the county, the Trustee is entitled to sue for, to enforce payment of and to receive any and
1450 all amounts due from the county for principal, interest or otherwise under any of the
1451 provisions of such ordinance, with interest on overdue payments at the rate or rates set
1452 forth in such Parity Bond or Parity Bonds, together with any and all costs and expenses of
1453 collection and of all proceedings taken by the Trustee without prejudice to any other right
1454 or remedy of the Trustee or of the owners of the Parity Bonds.

1455 If default is made in the payment of principal of any Parity Bond and the default
1456 continues for a period of 30 days, the Trustee may not accelerate payment of any Parity
1457 Bonds but may proceed to enforce payment thereof as hereinabove provided. If, in the
1458 sole judgment of the Trustee, any default is cured and the Trustee furnishes the county a
1459 certificate so stating, that default is conclusively deemed to be cured, and the county,
1460 Trustee and owners of Parity Bonds will be restored to the same rights and position they
1461 would have held if no event of default had occurred.

1462 C. Actions in Name of Trustee. All rights of action under this ordinance or
1463 upon any of the Parity Bonds enforceable by the Trustee may be enforced by the Trustee
1464 without the possession of any Parity Bonds or the production thereof in the trial or other
1465 proceedings relative thereto, and any such suit, action or proceeding instituted by the
1466 Trustee will be brought in its name for the ratable benefit of the Registered Owners of all
1467 Parity Bonds, subject to the provisions of this ordinance.

1468 D. Procedure by Bond Owners. No owner of any one or more of the Parity
1469 Bonds has any right to institute any action, suit or proceedings at law or in equity for the
1470 enforcement of the same, unless an event of default occurs and no Trustee has been

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1471 appointed as herein provided, but any remedy herein authorized to be exercised by a
1472 Trustee may be exercised individually by any registered owner of a Parity Bond, in such
1473 Registered Owner's own name and on such Registered Owner's own behalf or for the
1474 benefit of all registered owners of Parity Bonds, if no Trustee is appointed, or with the
1475 consent of the Trustee if such Trustee has been appointed.

1476 E. Application of Money Collected by Trustee. Any money collected by the
1477 Trustee at any time pursuant to this section will be applied, first, to the payment of its
1478 charges, expenses, advances and compensation and the charges, expenses, counsel fees,
1479 disbursements and compensation of its agents and attorneys, and, second, toward
1480 payment of the amount then due and unpaid upon the Parity Bonds, ratably and without
1481 preference or priority of any kind not expressly provided in this ordinance, according to
1482 the amounts due and payable on the Parity Bonds at the date fixed by the Trustee for the
1483 distribution of such money, upon presentation of the several Parity Bonds and upon
1484 causing such payment to be stamped thereon, if partly paid, and upon surrender thereof, if
1485 fully paid.

1486 SECTION 24. Future Parity Bonds. The county further covenants and agrees
1487 with the Registered Owner of each of the Bonds issued as Parity Bonds for as long as the
1488 same are outstanding that it will not create any special fund for the payment of the
1489 principal of and interest on any revenue bonds that will rank on a parity with or have any
1490 priority over the payments out of Revenue of the System required to be made into the
1491 Parity Bond Fund and the accounts therein to pay or secure the payment of the
1492 outstanding Parity Bonds. The county reserves the right for: (a) the purpose of acquiring,
1493 constructing and installing any portion of the Comprehensive Plan; (b) the purpose of

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1494 acquiring, constructing and installing any necessary renewals or replacements of the
1495 System; or (c) the purpose of refunding or purchasing, for cash or exchange
1496 consideration, and retiring at or prior to their maturity any outstanding obligations of the
1497 county payable from Revenue of the System, to issue additional or refunding Parity
1498 Bonds, including Variable Rate Parity Bonds, and to make payments into the Parity Bond
1499 Fund out of the Revenue Fund that will be sufficient to pay the principal of and interest
1500 on those additional or refunding Parity Bonds and to maintain required reserves, such
1501 payments out of the Revenue Fund to rank equally with the payments out of the Revenue
1502 Fund required to be made into the Parity Bond Fund and the accounts therein for the
1503 payment of the principal of and interest on outstanding Parity Bonds, but only upon
1504 compliance with the following conditions:

1505 A. At the time of the issuance of any Future Parity Bonds there is no
1506 deficiency in the Parity Bond Fund or any account therein;

1507 B. Each ordinance providing for the issuance of any Future Parity Bonds that
1508 are refunding bonds must require that all money held in any fund or account of the county
1509 created for the purpose of paying the principal of and interest on the bonds being
1510 refunded either be used to pay the principal of and interest on such bonds or be
1511 transferred or paid into the Parity Bond Fund;

1512 C. Each ordinance providing for the issuance of Future Parity Bonds must
1513 provide for the payment of the principal thereof and interest thereon out of the Parity
1514 Bond Fund. The Future Parity Bonds may bear such date of issue, interest payment
1515 dates, and principal payment dates, and may mature in such year or years, as the county
1516 council provides. Each such ordinance will further provide that upon the issuance of any

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1517 Future Parity Bonds, the county will pay into the Parity Bond Reserve Account an
1518 amount that will be sufficient to satisfy the Reserve Requirement then applicable or
1519 provide Qualified Insurance or a Qualified Letter of Credit to satisfy the Reserve
1520 Requirement;

1521 D. At the time of the issuance of any Future Parity Bonds, the county must
1522 have on file a certificate from a Professional Utility Consultant, dated no more than 90
1523 days prior to the date of delivery of such Future Parity Bonds, showing that, in the
1524 Professional Utility Consultant's professional opinion, the "annual income available for
1525 debt service on Parity Bonds" for each year during the life of such Future Parity Bonds
1526 shall be at least equal to 1.25 times the amount required in each such year to pay the
1527 Annual Parity Debt Service for such year. Such "annual income available for debt service
1528 on Parity Bonds" must be determined as follows for each year following the proposed
1529 date of issue of such Future Parity Bonds:

1530 1. The Revenue of the System must be determined for a period of any
1531 12 consecutive months out of the 18 months immediately preceding the delivery of the
1532 Future Parity Bonds being issued;

1533 2. Such revenue may be adjusted to give effect on a 12-month basis
1534 to the rates in effect on the date of such certificate;

1535 3. If there were any Customers added to the System during such 12-
1536 month period or thereafter and prior to the date of the Professional Utility Consultant's
1537 certificate, such revenue may be further adjusted on the basis that added Customers were
1538 Customers of the System during the entire 12-month period;

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1539 4. There will be deducted from such revenue the amount expended
1540 for Operating and Maintenance Expenses during such period;

1541 5. For each year following the proposed date of issuance of such
1542 Future Parity Bonds the Professional Utility Consultant may add to the annual revenue
1543 determined in subsections D.1. through 4. of this section an estimate of the income to be
1544 received in each such year from the investment of money in the Parity Bond Fund and
1545 any account therein, and the Construction Account, which is to be determined by and in
1546 the sole discretion of a firm of nationally recognized financial consultants selected by the
1547 county;

1548 6. Beginning with the second year following the proposed date of
1549 issue of such Future Parity Bonds and for each year thereafter, the Professional Utility
1550 Consultant may add to the annual revenue determined in subsection D.1. through 5. of
1551 this section the Professional Utility Consultant's estimate of any additional annual
1552 revenue to be received from anticipated growth in the number of Customers within the
1553 area served by the System on the date of such certificate, after deducting therefrom any
1554 increased Operating and Maintenance Expenses estimated to be incurred as a result of
1555 such growth; provided, that the Professional Utility Consultant's estimate of the number
1556 of Customers served may not assume growth of more than 1/4 of 1% over and above the
1557 number of Customers served or estimated to be served during the preceding year; and

1558 7. If extensions of or additions to the System are in the process of
1559 construction at the time of such certificate, or if the proceeds of the Future Parity Bonds
1560 being issued are to be used to acquire or construct extensions of or additions to the
1561 System, there may be added to the annual net revenue as above determined any revenue

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1562 not included in subsections D.1. through 6. of this section that will be derived from such
1563 additions and extensions after deducting therefrom the estimated additional Operating
1564 and Maintenance Expenses to be incurred as a result of such additions and extensions;
1565 provided, that such estimated annual revenue will be based upon 75% of any estimated
1566 Customer growth in the four years following the first full year in which such additional
1567 revenue is to be collected and thereafter the estimated Customer growth may not exceed
1568 1/4 of 1% per year over and above such reduced estimate;

1569 E. Instead of the certificate described in subsection D. of this section, the
1570 county may elect to have on file a certificate of the Finance Director demonstrating that
1571 during any 12 consecutive calendar months out of the immediately preceding 18 calendar
1572 months Net Revenue was at least equal to 1.25 times the amount required to pay, in each
1573 year that such Future Parity Bonds would be outstanding, the Annual Parity Debt Service
1574 for such year;

1575 F. For the purpose of refunding at or prior to their maturity any outstanding
1576 Parity Bonds or any bonds or other obligations of the county payable from Revenue of
1577 the System, including refundings by purchase or exchange, the county may at any time
1578 issue Future Parity Bonds without complying with the provisions of subsections D. or E.
1579 of this section; provided, that the county may not issue Future Parity Bonds for such
1580 purpose under this subsection F. unless the Finance Director certifies that upon the
1581 issuance of such Future Parity Bonds: (a) total debt service required for all Parity Bonds,
1582 including the refunding bonds and not including the bonds to be refunded thereby, will
1583 decrease; and (b) the Annual Parity Debt Service for each year that any Parity Bonds,
1584 including the refunding bonds and not including the bonds to be refunded thereby, are

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1585 then outstanding will not be increased by more than \$5,000 by reason of the issuance of
1586 such Future Parity Bonds.

1587 The principal amount of Future Parity Bonds issued pursuant to this subsection F.
1588 may include amounts necessary to pay the principal of the Parity Bonds or other
1589 obligations to be refunded, interest thereon to the date of payment or redemption thereof,
1590 any premium payable thereon upon such payment or redemption and the costs of issuance
1591 of such Future Parity Bonds, and if a Payment Agreement has been provided with respect
1592 to the obligations to be refunded, may include amounts necessary to make the payment of
1593 all amounts, if any, due and payable by the county under such Payment Agreement. The
1594 proceeds of such Future Parity Bonds will be held and applied in such manner as is
1595 provided for in the ordinance authorizing the issuance of the Parity Bonds or other
1596 obligations to be refunded, so that upon the delivery of such Future Parity Bonds, the
1597 Parity Bonds or other obligations to be refunded thereby will be deemed no longer
1598 outstanding in accordance with the ordinance authorizing their issuance; and

1599 G. Nothing contained in this ordinance prevents the county from issuing
1600 revenue bonds that are a charge on Revenue of the System and money in the Revenue
1601 Fund junior or inferior to the payments required to be made therefrom into the Parity
1602 Bond Fund and any account therein, nor shall anything herein contained prevent the
1603 county from issuing Future Parity Bonds to refund maturing Parity Bonds for the
1604 payment of which money is not otherwise available.

1605 SECTION 25. Additional Parity Lien Obligations. The county expressly reserves
1606 the right to issue additional Parity Bonds in accordance with the ordinances, including
1607 this ordinance, authorizing the Parity Bonds. Subject to this reservation of rights with

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1608 respect to Parity Bonds, the county hereby covenants and agrees with the Registered
1609 Owner of each of the Bonds issued as Parity Lien Obligations, so long as such Bonds are
1610 outstanding, that it will not issue or incur any other additional indebtedness secured in
1611 whole or in part by a lien on Revenue of the System superior to the lien of such Bonds
1612 issued as Parity Lien Obligations.

1613 A. Parity Lien Obligations Other Than Refunding Bonds. The county
1614 expressly reserves the right to issue or enter into additional Parity Lien Obligations,
1615 including Variable Rate Parity Lien Obligations, for any lawful purpose of the county
1616 related to the System if at the time of issuing or entering into such Parity Lien
1617 Obligations:

1618 1. There is no deficiency in the Parity Bond Fund, the Parity Lien
1619 Obligation Bond Fund or any other bond fund or account securing Parity Lien
1620 Obligations;

1621 2. The county has on file a certificate from a Professional Utility
1622 Consultant, dated no more than 90 days prior to the date of delivery of such Parity Lien
1623 Obligations, showing that, in the Professional Utility Consultant's professional opinion,
1624 the "annual income available for debt service on Parity Bonds and Parity Lien
1625 Obligations" for each year during the life of such Parity Lien Obligations is at least equal
1626 to 1.25 times the amount required to pay Annual Debt Service in each such year. Such
1627 "annual income available for debt service on Parity Bonds and Parity Lien Obligations"
1628 shall be determined as follows for each year following the proposed date of issue of such
1629 additional Parity Lien Obligations:

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- 1630 a. The Revenue of the System must be determined for a
1631 period of any 12 consecutive months out of the 18 months immediately preceding the
1632 delivery of the Parity Lien Obligations being issued;
- 1633 b. Such revenue may be adjusted to give effect on a 12-month
1634 basis to the rates in effect on the date of such certificate;
- 1635 c. If there were any Customers added to the System during
1636 such 12-month period or thereafter and prior to the date of the Professional Utility
1637 Consultant's certificate, such revenue may be further adjusted on the basis that added
1638 Customers were Customers of the System during the entire 12-month period;
- 1639 d. There will be deducted from such revenue the amount
1640 expended for Operating and Maintenance Expenses during such period;
- 1641 e. For each year following the proposed date of issuance of
1642 such Parity Lien Obligations the Professional Utility Consultant may add to the annual
1643 revenue determined in subsection A.2.a. through d. of this section an estimate of the
1644 income to be received in each such year from the investment of money in the Parity Bond
1645 Fund, the Parity Lien Obligation Bond Fund and the Construction Account, which is to
1646 be determined by and in the sole discretion of a firm of nationally recognized financial
1647 consultants selected by the county;
- 1648 f. Beginning with the second year following the proposed
1649 date of issue of such Parity Lien Obligations and for each year thereafter the Professional
1650 Utility Consultant may add to the annual revenue determined in subsection A.2.a. through
1651 e. of this section the Professional Utility Consultant's estimate of any additional annual
1652 revenue to be received from anticipated growth in the number of Customers within the

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1653 area served by the System on the date of such certificate, after deducting therefrom any
1654 increased Operating and Maintenance Expenses estimated to be incurred as a result of
1655 such growth; provided, that the Professional Utility Consultant's estimate of the number
1656 of customers served may not assume a growth of more than 1/4 of 1% over and above the
1657 number of customers served or estimated to be served during the preceding year; and

1658 g. If extensions of or additions to the System are in the
1659 process of construction at the time of such certificate, or if the proceeds of the Parity Lien
1660 Obligations being issued are to be used to acquire or construct extensions of or additions
1661 to the System, there may be added to the annual net revenue as above determined any
1662 revenue not included in subsection A.2.a. through f. of this section that will be derived
1663 from such additions and extensions after deducting therefrom the estimated additional
1664 Operating and Maintenance Expenses to be incurred as a result of such additions and
1665 extensions; provided, that such estimated annual revenue must be based upon 75% of any
1666 estimated Customer growth in the four years following the first full year in which such
1667 additional revenue is to be collected and thereafter the estimated Customer growth may
1668 not exceed 1/4 of 1% per year over and above such reduced estimate; and

1669 3. Instead of the certificate described in subsection A.2. of this
1670 section, the county may elect to have on file a certificate of the Finance Director
1671 demonstrating that during any 12 consecutive calendar months out of the immediately
1672 preceding 18 calendar months Net Revenue was at least equal to 1.25 times the amount
1673 required to pay, in each year that such Parity Lien Obligations would be outstanding, the
1674 Annual Debt Service for such year.

1675 B. Parity Lien Obligations That Are Refunding Bonds.

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1676 1. The county may at any time, for the purpose of refunding at or
1677 prior to their maturity any outstanding Parity Lien Obligations, Parity Bonds, or any
1678 bonds or other obligations of the county payable from Revenue of the System, including
1679 refundings by purchase or exchange, issue additional Parity Lien Obligations without
1680 complying with the provisions of subsection A.2. and 3. of this section if there is filed
1681 with the clerk of the county council a certificate of the Finance Director stating that upon
1682 the issuance of such additional Parity Lien Obligations: (a) total debt service on all Parity
1683 Bonds and Parity Lien Obligations, including the refunding bonds but not including the
1684 bonds to be refunded thereby, will decrease; and (b) the Annual Debt Service for each
1685 year that any Parity Bonds and any Parity Lien Obligations, including the refunding
1686 bonds but not including the bonds to be refunded thereby, are then outstanding will not be
1687 increased by more than \$5,000 by reason of the issuance of such additional Parity Lien
1688 Obligations.

1689 2. The principal amount of such Parity Lien Obligations may include
1690 amounts necessary to pay the principal of the bonds or other obligations to be refunded,
1691 interest thereon to the date of payment or redemption thereof and any premium payable
1692 thereon upon such payment or redemption and the costs of issuance of such Parity Lien
1693 Obligations and, if a Payment Agreement has been provided with respect to the
1694 obligations to be refunded, may include amounts necessary to make the payment of all
1695 amounts, if any, due and payable by the county under such Payment Agreement. The
1696 proceeds of such Parity Lien Obligations will be held and applied as provided in the
1697 ordinance authorizing the issuance of such Parity Lien Obligations, so that upon the
1698 delivery of such Parity Lien Obligations, the bonds or other obligations to be refunded

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1699 thereby will be deemed no longer outstanding in accordance with the ordinance
1700 authorizing their issuance.

1701 3. At the election of the county, the provisions of this subsection B.
1702 need not apply to the refunding at one time of all the Parity Lien Obligations then
1703 outstanding.

1704 4. Nothing contained in this ordinance prohibits or prevents, or will
1705 be deemed or construed to prohibit or prevent, the county from issuing Parity Lien
1706 Obligations to refund maturing Parity Lien Obligations of the county for the payment of
1707 which money is not otherwise available.

1708 C. Subordinate Obligations. Nothing in this ordinance prohibits, or will be
1709 deemed or construed to prohibit, the county from authorizing and issuing bonds, notes or
1710 other evidences of indebtedness for any purpose of the county related to the System
1711 payable in whole or in part from Revenue of the System and secured by a lien on
1712 Revenue of the System that is junior, subordinate and inferior to the lien of any Bonds
1713 issued as Parity Lien Obligations.

1714 SECTION 26. Reimbursement Obligations. If the county elects to secure any
1715 Bonds with a Credit Facility, the county may contract with the entity providing the Credit
1716 Facility that the reimbursement obligation, if any, to that entity will be a Parity Bond or
1717 Parity Lien Obligation, as applicable.

1718 SECTION 27. Payment Agreements.

1719 A. General. To the extent and for the purposes permitted from time to time
1720 by chapter 39.96 RCW, as it may be amended, and other applicable provisions of State

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1721 law, the county may enter into Payment Agreements, subject to the conditions set forth in
1722 this section and in other provisions of this ordinance.

1723 B. Manner and Schedule of Payments. Each Payment Agreement must set
1724 forth the manner in which the Payment Agreement Payments and the Payment
1725 Agreement Receipts will be calculated and a schedule of payment dates.

1726 C. Authorizing Ordinance. Prior to entering into a Payment Agreement, the
1727 county council must adopt an ordinance authorizing such agreement and setting forth
1728 such provisions as the county deems necessary or desirable and are not inconsistent with
1729 the provisions of this ordinance.

1730 D. Calculation of Payment Agreement Payments and Debt Service on Bonds
1731 with Respect to which a Payment Agreement is in Force. It is the intent of the county, for
1732 purposes of section 18, 24, or 25 of this ordinance, that debt service on Parity Bonds with
1733 respect to which a Parity Payment Agreement is in force will be calculated to reflect the
1734 net economic effect on the county intended to be produced by the terms of such Parity
1735 Bonds and Parity Payment Agreement and that debt service on Parity Lien Obligation
1736 Bonds with respect to which a Parity Lien Obligation Payment Agreement is in force will
1737 be calculated to reflect the net economic effect on the county intended to be produced by
1738 the terms of such Parity Lien Obligation Bonds and Parity Lien Obligation Payment
1739 Agreement. In calculating such amounts, the county will be guided by the following
1740 requirements.

1741 1. The amount of interest deemed to be payable on any Bonds with
1742 respect to which a Payment Agreement is in force will be an amount equal to the amount

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1743 of interest that would be payable at the rate or rates stated in those Bonds plus Payment
1744 Agreement Payments minus Payment Agreement Receipts.

1745 2. For any period during which Payment Agreement Payments are
1746 not taken into account in calculating interest on any outstanding Bonds because the
1747 Payment Agreement is not then related to any outstanding Bonds, Payment Agreement
1748 Payments on that Parity Payment Agreement will be calculated based upon the following
1749 assumptions:

1750 a. County Obligated to Make Payments Based on Fixed Rate.
1751 If the county is obligated to make Payment Agreement Payments based on a fixed rate
1752 and the Qualified Counterparty is obligated to make payments based on a variable rate
1753 index, payments by the county will be based on the assumed fixed payor rate, and
1754 payments by the Qualified Counterparty will be based on a rate equal to the average rate
1755 determined by the variable rate index specified by the Payment Agreement during the
1756 fiscal quarter preceding the quarter in which the calculation is made; and

1757 b. County Obligated to Make Payments Based on Variable
1758 Rate Index. If the county is obligated to make Payment Agreement Payments based on a
1759 variable rate index and the Qualified Counterparty is obligated to make payments based
1760 on a fixed rate, payments by the county will be based on a rate equal to the average rate
1761 determined by the variable rate index specified by the Payment Agreement during the
1762 fiscal quarter preceding the quarter in which the calculation is made, and the Qualified
1763 Counterparty will make payments based on the fixed rate specified by the Payment
1764 Agreement.

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1765 E. Prior Notice to Rating Agencies. The county will give notice to Moody's
1766 and S&P 30 days prior to the date it intends to enter into a Parity Payment Agreement
1767 and will give notice to Fitch, Moody's and S&P 30 days prior to the date it intends to
1768 enter into a Parity Lien Obligation Payment Agreement.

1769 SECTION 28. Sale of Bonds. The county hereby authorizes the sale of the Bonds
1770 in one or more Series. The Finance Director is authorized to proceed with the sale of any
1771 Series of the Bonds pursuant to subsections B., C., or D. of this section to refund the
1772 Refunded Bonds and finance the costs of any project that has been approved by the
1773 county council or will have been approved by the county council prior to the sale date for
1774 such Bonds. The Finance Director is further authorized to proceed under this ordinance
1775 with the sale of the Project Bonds for any such project and with the sale of the Refunding
1776 Bonds to refund any Refunding Candidate(s), including by purchase or exchange,
1777 pursuant to the sale provisions set forth in this section and without regard to the
1778 requirements of any prior bond ordinance that authorized the financing of the project or
1779 the refunding of such Refunding Candidate(s).

1780 The Bonds will be sold in one or more Series, any of which may be sold in a
1781 combined offering with other bonds and/or notes of the county, at the option of the
1782 Finance Director. The Finance Director will determine, in consultation with the county's
1783 financial advisors, the principal amount of each Series of the Project Bonds, which of the
1784 Refunding Candidates will be refunded, whether such Refunding Candidates will be
1785 refunded by purchase or exchange, whether any Series of Project Bonds or Refunding
1786 Bonds will be sold separately or in one or more combined Series, whether each Series of
1787 Bonds will be sold by competitive bid or negotiated sale, or otherwise, and for current or

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1788 future delivery, and whether such Series of Bonds will be issued and sold as Tax-
1789 Advantaged Obligations, Tax-Exempt Obligations or Taxable Obligations, and whether
1790 any Series will be designated as "green bonds," social impact bonds, sustainability bonds
1791 or otherwise.

1792 A. Satisfaction of Additional Bonds Tests. The Finance Director will provide
1793 or cause to be provided by a Professional Utility Consultant any certifications required to
1794 comply with the tests established in prior ordinances of the county for the issuance of
1795 additional Parity Bonds and additional Parity Lien Obligations, as applicable.

1796 B. Negotiated Sale. If the Finance Director determines that any Series of the
1797 Bonds will be sold by negotiated sale, the Finance Director shall, in accordance with
1798 applicable county procurement procedures, solicit one or more underwriting firms or
1799 other financial institutions with which to negotiate the sale of such Bonds. Subject to the
1800 parameters set forth in subsection E. of this section, the Bond Purchase Agreement for
1801 such Series of the Bonds will specify whether the Bonds of such Series are being issued
1802 and sold as Tax-Advantaged Obligations, Tax-Exempt Obligations or Taxable
1803 Obligations, and whether any Series of Bonds are designated as "green bonds," social
1804 impact bonds, sustainability bonds or otherwise, and will also identify any Term Bonds
1805 and the year and any applicable Series designation, date, principal amounts and maturity
1806 dates, interest rates and interest payment dates, redemption and/or purchase provisions
1807 and delivery date for such Series of Bonds.

1808 C. Sale by Competitive Bid. If the Finance Director determines that any
1809 Series of Bonds will be sold by competitive bid, bids for the purchase of such Series of
1810 Bonds will be received at such time and place and by such means as the Finance Director

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1811 will direct. The Finance Director is authorized to prepare an Official Notice of Bond Sale
1812 for each Series of Bonds to be sold pursuant to competitive bid, which notice will be filed
1813 with the clerk of the county council. The Official Notice of Bond Sale will specify
1814 whether the Bonds of such Series are being issued and sold as Tax-Advantaged
1815 Obligations, Tax-Exempt Obligations or Taxable Obligations, and whether any Series
1816 will be designated as "green bonds," social impact bonds, sustainability bonds or
1817 otherwise, and will identify the year and any applicable Series designation, date, principal
1818 amounts and maturity dates, interest payment dates, redemption and/or purchase
1819 provisions and delivery date for such Series of Bonds.

1820 Upon the date and time established for the receipt of bids for a Series of the
1821 Bonds, the Finance Director or the Finance Director's designee will review the bids
1822 received, cause the bids to be mathematically verified, and accept the winning bid by
1823 executing the Certificate of Award, which shall designate any Term Bonds, subject to the
1824 parameters set forth in subsection E. of this section. The county, acting through the
1825 Finance Director, reserves the right to reject any and all bids for such Bonds.

1826 D. Other Sales. If the Finance Director determines that any Series of Bonds
1827 will be sold to the federal government or other purchaser to evidence a loan from that
1828 purchaser, the Finance Director, in consultation with the county financial advisors, will
1829 negotiate the sale of such Bonds and the terms of any Loan Agreement or other
1830 agreement with the purchaser, including any Master WIFIA Agreement to be
1831 supplemented or amended by WIFIA loan agreements for each WIFIA loan made
1832 thereunder. The terms of any Master WIFIA Agreement or any WIFIA loan agreements
1833 may include additional disbursement or other conditions, covenants, events of default,

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1834 remedies and other provisions generally consistent with such provisions of the existing
1835 WIFIA loans, the forms of which were approved by Motion 15115 and 15789,
1836 respectively, or current WIFIA program terms. Subject to the parameters set forth in
1837 subsection E. of this section, the Loan Agreement or other agreement or closing
1838 certificates for such Series of Bonds will specify whether the Bonds of such Series are
1839 being issued and sold as Tax-Advantaged Obligations, Tax-Exempt Obligations or
1840 Taxable Obligations, and whether any Series of Bonds are designated as "green bonds,"
1841 social impact bonds, sustainability bonds or otherwise, and will also identify any Term
1842 Bonds and the year and any applicable Series designation, date, principal amounts and
1843 maturity dates, interest rates and interest payment dates, redemption and/or purchase
1844 provisions and delivery date for such Series of Bonds.

1845 E. Sale Parameters. Subject to the terms and conditions set forth in this
1846 subsection, the Finance Director is hereby authorized to approve the issuance and sale of
1847 any Series of the Bonds upon the Finance Director's approval of the final interest rates,
1848 maturity dates, aggregate principal amounts, principal maturities and redemption rights
1849 for the Series of the Bonds in accordance with the authority granted by this section so
1850 long as:

1851 1. The aggregate principal amount for the Series of Project Bonds
1852 does not cause the aggregate principal amount for all Project Bonds issued under this
1853 ordinance to exceed \$1,000,000,000;

1854 2. The aggregate principal amount of the Series of Refunding Bonds
1855 to be issued does not exceed the aggregate principal amount of the Refunded Bonds to be
1856 refunded, including by purchase or exchange, with such Series of Refunding Bonds, plus

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1857 the amount deemed by the Finance Director as reasonably required to effect such
1858 refunding as described in RCW 39.53.050, including amounts reasonably required to pay
1859 the redemption or purchase price of the Refunded Bonds and costs of issuance and the
1860 refunding;

1861 3. The final maturity date for the Series of the Project Bonds to be
1862 issued is not later than 31 years after its date of issuance;

1863 4. The final maturity date for the Series of the Refunding Bonds to be
1864 issued is not later than the end of the fiscal year that includes the final maturity date for
1865 the Refunded Bonds to be refunded, including by purchase or exchange, with such Series
1866 of Bonds; provided, the final maturity date for any Series of the Refunding Bonds to be
1867 issued to refund Project Bonds issued as bond anticipation notes, commercial paper or
1868 other interim financing is not later than 31 years after the date of issuance of the interim
1869 financing;

1870 5. Notwithstanding subsection E.3. and 4. of this section, the final
1871 maturity date for any Series of Bonds to be delivered to evidence one or more WIFIA
1872 loans from the EPA is not later than the earlier of: (a) the date that is 35 years following
1873 substantial completion of the financed project as such terms are defined in the WIFIA
1874 loan agreement for that Series of Bonds; and (b) the date that is 40 years after the date the
1875 county initially draws on the WIFIA loan evidenced by that Series of Bonds;

1876 6. The Series of the Bonds to be issued is sold in the aggregate at a
1877 price not less than 95 percent;

1878 7. The true interest cost for the Series of Bonds does not exceed 5.0%
1879 if the Series of Bonds is issued as Tax-Exempt Obligations;

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1880 8. The true interest cost for the Series of Bonds does not exceed 7.0%
1881 if the Series of Bonds is issued as Taxable or Tax-Advantaged Obligations; and

1882 9. The Series of Bonds conforms to all other terms of this ordinance.

1883 Subject to the terms and conditions set forth in this section, the Finance Director
1884 is hereby authorized to execute each Sale Document to be dated the date of sale of the
1885 applicable Series of Bonds. The Finance Director is further authorized to negotiate and
1886 approve terms for the acquisition of Refunding Candidates by purchase or exchange, and
1887 to negotiate, approve and execute any offer, dealer manager agreements, or other
1888 documents in connection therewith, including amendments thereto from time to time.
1889 The signature of the Finance Director shall be sufficient to bind the county.

1890 The Finance Director shall provide an annual report to the Executive Finance
1891 Committee and county council describing the sale of any series of Bonds approved
1892 pursuant to the authority delegated in this section. The annual report shall be
1893 electronically filed with the clerk of the county council, who shall retain an electronic
1894 copy and provide an electronic copy to all councilmembers. The requirement for an
1895 annual report provided by this subsection expires three years after the effective date of
1896 this ordinance.

1897 The authority granted to the Finance Director by this subsection E. to execute Sale
1898 Documents shall expire December 31, 2027; provided, that an amendment to a Sale
1899 Document may be executed, and performance pursuant to any Sale Document may be
1900 completed, at any time. In the case of a Sale Document in the form of a WIFIA Master
1901 Agreement, the authority granted to the Finance Director by this subsection E. to execute
1902 such WIFIA Master Agreement shall expire December 31, 2027; provided, that an

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1903 amendment or supplement to such Sale Document, including any supplement in the form
1904 of a WIFIA loan agreement subject to the WIFIA Master Agreement, may be executed at
1905 any time, issuance and delivery of one or more Series of Parity Bonds to evidence the
1906 county's obligations under such Sale Document as supplemented may be completed at
1907 any time, and performance pursuant to the Sale Document may be completed at any time.
1908 All other provisions of this ordinance will remain in full force and effect. If a Sale
1909 Document for a Series of the Bonds has not been executed by December 31, 2027, the
1910 authorization for the issuance of the Bonds shall be rescinded and the Bonds shall not be
1911 issued nor their sale approved unless such Bonds shall have been reauthorized by
1912 ordinance of the county council. The ordinance reauthorizing the issuance and sale of
1913 such Bonds may be in the form of a new ordinance repealing this ordinance in whole or
1914 in part or may be in the form of an amendatory ordinance approving a bond purchase
1915 agreement, certificate of award or loan agreement or establishing terms and conditions
1916 for the authority delegated under this section.

1917 The authority of the county to sell bonds, e.g., enter into a bond purchase
1918 agreement, accept a bid to sell any bonds or enter into a loan or other agreement for the
1919 sale of the bonds, as defined in and pursuant to Ordinance 19785, will terminate on the
1920 effective date of this ordinance, but all other provisions of Ordinance 19785, will remain
1921 in full force and effect.

1922 SECTION 29. Delivery of Bonds. Following the sale of each Series of the Bonds,
1923 the county will cause definitive Bonds to be prepared, executed and delivered in
1924 accordance with the provisions of this ordinance and in a form acceptable to DTC as

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1925 initial depository for the Bonds, with the approving legal opinion of municipal bond
1926 counsel regarding such Series of Bonds.

1927 SECTION 30. Preliminary Official Statement and Final Official Statement. The
1928 county hereby authorizes and directs the Finance Director: (a) to review and approve the
1929 information contained in any preliminary official statement (each, a "Preliminary Official
1930 Statement") prepared in connection with the sale of each Series of Bonds; and (b) for the
1931 sole purpose of compliance by the purchasers of such Series of Bonds with subsection
1932 (b)(1) of the Rule, to "deem final" the related Preliminary Official Statement as of its
1933 date, except for such omissions as are permitted under the Rule. After each Preliminary
1934 Official Statement has been reviewed and approved in accordance with the provisions of
1935 this section, the county hereby authorizes the distribution of such Preliminary Official
1936 Statement to prospective purchasers of such related Series of Bonds.

1937 Following the sale of each Series of Bonds, the Finance Director is hereby
1938 authorized to review and approve on behalf of the county a final official statement with
1939 respect to such Series of Bonds. The county agrees to cooperate with the purchaser of
1940 each Series of Bonds to deliver or cause to be delivered, within seven business days from
1941 the date of the Sale Document, and in sufficient time to accompany any confirmation that
1942 requests payment from any customer of the purchaser, copies of a final official statement
1943 pertaining to such Series of Bonds in sufficient quantity to allow compliance with
1944 subsection (b)(4) of the Rule and the rules of the MSRB.

1945 The county further authorizes and directs the Finance Director to review and
1946 approve the information contained in any invitation to tender prepared in connection with
1947 the county's acquisition of Refunding Candidates by purchase or exchange.

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1948 SECTION 31. Undertaking to Provide Ongoing Disclosure. The Finance Director
1949 is authorized to enter into an undertaking to provide ongoing disclosure with respect to
1950 each Series of Bonds, as required by subsection (b)(5) of the Rule. The form of the
1951 undertaking may be set forth in the Sale Document or the Official Statement for the
1952 Bonds.

1953 SECTION 32. General Authorization. The appropriate county officials, agents
1954 and representatives are hereby authorized and directed to do everything necessary for the
1955 prompt sale, issuance, execution and delivery of each Series of Bonds, and for the proper
1956 use and application of the proceeds of the sale thereof.

1957 SECTION 33. Investment of Funds and Accounts. Money in the Parity Bond
1958 Fund, Parity Bond Reserve Account, Parity Lien Obligation Bond Fund, Revenue Fund
1959 and Construction Account may be invested in any Permitted Investments. Obligations
1960 purchased as an investment of money in the Parity Bond Fund, Parity Bond Reserve
1961 Account, Parity Lien Obligation Bond Fund, Revenue Fund and Construction Account
1962 and accounts or subaccounts therein will be deemed at all times to be a part of such
1963 respective fund, account or subaccount, and the income or interest earned and profits
1964 realized or losses suffered by a fund, account or subaccount due to the investment thereof
1965 will be retained in, credited or charged, as the case may be, to such fund or account.

1966 SECTION 34. Refunding or Defeasance of Bonds. The Bonds are designated as
1967 Refunding Candidates for purposes of ordinances of the county authorizing the issuance
1968 of bonds to refund outstanding obligations of the county. The county may issue
1969 refunding obligations pursuant to the laws of the State or use money available from any
1970 other lawful source to pay when due the purchase price, principal of, premium, if any,

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1971 and interest on the Bonds of any Series, or any portion thereof included in a refunding or
1972 defeasance plan and to redeem and retire, refund, including by purchase or exchange, or
1973 defease all or a portion of such then-outstanding Bonds of such Series (hereinafter
1974 collectively called the "Defeased Bonds"), and to pay the costs of the refunding or
1975 defeasance.

1976 If money and/or noncallable Government Obligations maturing at such time or
1977 times and bearing interest to be earned thereon in amounts together with such money, if
1978 necessary, sufficient to redeem and retire, refund or defease the Defeased Bonds in
1979 accordance with their terms are set aside in a special trust or escrow fund or account
1980 irrevocably pledged to that redemption, retirement or defeasance of Defeased Bonds
1981 (hereinafter called the "trust account"), then the Defeased Bonds will be deemed not to be
1982 outstanding hereunder, no further payments need be made into the related bond fund for
1983 the payment of the principal of and interest on the Defeased Bonds and the Registered
1984 Owners of the Defeased Bonds will cease to be entitled to any covenant, pledge, benefit
1985 or security of this ordinance. The Registered Owners of Defeased Bonds will have the
1986 right to receive payment of the principal of, premium, if any, and interest on the Defeased
1987 Bonds from the trust account.

1988 The county will provide or cause to be provided notice of defeasance of such
1989 Bonds to the MSRB in accordance with the undertaking for ongoing disclosure to be
1990 adopted pursuant to section 31 of this ordinance.

1991 SECTION 35. Supplemental Ordinances.

1992 A. Without Bondowner Consent. The county council from time to time and
1993 at any time may adopt an ordinance or ordinances supplemental to this ordinance, without

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1994 the consent of owners of any of the Bonds, for any one or more of the following
1995 purposes:

1996 1. To add to the covenants and agreements of the county in this
1997 ordinance such other covenants and agreements thereafter to be observed that will not
1998 adversely affect the interests of the registered owners of any Parity Bonds or Parity Lien
1999 Obligations, as applicable, or to surrender any right or power herein reserved to or
2000 conferred upon the county.

2001 2. To make such provisions for the purpose of curing any ambiguities
2002 or of curing, correcting or supplementing any defective provision contained in this
2003 ordinance or any ordinance authorizing Parity Bonds or Parity Lien Obligations in regard
2004 to matters or questions arising under such ordinances as the county council may deem
2005 necessary or desirable and not inconsistent with such ordinances and that will not
2006 adversely affect the interest of the registered owners of Parity Bonds or Parity Lien
2007 Obligations, as applicable.

2008 B. With Bondowner Consent.

2009 1. With the consent of the registered owners of not less than 51% in
2010 aggregate principal amount of all Parity Bonds at the time outstanding, the county council
2011 may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any
2012 provisions to or changing in any manner or eliminating any of the provisions of this
2013 ordinance or of any supplemental ordinance applicable to Parity Bonds, except as
2014 described in subsection B.3. of this section.

2015 2. With the consent of the registered owners of not less than 51% in
2016 aggregate principal amount of all Parity Lien Obligations at the time outstanding, the

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2017 county council may adopt an ordinance or ordinances supplemental hereto for the
2018 purpose of adding any provisions to or changing in any manner or eliminating any of the
2019 provisions of this ordinance or of any supplemental ordinance applicable to Parity Lien
2020 Obligations, except as described in subsection B.3. of this section.

2021 3. No supplemental ordinance entered into pursuant to this subsection
2022 B. may:

2023 a. Extend the fixed maturity of any Parity Bonds or Parity
2024 Lien Obligations, or reduce the rate of interest thereon, or extend the time of payments of
2025 interest from their due date, or reduce the amount of the principal thereof, or reduce any
2026 premium payable on the redemption thereof, without the consent of the registered owner
2027 of each bond so affected; or

2028 b. Reduce the aforesaid percentage of registered owners of
2029 Parity Bonds or Parity Lien Obligations required to approve any such supplemental
2030 ordinance, without the consent of the registered owners of all of such bonds.

2031 4. It is not necessary for the consent of registered owners of bonds
2032 under this subsection B. to approve the particular form of any proposed supplemental
2033 ordinance, but it is sufficient if such consent approves the substance thereof.

2034 SECTION 36. Contract; Severability. The covenants contained in this ordinance
2035 constitute a contract between the county and: (a) the Registered Owner of each Bond; (b)
2036 the Qualified Counterparty to any Payment Agreement entered into with respect to any
2037 Bonds; and (c) the provider of any Credit Facility, Qualified Insurance or Qualified Letter
2038 of Credit with respect to any Bonds. If any court of competent jurisdiction determines
2039 that any covenant or agreement provided in this ordinance to be performed on the part of


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2040 the county is contrary to law, then such covenant or agreement shall be null and void and
2041 shall be deemed separable from the remaining covenants and agreements of this
2042 ordinance and shall in no way affect the validity of the other provisions of this ordinance
2043 or of the Bonds.

Ordinance 20073 was introduced on 5/5/2026 and passed by the Metropolitan King County Council on 6/2/2026, by the following vote:

Yes: 9 - Balducci, Barón, Dembowski, Dunn, Fain, Lewis, Mosqueda, Perry and von Reichbauer

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Signed by:

062AC77E76FB49B...
Sarah Perry, Chair


ATTEST:

DocuSigned by:

8DE1BB375AD3422...

Melani Hay, Clerk of the Council

APPROVED this ____ day of 6/16/2026, _____.

Signed by:

B7B9CFF6992F49A...
Girmay Zahilay, County Executive

Attachments: A. Outstanding Obligation of the System, B. Form of Parity Bond, C. Form Parity Lien Obligation

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ATTACHMENT A – OUTSTANDING OBLIGATIONS

I. OUTSTANDING PARITY BONDS

Series	Ordinance	Date of Issue	Original Principal	Outstanding Principal (as of 12/31/25)
2015A	17599	02/18/2015	\$474,025,000	\$177,825,000
2015B	18111	11/17/2015	93,345,000	31,925,000
2016A	18116	02/17/2016	281,535,000	135,285,000
2016B	18111	10/12/2016	499,655,000	230,025,000
2017	18587	12/19/2017	149,485,000	42,810,000
2018A ⁽¹⁾	18588	04/19/2018	134,500,000	17,686,000
2018B	18588	11/15/2018	124,455,000	67,125,000
2020A	19112	08/04/2020	179,530,000	124,430,000
2020B	19112	08/04/2020	186,745,000	132,165,000
2021 ⁽¹⁾	19112	01/19/2021	96,844,510	42,957,409
2021A	19112	08/10/2021	231,200,000	167,275,000
2023	19377	07/19/2023	129,970,000	129,530,000
2024 ⁽²⁾	19377	01/25/2024	194,125,628	-
2024A	19785	08/08/2024	392,575,000	392,190,000
2024 ⁽²⁾	19377	12/04/2024	89,891,562	-
2024B	19785	12/23/2024	169,905,000	168,555,000
2025A	19785	11/25/2025	263,975,000	263,975,000
Total			\$3,691,761,700	\$2,123,758,409

⁽¹⁾ WIFIA loan. “Original Principal” represents the total authorized amount of the loan, and “Outstanding Principal” represents amounts drawn on the loan as of 12/31/25.

⁽²⁾ WIFIA loan. “Original Principal” represents the authorized amount of the first and second loans issued under a WIFIA Master Agreement with a total authorized amount of \$498,344,408. “Outstanding Principal” represents amounts drawn on the loans as of 12/31/25.

II. OUTSTANDING PARITY LIEN OBLIGATIONS

Series	Ordinance	Date of Issue	Original Principal	Outstanding Principal (as of 12/31/25)
2017	18116	10/25/2017	\$154,560,000	\$102,925,000
2019	18588	10/24/2019	101,035,000	97,350,000
2021A	19112	08/10/2021	239,585,000	188,215,000
2021B	19112	08/10/2021	94,510,000	67,670,000
2024A	19785	12/23/2024	229,950,000	212,790,000
Total			\$819,640,000	\$668,950,000

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III. OUTSTANDING JUNIOR LIEN OBLIGATIONS

<u>Series</u>	<u>Ordinance</u>	<u>Date of Issue</u>	<u>Original Principal</u>	<u>Outstanding Principal (as of 12/31/25)</u>
2021A	18898/19324	12/16/2021	\$140,000,000	\$140,000,000
2024	18898/19324	06/06/2024	115,580,000	115,580,000
2025	19955	07/31/2025	200,000,000	200,000,000
2025B	19955	10/23/2025	101,030,000	101,030,000
		Total	\$556,610,000	\$556,610,000

IV. OUTSTANDING MULTI-MODAL LTGO/SEWER REVENUE BONDS

<u>Series</u>	<u>Ordinance</u>	<u>Date of Issue</u>	<u>Original Principal</u>	<u>Outstanding Principal (as of 3/12/25)</u>
Commercial Paper	19955	01/01/2021	Up to \$250,000,000	\$243,900,000
		Total	Up to \$250,000,000	\$243,900,000

Ordinance 20073

the Registered Owner at the address appearing on the Bond Register on the Record Date. The County is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. When this bond is not registered in the name of the Securities Depository, principal of and premium, if any, on this bond are payable upon presentation and surrender of this bond by the Registered Owner to the Registrar at maturity or upon prior redemption in full.

This bond is one of an authorized issue of bonds in the aggregate principal amount of \$_____ (the "Bonds"), and is issued to provide funds [to acquire and construct improvements to the System] [to refund certain outstanding obligations of the County payable from Revenue of the System] [and to pay the costs of issuing the Bonds].

The Bonds are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington (the "State"), the County Charter and applicable ordinances duly adopted by the County, including Ordinance _____ (the "Bond Legislation"). Capitalized terms used in this bond and not defined herein have the meanings given such terms in the Bond Legislation.

The Bonds are subject to redemption as provided for in the Bond Legislation.

The Bonds are special limited obligations of the County, payable solely from the special fund of the County known as the Water Quality Revenue Bond Account (the "Parity Bond Fund"), and are not obligations of the State or any political subdivision thereof other than the County, and neither the full faith and credit nor the taxing power of the County or the State or any political subdivision thereof is pledged to the payment of this bond or the Bonds.

The County hereby covenants and agrees with the Registered Owner of this bond that it will keep and perform all the covenants of this bond and of the Bond Legislation to be kept and performed by it. The County has obligated and bound itself to set aside and pay into the Parity Bond Fund out of Revenue of the System the various amounts required by the Bond Legislation to be paid into and maintained in the Parity Bond Fund all within the times provided by the Bond Legislation.

The amounts so pledged to be paid out of Revenue of the System are hereby declared to be a prior lien and charge thereon superior to all other liens and charges of any kind or nature except Operating and Maintenance Expenses. The amounts so pledged out of Revenue of the System are further declared to be of equal lien to charges that have been or may be made thereon to pay the principal of and interest on outstanding Parity Bonds and any Future Parity Bonds.

The County has pledged that it will cause the System to be maintained in good condition and repair and to be operated in an efficient manner and at a reasonable cost. The County has further pledged that it will at all times establish, maintain and collect adequate rates and charges for sewage disposal service as provided in the Bond Legislation. Reference to the Bond Legislation is made for a description of the nature and extent of the security for the Bonds, the funds or revenues pledged, and the terms and conditions upon which the Bonds are issued.

Ordinance 20073

The pledge of revenues and other obligations of the County under the Bond Legislation may be discharged prior to the maturity of the Bonds by making provision for the payment thereof on the terms and conditions set forth in the Bond Legislation.

This bond will not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Legislation until the Certificate of Authentication hereon has been manually signed by the Registrar.

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

IN WITNESS WHEREOF, the County has caused this bond to be executed by the manual or facsimile signature of the County Executive, to be attested by the manual or facsimile signature of the Clerk of the County Council, and the seal of the County to be impressed or imprinted hereon, all as of _____.

KING COUNTY, WASHINGTON

By: _____
King County Executive

ATTEST:

Clerk of the County Council

Ordinance 20073

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____.

This is one of the fully registered Sewer Revenue [and] [Refunding] Bonds, [Year], Series _____, of King County, Washington, dated _____, described in the within mentioned Bond Legislation.

WASHINGTON STATE FISCAL AGENT
as Registrar

By _____
Authorized Signer

Ordinance 20073

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 _____
or its successor, as Registrar to transfer this bond on the books kept for registration thereof with
full power of substitution in the premises.

DATED: _____, 20__.

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:

NOTICE: Signatures must be guaranteed pursuant to law.

Ordinance 20073

ATTACHMENT C –

FORM OF PARITY LIEN OBLIGATION

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the County or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

R- _____

\$ _____

STATE OF WASHINGTON

KING COUNTY

LIMITED TAX GENERAL OBLIGATION [AND] [REFUNDING] BOND (PAYABLE FROM SEWER REVENUES), [YEAR], SERIES _____

INTEREST RATE _____ **MATURITY DATE** _____ **CUSIP NO.** _____
_____ % _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO 100/DOLLARS

KING 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 specified above, the Principal Amount specified above and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the date of this bond, or the most recent date to which interest has been paid or duly provided for, until payment of this bond, at the Interest Rate specified, payable on _____, and semiannually thereafter on each succeeding _____ and _____.

Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as this bond is registered in the name of Cede & Co., as the nominee of The Depository Trust Company ("DTC"), principal of and premium, if any, and interest on this bond are payable in the manner set forth in the Blanket Issuer Letter of Representations by and between the County and DTC. When this bond is not registered in the name of the Securities Depository, interest on this bond is payable by electronic transfer on the interest payment date, or by check or draft of the fiscal agent of the State of Washington (as the same may be designated by

Ordinance 20073

the State of Washington from time to time, the "Registrar") mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. The County is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. When this bond is not registered in the name of the Securities Depository, principal of and premium, if any, on this bond are payable upon presentation and surrender of this bond by the Registered Owner to the Registrar at maturity or upon prior redemption in full.

This bond is one of an authorized issue of bonds in the aggregate principal amount of \$_____ (the "Bonds"), and is issued to provide funds [to acquire and construct improvements to the System] [to refund certain outstanding obligations of the County payable from Revenue of the System] [and to pay the costs of issuing the Bonds].

The Bonds are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington (the "State"), the County Charter and applicable ordinances duly adopted by the County, including Ordinance _____ (the "Bond Legislation"). Capitalized terms used in this bond and not defined herein have the meanings given such terms in the Bond Legislation.

The Bonds are subject to redemption as provided for in the Bond Legislation.

The Bonds are general obligations of the County. The County has irrevocably covenanted and agreed 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 upon all property within the County subject to taxation in an amount that will be sufficient, together with all other revenues and money of the County legally available for such purposes, to pay the principal of and interest on the Bonds as the same becomes due. The County has pledged that the annual tax authorized to be levied for the payment of such principal and interest shall be within and a part of the tax levy permitted to counties without a vote of the people. The full faith, credit and resources of the County have been irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of the principal of and interest on the Bonds as the same becomes due.

The County has further obligated and bound itself to set aside and pay into the Parity Lien Obligation Bond Fund out of Revenue of the System amounts sufficient to pay when due the principal of and interest on the Bonds. The pledge of Revenue of the System constitutes a lien and charge on Revenue of the System subject to Operating and Maintenance Expenses and junior, subordinate and inferior to the lien and charge on Revenue of the System securing the Parity Bonds, equal to the lien and charge securing the outstanding Parity Lien Obligations and any additional Parity Lien Obligations hereafter issued, and superior to any other charges whatsoever. The County has reserved the right to issue additional Parity Lien Obligations on the terms and conditions set forth in the Bond Legislation.

The County has pledged that it will cause the System to be maintained in good condition and repair and to be operated in an efficient manner and at a reasonable cost. The County has further pledged that it will at all times establish, maintain and collect adequate rates and charges for sewage disposal service as provided in the Bond Legislation. Reference to the Bond

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Legislation is made for a description of the nature and extent of the security for the Bonds, the funds or revenues pledged, and the terms and conditions upon which the Bonds are issued.

The pledge of tax levies and revenues and other obligations of the County under the Bond Legislation 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 Legislation.

This bond will not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Legislation until the Certificate of Authentication hereon has been manually signed by the Registrar.

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

IN WITNESS WHEREOF, the County has caused this bond to be executed by the manual or facsimile signature of the County Executive, to be attested by the manual or facsimile signature of the Clerk of the County Council, and the seal of the County to be impressed or imprinted hereon, all as of _____.

KING COUNTY, WASHINGTON

By: _____
King County Executive

ATTEST:

Clerk of the County Council

Ordinance 20073

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____.

This is one of the fully registered Limited Tax General Obligation [and] [Refunding] Bonds (Payable from Sewer Revenues), [Year], Series _____, of King County, Washington, dated _____, described in the within mentioned Bond Legislation.

WASHINGTON STATE FISCAL AGENT
as Registrar

By _____
Authorized Signer

Ordinance 20073

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 _____
or its successor, as Registrar to transfer this bond on the books kept for registration thereof with
full power of substitution in the premises.

DATED: _____, 20__.

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:

NOTICE: Signatures must be guaranteed pursuant to law.

Certificate Of Completion

Envelope Id: EF6DF3BB-6872-821E-837A-EC46F2D84963	Status: Completed
Subject: Complete with Docusign: Ordinance 20073 Attachment A.docx, Ordinance 20073 Attachment B.docx, O...	
Source Envelope:	
Document Pages: 91	Signatures: 3
Supplemental Document Pages: 12	Initials: 0
Certificate Pages: 5	Envelope Originator:
AutoNav: Enabled	Gavin Muller
Envelopeld Stamping: Enabled	401 5TH AVE
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	SEATTLE, WA 98104
	gavin.muller@kingcounty.gov
	IP Address: 198.49.222.20

Record Tracking

Status: Original	Holder: Gavin Muller	Location: DocuSign
6/3/2026 3:58:30 PM	gavin.muller@kingcounty.gov	
Security Appliance Status: Connected	Pool: FedRamp	

Signer Events

Sarah Perry
sarah.perry@kingcounty.gov
Chair, King County Council
Security Level: Email, Account Authentication (None)

Signature

Signed by:

062AC77E76FB49B...
Signature Adoption: Pre-selected Style
Using IP Address: 146.129.133.56


Timestamp

Sent: 6/3/2026 4:02:53 PM
Viewed: 6/3/2026 4:14:29 PM
Signed: 6/3/2026 4:14:40 PM

Electronic Record and Signature Disclosure:

Accepted: 6/3/2026 4:14:29 PM
ID: 8bc705e9-317a-4a34-838e-6c427764ae19

Melani Hay
melani.hay@kingcounty.gov
Clerk of the Council
King County Council
Security Level: Email, Account Authentication (None)

DocuSigned by:

8DE1BB375AD3422...
Signature Adoption: Pre-selected Style
Using IP Address: 73.193.99.103

Sent: 6/3/2026 4:14:42 PM
Viewed: 6/4/2026 7:29:18 AM
Signed: 6/4/2026 7:29:42 AM

Electronic Record and Signature Disclosure:

Accepted: 9/30/2022 11:27:12 AM
ID: 639a6b47-a4ff-458a-8ae8-c9251b7d1a1f

Girmay Zahilay
execzahilay@kingcounty.gov
Security Level: Email, Account Authentication (None)

Signed by:

B7B9CFF6992F49A...
Signature Adoption: Pre-selected Style
Using IP Address: 198.49.222.20

Sent: 6/4/2026 7:29:45 AM
Resent: 6/16/2026 10:31:20 AM
Viewed: 6/16/2026 11:11:08 AM
Signed: 6/16/2026 11:11:23 AM

Electronic Record and Signature Disclosure:

Accepted: 6/16/2026 11:11:08 AM
ID: 9d4de19c-e321-4f77-8f69-1a708119a6a0

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Carly Pena cpena@kingcounty.gov Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	<div style="border: 2px solid blue; padding: 5px; display: inline-block;">COPIED</div>	Sent: 6/4/2026 7:29:45 AM Viewed: 6/4/2026 1:01:24 PM
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Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	6/3/2026 4:02:53 PM
Certified Delivered	Security Checked	6/16/2026 11:11:08 AM
Signing Complete	Security Checked	6/16/2026 11:11:23 AM
Completed	Security Checked	6/16/2026 11:11:23 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, King County-Department of 02 (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact King County-Department of 02:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: cipriano.dacanay@kingcounty.gov

To advise King County-Department of 02 of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at cipriano.dacanay@kingcounty.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from King County-Department of 02

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to cipriano.dacanay@kingcounty.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with King County-Department of 02

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to cipriano.dacanay@kingcounty.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify King County-Department of 02 as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by King County-Department of 02 during the course of your relationship with King County-Department of 02.