



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Ordinance 19785

Proposed No. 2024-0161.2

Sponsors Zahilay

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 \$1,200,000,000 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; amending
15 reserve requirements; and pledging the annual levy of taxes
16 and an additional pledge of sewer revenues to pay the
17 principal of and interest on limited tax general obligation
18 bonds issued under this ordinance.

19 PREAMBLE:

Ordinance 19785

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

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

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

Ordinance 19785

42 It is necessary and desirable for the county to issue and sell, from time to
43 time, one or more series of its bonds payable from sewer revenues in an
44 aggregate principal amount not to exceed \$1,200,000,000 (the "Project
45 Bonds") to pay costs of capital improvements to the System, in accordance
46 with the Comprehensive Plan and the Capital Improvement Budget, and to
47 pay the costs of issuing the bonds.

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

55 The county has issued its sewer revenue bonds with a senior lien on
56 Revenue of the System ("Parity Bonds"), as set forth in Attachment A to
57 this ordinance.

58 The county has issued its limited tax general obligation bonds additionally
59 secured by a lien on Revenue of the System, junior and subordinate to the
60 lien thereon of the Parity Bonds ("Parity Lien Obligations"), as set forth in
61 Attachment B to this ordinance.

62 The county has issued its sewer revenue bonds with a lien on Revenue of
63 the System junior and subordinate to the lien thereon of the Parity Lien
64 Obligations (as further defined herein, the "Junior Lien Obligations").

Ordinance 19785

65 The county has issued its limited tax general obligation bonds additionally
66 secured by a lien on Revenue of the System junior and subordinate to the
67 lien thereon of the Junior Lien Obligations (as further defined herein, the
68 "Multi-Modal LTGO/Sewer Revenue Bonds").

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

73 The county has entered into loan agreements with the State Department of
74 Ecology under the State water pollution control revolving fund loan
75 program ("SRF Loans") and with the State Department of Commerce
76 under the Public Works Trust Fund loan program ("Public Works Trust
77 Fund Loans"), the repayment obligations of which are secured by a lien on
78 Revenue of the System junior and subordinate to the lien thereon of the
79 Subordinate Lien Obligations.

80 It is necessary and advisable for the county to issue and sell, from time to
81 time, one or more series of its bonds payable from sewer revenue (the
82 "Refunding Bonds," and together with the Project Bonds, the "Bonds") to
83 effect the refunding of Parity Bonds, Parity Lien Obligations, Junior Lien
84 Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, SRF Loans and
85 Public Works Trust Fund Loans, and any Future Parity Bonds, Future
86 Parity Lien Obligations, Future Junior Lien Obligations, Future Multi-
87 Modal LTGO/Sewer Revenue Bonds, Subordinate Lien Obligations, and

Ordinance 19785

88 future SRF Loans and Public Works Trust Fund Loans, and to pay the
89 costs of issuing the bonds and accomplishing the refunding.

90 It is anticipated that during the delegation period of this ordinance, the
91 county will have received the required bondowner consents to amend the
92 reserve requirements for Parity Bonds on the "First Springing Amendment
93 Date (Parity Bonds)" and the county now desires to authorize such
94 amendments as provided in this ordinance. The county will confirm the
95 First Springing Amendment Date (Parity Bonds) in a certificate (the "First
96 Springing Amendment Certificate"), if and when such springing
97 amendment date occurs.

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

103 As designated representative, the county's Finance Director may sell the
104 Bonds in one or more series, as either Parity Bonds or Parity Lien
105 Obligations, or a combination thereof, by competitive bid or negotiated
106 sale, or to the federal government or another direct purchaser, as provided
107 in this ordinance.

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

Ordinance 19785

111 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

112 SECTION 1. Definitions. The following words and terms as used in this
113 ordinance have the following meanings for all purposes of this ordinance, unless some
114 other meaning is plainly intended. With respect to terms that include "Springing
115 Amendment Date" followed by a parenthetical reference, e.g., "First Springing
116 Amendment Date (Parity Bonds)" or "Springing Amendment Date (Parity Lien
117 Obligations)," the parenthetical reference specifies whether such springing amendment
118 date relates to Parity Bonds or Parity Lien Obligations.

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

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

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

Ordinance 19785

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

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

145 b. Prior to the Springing Amendment Date (Parity Lien
146 Obligations), the amount of interest deemed to be payable on any issue of Variable Rate
147 Parity Bonds or Variable Rate Parity Lien Obligations shall be calculated on the
148 assumption that the interest rate on those bonds would be equal to the rate that is 90% of
149 the average Bond Buyer Revenue Bond Index or comparable index during the fiscal
150 quarter preceding the quarter in which the calculation is made (the "assumed RBI rate");
151 provided, that for purposes of determining actual compliance in any past calendar year
152 with the rate covenant made in section 18 of this ordinance, the actual amount of interest
153 paid on any issue of Variable Rate Parity Bonds or Parity Lien Obligations shall be taken
154 into account. On and after the Springing Amendment Date (Parity Lien Obligations), the
155 amount of interest deemed to be payable on any issue of Variable Rate Parity Bonds or

Ordinance 19785

156 Variable Rate Parity Lien Obligations shall be calculated on the assumption that the
157 interest rate on those bonds would be equal to the rate that is the average of the SIFMA
158 Municipal Swap Index over the 10 calendar years preceding the quarter in which the
159 calculation is made (the "assumed variable rate"); provided, that for purposes of
160 determining actual compliance in any past calendar year with the rate covenant made in
161 section 18 of this ordinance, the actual amount of interest paid on any issue of Variable
162 Rate Parity Bonds or Parity Lien Obligations shall be taken into account;

163 2. Prior to the Springing Amendment Date (Parity Lien Obligations),
164 the principal due, at maturity or upon the mandatory redemption of Term Bonds prior to
165 their maturity, for all outstanding Parity Bonds and Parity Lien Obligations: (a) on all
166 principal payment dates other than January 1 of such calendar year; and (b) on January 1
167 of the next succeeding year. On and after the Springing Amendment Date (Parity Lien
168 Obligations), the principal due, at maturity or upon the mandatory redemption of Term
169 Bonds prior to their maturity, for all outstanding Parity Bonds and Parity Lien
170 Obligations other than any Balloon Maturity: (a) on all principal payment dates other
171 than January 1 of such calendar year; and (b) on January 1 of the next succeeding year;
172 and

173 3. On and after the Springing Amendment Date (Parity Lien
174 Obligations), the Assumed Debt Service for any Balloon Maturity of a Parity Bond or
175 Parity Lien Obligation for that calendar year.

176 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or
177 upon the mandatory redemption of Parity Term Bonds that are Capital Appreciation
178 Bonds shall be included in the calculation of Annual Debt Service, and references in this

Ordinance 19785

179 ordinance to principal of Parity Bonds shall include the Accreted Value due at maturity or
180 upon the mandatory redemption of any Capital Appreciation Bonds.

181 Notwithstanding the foregoing, debt service on Parity Bonds or Parity Lien
182 Obligations with respect to which a Payment Agreement is in force shall be calculated by
183 the county to reflect the net economic effect on the county intended to be produced by the
184 terms of the Parity Bonds or Parity Lien Obligations and the terms of the applicable
185 Payment Agreement, in accordance with the requirements for Payment Agreements set
186 forth in section 27 of this ordinance and any other applicable requirements from the
187 ordinances authorizing the issuance of such Parity Bonds or Parity Lien Obligations.

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

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

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

200 a. For purposes of calculating the amounts required to pay
201 interest on Parity Bonds, capitalized interest and accrued interest paid to the county upon

Ordinance 19785

202 the issuance of Parity Bonds shall be excluded and, on and after the Second Springing
203 Amendment Date (Parity Bonds), interest on any Balloon Maturity shall also be
204 excluded.

205 b. Prior to the Second Springing Amendment Date (Parity
206 Bonds), the amount of interest deemed to be payable on any issue of Variable Rate Parity
207 Bonds shall be calculated on the assumption that the interest rate on those bonds would
208 be equal to the rate that is 90% of the average Bond Buyer Revenue Bond Index or
209 comparable index during the fiscal quarter preceding the quarter in which the calculation
210 is made (the "assumed RBI rate"); provided, that for purposes of determining actual
211 compliance in any past calendar year with the rate covenant made in section 18 of this
212 ordinance, the actual amount of interest paid on any issue of Variable Rate Parity Bonds
213 shall be taken into account. On and after the Second Springing Amendment Date (Parity
214 Bonds), the amount of interest deemed to be payable on any issue of Variable Rate Parity
215 Bonds shall be calculated on the assumption that the interest rate on those bonds would
216 be equal to the rate that is the average of the SIFMA Municipal Swap Index over the 10
217 calendar years preceding the quarter in which the calculation is made (the "assumed
218 variable rate"); provided, that for purposes of determining actual compliance in any past
219 calendar year with the rate covenant made in section 18 of this ordinance, the actual
220 amount of interest paid on any issue of Variable Rate Parity Bonds shall be taken into
221 account.

222 2. Prior to the Second Springing Amendment Date (Parity Bonds),
223 the principal due at maturity or upon the mandatory redemption of Term Bonds prior to
224 their maturity for all outstanding Parity Bonds: (a) on all principal payment dates other

Ordinance 19785

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

226 On and after the Second Springing Amendment Date (Parity Bonds), the principal due at
227 maturity or upon the mandatory redemption of Term Bonds prior to their maturity for all
228 outstanding Parity Bonds other than any Balloon Maturity: (x) on all principal payment
229 dates other than January 1 of such calendar year; and (y) on January 1 of the next
230 succeeding year.

231 3. On and after the Second Springing Amendment Date (Parity
232 Bonds), the Assumed Debt Service for any Balloon Maturity of a Parity Bond for that
233 calendar year.

234 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or
235 upon the mandatory redemption of Parity Term Bonds that are Capital Appreciation
236 Bonds shall be included in the calculation of Annual Debt Service, and references in this
237 ordinance to principal of Parity Bonds shall include the Accreted Value due at maturity or
238 upon the mandatory redemption of any Capital Appreciation Bonds.

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

245 For purposes of calculating the Reserve Requirement and satisfying the rate
246 covenant in section 18.A. of this ordinance and the tests for the issuance of Future Parity
247 Bonds in section 24 of this ordinance, Annual Parity Debt Service for any fiscal year or

Ordinance 19785

248 calendar year shall exclude any Debt Service Offsets, i.e., any Debt Service Offsets shall
249 be deducted from Annual Parity Debt Service.

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

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

264 "Balloon Maturity" means any scheduled principal maturity of any Series of
265 Parity Bonds or Parity Lien Obligations that the county designates in the Sale Document
266 for that Series to be a Balloon Maturity for the purposes of the definitions of Annual Debt
267 Service and Annual Parity Debt Service. Any Balloon Maturity includes any
268 corresponding scheduled principal maturity of Parity Bonds or Parity Lien Obligations
269 issued to refund such Balloon Maturity unless the Balloon Maturity designation is
270 rescinded in the Sale Document approving the refunding.

Ordinance 19785

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

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

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

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

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

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

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

Ordinance 19785

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

296 "Closing" means the delivery of a Series of the Bonds to, and payment of the
297 purchase price therefor by, the initial purchasers of that Series of Bonds.

298 "Code" means the Internal Revenue Code of 1986, as in effect on the date of
299 issuance of a Series of Tax-Advantaged Obligations or Tax-Exempt Obligations or,
300 except as otherwise referenced herein, as it may be amended to apply to obligations
301 issued on the date of issuance of the Tax-Advantaged Obligations or Tax-Exempt
302 Obligations, together with applicable proposed, temporary, and final regulations
303 promulgated, and applicable official public guidance published, under the Code.

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

309 "Construction Account" means the "Second Water Quality Construction
310 Account," as designated by Ordinance 12076, Section 30.

311 "County council" means the Metropolitan King County Council.

312 "Credit Facility" means any letter of credit, standby bond purchase agreement,
313 line of credit, surety bond, insurance policy or other insurance commitment or similar
314 agreement, but not including a Payment Agreement, satisfactory to the county, that is
315 provided by a commercial bank, insurance company or other financial institution, with a

Ordinance 19785

316 current long-term rating or whose obligations thereunder are guaranteed by a financial
317 institution with a long-term rating: (a) from Moody's and S&P not lower, when issued,
318 than the credit rating of any Series of Parity Bonds, to provide support for a Series of
319 Parity Bonds, and shall include any substitute therefor in accordance with the provisions
320 of the ordinance providing for the issuance of Parity Bonds supported by a Credit
321 Facility; or (b) from Fitch, Moody's and S&P not lower, when issued, than the credit
322 rating of any Series of Parity Lien Obligations, to provide support for a Series of Parity
323 Lien Obligations, including Variable Rate Parity Lien Obligations, and shall include any
324 substitute therefor in accordance with the provisions of the ordinance providing for the
325 issuance of Parity Lien Obligations supported by a Credit Facility.

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

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

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

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

335 "Fair Market Value" means the price at which a willing buyer would purchase an
336 investment from a willing seller in a bona fide, arm's-length transaction, except for
337 specified investments as described in Treasury Regulation § 1.148-5(d)(6), including
338 United States Treasury obligations, certificates of deposit, guaranteed investment

Ordinance 19785

339 contracts, and investments for yield-restricted defeasance escrows. Fair Market Value is
340 generally determined on the date on which a contract to purchase or sell an investment
341 becomes binding, and, to the extent required by the applicable regulations under the
342 Code, the term "investment" will include a hedge.

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

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

349 "First Springing Amendment Certificate" means a certificate issued by the
350 Finance Director dated as of the First Springing Amendment Date (Parity Bonds)
351 documenting the occurrence of such date.

352 "First Springing Amendment Date (Parity Bonds)" means the date when the
353 Registered owners of at least 51% in aggregate principal amount of all outstanding Parity
354 Bonds have consented to the adoption of an ordinance or ordinances, including this
355 ordinance, amending the definition of Reserve Requirement; establishing one or more
356 separate Reserve Requirements for one or more Series of Parity Bonds, including each
357 Series of the Bonds issued as Parity Bonds; reducing any Reserve Requirement, including
358 the Reserve Requirement for each Series of the Bonds issued as Parity Bonds, to an
359 amount less than maximum Annual Parity Debt Service in any calendar year, including to
360 zero; or establishing one or more separate subaccounts within the Parity Bond Reserve
361 Account to secure one or more Series of Parity Bonds, including each Series of the Bonds

Ordinance 19785

362 issued as Parity Bonds, with other Series of Parity Bonds not being secured by such
363 separate subaccounts, as set forth in Ordinance 19112, Section 35.C., Ordinance 19377,
364 Section 35.C. and section 35.C. of this ordinance. As set forth in section 2.C. of this
365 ordinance, the county anticipates that the First Springing Amendment Date (Parity
366 Bonds) will occur during the delegation period of this ordinance.

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

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

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

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

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

Ordinance 19785

385 "Government Obligations" means "government obligations," as defined in chapter
386 39.53 RCW, as such chapter may be hereafter amended or restated, except as such
387 definition is further limited in the Sale Document.

388 "Junior Lien Obligations" means the county's: (a) Junior Lien Sewer Revenue
389 Refunding Bonds (Mandatory Put Bonds), Series 2020B, dated July 14, 2020, authorized
390 by Ordinance 18898; (b) Junior Lien Sewer Revenue Refunding Bonds, 2021, Series A
391 (SIFMA Index), dated December 16, 2021, authorized by Ordinance 18898; and (c) any
392 Future Junior Lien Obligations.

393 "Letter of Representations" means the Blanket Issuer Letter of Representations
394 dated May 1, 1995, by and between the county and DTC, as it may be amended from
395 time to time, and any successor or substitute letter relating to the operational procedures
396 of the Securities Depository.

397 "Loan Agreement" means any loan agreement, including any WIFIA master
398 agreement, or direct purchase agreement for the sale of a Series of Bonds approved by the
399 Finance Director pursuant to section 28.D. of this ordinance. A WIFIA loan agreement
400 subject to a WIFIA master agreement is a supplement or amendment to such WIFIA
401 master agreement.

402 "Moody's" means Moody's Investors Service, Inc., and its successors and assigns,
403 except that if such corporation is dissolved or liquidated or no longer performs the
404 functions of a securities rating agency, then the term "Moody's" shall be deemed to refer
405 to any other nationally recognized securities rating agency selected by the county.

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

Ordinance 19785

408 "Multi-Modal LTGO/Sewer Revenue Bonds" means the county's: (a) Multi-
409 Modal Limited Tax General Obligation Refunding Bonds (Payable from Sewer
410 Revenues), Series 2019A and Series 2019B, dated June 27, 2019, authorized by
411 Ordinance 18898; (b) Multi-Modal Limited Tax General Obligation Notes (Payable from
412 Sewer Revenues) (Commercial Paper), Series A, and Multi-Modal Limited Tax General
413 Obligation Notes (Payable from Sewer Revenues) (Commercial Paper), Series B
414 (Taxable), authorized by Ordinances 19114 and 18898; and (c) any Future Multi-Modal
415 LTGO/Sewer Revenue Bonds.

416 "Net Revenue" means Revenue of the System less Operating and Maintenance
417 Expenses.

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

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

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

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

Ordinance 19785

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

433 "Parity Bonds" means the bonds identified in Attachment A to this ordinance,
434 together with: (a) any Bonds issued under this ordinance with a lien on Revenue of the
435 System equal to the lien thereon of those bonds; and (b) any Future Parity Bonds. "Parity
436 Bonds" include any Parity Payment Agreements and parity reimbursement agreements
437 entered into with the provider of a Credit Facility securing any Parity Bonds.

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

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

447 "Parity Lien Obligation Term Bonds" means Parity Lien Obligations that are
448 Term Bonds.

449 "Parity Lien Obligations" means bonds identified in Attachment B to this
450 ordinance, together with: (a) any Bonds issued under this ordinance with a lien on
451 Revenue of the System equal to the lien thereon of those bonds; and (b) any Future Parity
452 Lien Obligations. "Parity Lien Obligations" include any Parity Lien Obligation Payment

Ordinance 19785

453 Agreements and parity reimbursement agreements entered into with the provider of a
454 Credit Facility securing any Parity Lien Obligations.

455 "Parity Payment Agreement" means a Payment Agreement under which the
456 county's payment obligations are expressly stated to constitute a charge and lien on
457 Revenue of the System equal in rank with the charge and lien on Revenue of the System
458 securing amounts required to be paid into the Parity Bond Fund to pay and secure the
459 payment of principal of and interest on the Parity Bonds.

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

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

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

474 "Payment Agreement Payments" means the amounts periodically required to be
475 paid by the county to the Qualified Counterparty pursuant to a Payment Agreement. The

Ordinance 19785

476 term "Payment Agreement Payments" does not include any termination payment required
477 to be paid with respect to a Payment Agreement.

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

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

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

487 "Project Bonds" means the bonds of the county authorized by this ordinance to be
488 issued in an aggregate principal amount not to exceed \$1,200,000,000 to pay costs of
489 acquiring and constructing improvements to the System, and any bond anticipation notes,
490 commercial paper or other interim financing issued in advance thereof to be repaid from
491 the proceeds of such bonds. The Project Bonds may be issued in one or more Series of
492 Parity Bonds or Parity Lien Obligations, as provided in this ordinance.

493 "Public Works Trust Fund Loans" means loans to the county by the State
494 Department of Commerce under the Public Works Trust Fund loan program pursuant to
495 loan agreements in effect as of the date of this ordinance and any loan agreements
496 hereafter entered into by the county under the Public Works Trust Fund loan program, the
497 repayment obligations of which are secured by a lien on Revenue of the System equal to

Ordinance 19785

498 the lien thereon established by such loan agreements in effect as of the date of this
499 ordinance.

500 "Qualified Counterparty" means with respect to a Payment Agreement an entity:
501 (a) whose senior long-term debt obligations, other senior unsecured long-term obligations
502 or claims paying ability, or whose payment obligations under a Payment Agreement are
503 guaranteed by an entity whose senior long-term debt obligations, other senior unsecured
504 long-term obligations or claims paying ability, are rated, at the time the Payment
505 Agreement is entered into, at least as high as A3 by Moody's and A- by S&P and A- by
506 Fitch for any Parity Lien Obligation Payment Agreement or the equivalent thereof by any
507 successor thereto; and (b) who is otherwise qualified to act as the other party to a
508 Payment Agreement under any applicable laws of the State.

509 "Qualified Insurance" means any unconditional municipal bond insurance policy
510 or surety bond issued by any insurance company licensed to conduct an insurance
511 business in any state of the United States or by a service corporation acting on behalf of
512 one or more such insurance companies, which insurance company or service corporation,
513 as of the time of issuance of such policy or surety bond, is then rated in one of the two
514 highest rating categories by Moody's, S&P, and any other rating agency then maintaining
515 a rating on the Parity Bonds and maintains a policy owner's surplus in excess of
516 \$500,000,000.

517 "Qualified Letter of Credit" means any irrevocable letter of credit issued by a
518 bank for the account of the county and for the benefit of the registered owners of Parity
519 Bonds, provided that such bank maintains an office, agency or branch in the United
520 States, and provided further, that as of the time of issuance of such letter of credit, such

Ordinance 19785

521 bank is currently rated in one of the two highest rating categories by Moody's, S&P, and
522 any other rating agency then maintaining a rating on the Parity Bonds.

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

526 "RCW" means the Revised Code of Washington.

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

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

535 "Refunded Bonds" means, for each Series of Refunding Bonds, all or a portion of
536 the Refunding Candidates that will be refunded, including by purchase or exchange, with
537 proceeds of or in exchange for that Series of Bonds, as determined by the Finance
538 Director pursuant to sections 16 and 28 of this ordinance and set forth in a closing
539 certificate or a Refunding Agreement in accordance with sections 16 and 28 of this
540 ordinance.

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

Ordinance 19785

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

545 "Refunding Bonds" mean the bonds authorized to be issued by this ordinance to
546 be issued in one or more series to refund the Refunded Bonds, including by purchase or
547 exchange. The Refunding Bonds may be issued in one or more Series of Parity Bonds or
548 Parity Lien Obligations, as provided in this ordinance.

549 "Refunding Candidates" mean any Parity Bonds, Parity Lien Obligations, Junior
550 Lien Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, Subordinate Lien
551 Obligations, SRF Loans, or Public Works Trust Fund Loans, and any bond anticipation
552 notes, commercial paper or other interim financing issued in advance thereof to be repaid
553 from the proceeds of such bonds identified by the Finance Director as Refunding
554 Candidates, whether currently outstanding or issued after the effective date of this
555 ordinance, including any Series of Bonds issued under this ordinance.

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

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

561 "Registrar" means, except as may be set forth in the Sale Document, the fiscal
562 agent of the State appointed from time to time by the Washington State Finance
563 Committee pursuant to chapter 43.80 RCW, serving as the registrar, authenticating agent,
564 paying agent and transfer agent for the Bonds.

Ordinance 19785

565 "Reserve Requirement" means maximum Annual Parity Debt Service with respect
566 to any calendar year; provided that on and after the First Springing Amendment Date
567 (Parity Bonds), the Reserve Requirement shall mean the amount or amounts, which may
568 be \$0 or such other amount or amounts not to exceed maximum Annual Parity Debt
569 Service, set forth in the First Springing Amendment Certificate, any Sale Document, or
570 other ordinance or sale document authorized thereunder. As a result, on and after the First
571 Springing Amendment Date (Parity Bonds), outstanding Parity Bonds and other Bonds to
572 be issued as Parity Bonds may be secured by an amount less than maximum Annual
573 Parity Debt Service in the Parity Bond Reserve Account, which amount may be \$0.

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

576 "Revenue of the System" means all the earnings, revenues and money received by
577 the county from or on account of the operations of the System and the income from the
578 investment of money in the Revenue Fund or any account within such fund, but shall not
579 include any money collected pursuant to the Service Agreements applicable to
580 administrative costs of the county other than costs of administration of the System. For
581 certain purposes described in section 13.B. of this ordinance, deposits from the Rate
582 Stabilization Fund into the Revenue Fund may be included in calculations of "Revenue of
583 the System."

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

586 "S&P" means S&P Global Ratings and its successors and assigns, except that if
587 such entity is dissolved or liquidated or no longer performs the functions of a securities

Ordinance 19785

588 rating agency, then the term "S&P" will be deemed to refer to any other nationally
589 recognized securities rating agency selected by the county.

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

592 "Second Springing Amendment Date (Parity Bonds) " means the date when the
593 Registered Owners of at least 51% in aggregate principal amount of all outstanding Parity
594 Bonds have consented to the definitions of Assumed Amortization Period, Assumed Debt
595 Service, Balloon Maturity, and Annual Parity Debt Service set forth in this ordinance,
596 including all springing amendments set forth herein. All Registered Owners of Parity
597 Bonds issued after the effective date of this ordinance are deemed to have consented to
598 the definitions of Assumed Amortization Period, Assumed Debt Service, Balloon
599 Maturity, and Annual Parity Debt Service set forth in this ordinance, including all
600 springing amendments set forth herein, by their purchase of such Parity Bonds.

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

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

606 "Service Agreements" means the sewage disposal agreements entered into
607 between the county and municipal corporations, persons, firms, private corporations, or
608 governmental agencies providing for the disposal by the county of sewage collected from
609 such contracting parties.

Ordinance 19785

610 "Springing Amendment Date (Parity Lien Obligations)" means the date when: the
611 Registered Owners of at least 51% in aggregate principal amount of all outstanding Parity
612 Lien Obligations have consented to the definitions of Assumed Amortization Period,
613 Assumed Debt Service, Balloon Maturity, and Annual Debt Service set forth in this
614 ordinance, including all springing amendments set forth herein. All Registered Owners
615 of Parity Lien Obligations issued after the effective date of this ordinance are deemed to
616 have consented to the definitions of Assumed Amortization Period, Assumed Debt
617 Service, Balloon Maturity and Annual Debt Service set forth in this ordinance, including
618 all springing amendments set forth herein, by their purchase of such Parity Lien
619 Obligations.

620 "SRF Loans" means loans to the county by the State Department of Ecology
621 pursuant to loan agreements in effect as of the date of this ordinance and any loans and
622 loan agreements hereafter entered into by the county under the State water pollution
623 control revolving fund loan program, the repayment obligations of which are secured by a
624 lien on Revenue of the System equal to the lien thereon established by such loan
625 agreements in effect as of the date of this ordinance.

626 "State" means the State of Washington.

627 "Subordinate Lien Obligations" means those revenue bonds or other revenue
628 obligations that may be issued by the county in the future with a lien on Revenue of the
629 System junior and inferior to the lien thereon of the Multi-Modal LTGO/Sewer Revenue
630 Bonds, and payable from Revenue of the System that is available after first making the
631 payments required to be made under paragraph "First" through "Seventh" but before

Ordinance 19785

632 making the payments required to be made under paragraph "Ninth" of section 14 of this
633 ordinance.

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

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

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

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

643 "Term Bonds" means those bonds identified as such in the applicable Sale
644 Document, the principal of which is amortized by a schedule of mandatory redemptions,
645 payable from a bond redemption fund, prior to their maturity.

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

648 "Variable Rate Parity Bonds" means Parity Bonds bearing interest at a variable
649 rate of interest, provided that at least one of the following conditions is met: (a) at the
650 time of issuance the county has entered into a Payment Agreement with respect to such
651 Parity Bonds, which Payment Agreement converts the effective interest rate to the county
652 on the Variable Rate Parity Bonds from a variable interest rate to a fixed interest rate; or
653 (b) the Parity Bonds bear interest at a variable rate but are issued concurrently in equal
654 par amounts with other Parity Bonds bearing interest at a variable rate and are required to

Ordinance 19785

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

657 "Variable Rate Parity Lien Obligations" means Parity Lien Obligations bearing
658 interest at a variable rate of interest, provided that at least one of the following conditions
659 is met: (a) at the time of issuance the county has entered into a Payment Agreement with
660 respect to such Parity Lien Obligations, which Payment Agreement converts the effective
661 interest rate to the county on the Variable Rate Parity Lien Obligations from a variable
662 interest rate to a fixed interest rate; or (b) the Parity Lien Obligations bear interest at a
663 variable rate but are issued concurrently in equal par amounts with other Parity Lien
664 Obligations bearing interest at a variable rate and which are required to remain
665 outstanding in equal amounts at all times, if the net effect of such equal par amounts and
666 variable rates at all times is a fixed rate of interest to the county.

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

670 SECTION 2. Findings. The county council hereby makes the following
671 findings:

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

Ordinance 19785

677 B. To achieve this flexibility, it is in the best interests of the county and
678 ratepayers of the System to delegate to the Finance Director the authority to sell the
679 Bonds in one or more Series, as Parity Bonds or Parity Lien Obligations, as Tax-Exempt
680 Obligations, Tax-Advantaged Obligations or Taxable Obligations, by competitive bid or
681 negotiated sale, or to the federal government or another purchaser, for current or future
682 delivery, and to identify any Refunding Candidates to be refunded, including by purchase
683 or exchange, in consultation with the county's financial advisors.

684 SECTION 3. Authorization of Bonds. To provide funds necessary to pay costs
685 of acquiring, constructing and equipping improvements, additions or betterments to the
686 System as set forth in the Comprehensive Plan and the Capital Improvement Budget, the
687 county is authorized to issue one or more Series of Project Bonds in an aggregate
688 principal amount not to exceed \$1,200,000,000. To provide funds to refund any of the
689 Refunding Candidates, including by purchase or exchange, the county is authorized to
690 issue one or more Series of Refunding Bonds in principal amounts to be established
691 within the parameters provided in sections 16 and 28 of this ordinance.

692 The Refunding Bonds and Project Bonds may be issued in one or more Series of
693 Parity Bonds or Parity Lien Obligations, as provided in section 28 of this ordinance, each
694 such Series of Parity Bonds to be designated as "King County, Washington, Sewer
695 Revenue [and Refunding] Bonds [Bond Anticipation Notes]" with an applicable year and
696 Series designation, and each such Series of Parity Lien Obligations to be designated as
697 "King County Limited Tax General Obligation [and Refunding] Bonds [Bond
698 Anticipation Notes] (Payable from Sewer Revenues)" with an applicable year and Series
699 designation, all as established by the related Sale Document.

Ordinance 19785

700 The Bonds shall be fully registered as to both principal and interest; shall be in the
701 denomination of \$5,000 or any integral multiple thereof within a single Series, maturity
702 and interest rate, except as provided in the Sale Document, provided that no Bond shall
703 represent more than one maturity within a Series; shall be numbered separately in such
704 manner and with any additional designation as the Registrar deems necessary for
705 purposes of identification; and shall be dated the date and mature on the dates, in the
706 years and in the amounts approved by the Finance Director, subject to the parameters set
707 forth in section 28.E. of this ordinance.

708 Each Series of Bonds shall bear interest, computed, unless otherwise provided in
709 the Sale Document, on the basis of a 360-day year of twelve 30-day months, from their
710 dated date, payable on interest payment dates and at the rate or rates approved by the
711 Finance Director, subject to the parameters set forth in section 28.E. of this ordinance.

712 The Accreted Values of any Bonds that are Capital Appreciation Bonds shall be set forth
713 in a Sale Document.

714 SECTION 4. Registration, Exchange and Payments.

715 A. Registrar/Bond Register. Unless otherwise specified in the Sale
716 Document, the county, in accordance with K.C.C. chapter 4.84, adopts for the Bonds the
717 system of registration specified and approved by the Washington State Finance
718 Committee, which utilizes the fiscal agent of the State as the Registrar. The Registrar
719 shall keep, or cause to be kept, at its designated corporate trust office, a Bond Register,
720 which shall be open to inspection by the county at all times. The Bond Register shall
721 contain the name and mailing address of the Registered Owner of each Bond and the
722 principal amount and number of each of the Bonds held by each Registered Owner. The

Ordinance 19785

723 Registrar is authorized, on behalf of the county, to authenticate and deliver Bonds
724 transferred or exchanged in accordance with the provisions of the Bonds and this
725 ordinance, to serve as the county's paying agent for the Bonds and to carry out all of the
726 Registrar's powers and duties under this ordinance.

727 The Registrar shall be responsible for the representations contained in its
728 Certificate of Authentication on the Bonds. The Registrar may become the Owner of the
729 Bonds with the same rights it would have if it were not the Registrar and, to the extent
730 permitted by law, may act as depository for and permit any of its officers or directors to
731 act as members of, or in any other capacity with respect to, any committee formed to
732 protect the rights of Owners.

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

742 C. Use of Depository. Unless otherwise specified in the Sale Document, the
743 Bonds initially shall be registered in the name of Cede & Co., as the nominee of DTC.
744 Each Bond registered in the name of the Securities Depository shall be held fully
745 immobilized in book-entry only form by the Securities Depository in accordance with the

Ordinance 19785

746 provisions of the Letter of Representations. Neither the county nor the Registrar shall
747 have any obligation to participants of any Securities Depository or the persons for whom
748 they act as nominees regarding the accuracy of any records maintained by the Securities
749 Depository or its participants. Neither the county nor the Registrar shall be responsible
750 for any notice that is permitted or required to be given to the Registered Owner of any
751 Bond registered in the name of the Securities Depository except such notice as is required
752 to be given by the Registrar to the Securities Depository.

753 For so long as the Bonds are registered in the name of the Securities Depository,
754 the Securities Depository shall be deemed to be the Registered Owner for all purposes
755 hereunder, and all references to Registered Owners shall mean the Securities Depository
756 and shall not mean the Beneficial Owners. Registered ownership of any Bond registered
757 in the name of the Securities Depository may not be transferred except: (a) to any
758 successor Securities Depository; (b) to any substitute Securities Depository appointed by
759 the county; or (c) to any person if the Bond is no longer to be held by a Securities
760 Depository.

761 Upon the resignation of the Securities Depository, or upon a termination of the
762 services of the Securities Depository by the county, the county may appoint a substitute
763 Securities Depository. If: (a) the Securities Depository resigns and the county does not
764 appoint a substitute Securities Depository, or (b) the county terminates the services of the
765 Securities Depository, the Bonds no longer shall be held in book-entry only form and the
766 registered ownership of each Bond may be transferred to any person as provided in this
767 ordinance.

Ordinance 19785

768 D. Place and Medium of Payment. Principal of and premium, if any, and
769 interest on the Bonds are payable in lawful money of the United States of America.
770 Principal of and premium, if any, and interest on each Bond registered in the name of the
771 Securities Depository are payable in the manner set forth in the Letter of Representations.
772 Unless otherwise specified in the Sale Document, interest on each Bond not registered in
773 the name of the Securities Depository is payable by electronic transfer on the interest
774 payment date, or by check or draft of the Registrar mailed on the interest payment date to
775 the Registered Owner at the address appearing on the Bond Register on the Record Date.
776 The county is not required to make electronic transfers except pursuant to a request by a
777 Registered Owner in writing received on or prior to the Record Date and at the sole
778 expense of the Registered Owner. Unless otherwise specified in the Sale Document,
779 principal of and premium, if any, on each Bond not registered in the name of the
780 Securities Depository are payable upon presentation and surrender of the Bond by the
781 Registered Owner to the Registrar at maturity or upon prior redemption in full.

782 E. Transfer or Exchange of Registered Ownership; Change in
783 Denominations. The registered ownership of any Bond may be transferred or exchanged,
784 but no transfer of any Bond shall be valid unless it is surrendered to the Registrar with the
785 assignment form appearing on such Bond duly executed by the Registered Owner or such
786 Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon
787 such surrender, the Registrar shall cancel the surrendered Bond and shall authenticate and
788 deliver, without charge to the Registered Owner or transferee therefor, a new Bond, or
789 Bonds, at the option of the new Registered Owner, of the same Series, date, maturity and
790 interest rate and for the same aggregate principal amount in any authorized denomination,

Ordinance 19785

791 naming as Registered Owner the person or persons listed as the assignee on the
792 assignment form appearing on the surrendered Bond, in exchange for such surrendered
793 and canceled Bond. Any Bond may be surrendered to the Registrar and exchanged,
794 without charge, for an equal aggregate principal amount of Bonds of the same Series,
795 date, maturity and interest rate, in any authorized denomination. The Registrar shall not
796 be obligated to exchange or transfer any Bond after the Record Date for any principal
797 payment or redemption date, or, in the case of any proposed redemption of a Bond, after
798 mailing of the notice of the call of the Bond for redemption.

799 SECTION 5. Redemption Provisions; Purchase of Bonds.

800 A. Optional Redemption. All or some of the Bonds may be subject to
801 redemption, including extraordinary redemption, prior to their stated maturity dates at the
802 option of the county at the times and on the terms set forth in the Sale Document.

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

808 If the county redeems Term Bonds under the optional redemption provisions set
809 forth in the Sale Document or purchases for cancellation or defeases Term Bonds, the
810 Term Bonds so redeemed, purchased or defeased, irrespective of their redemption or
811 purchase prices, shall, unless otherwise provided in the Sale Document, be credited
812 against one or more scheduled mandatory redemption amounts for those Term Bonds.

Ordinance 19785

813 The county shall determine the manner in which the credit is to be allocated and shall
814 notify the Registrar in writing of its allocation.

815 C. Partial Redemption. Whenever less than all of the Bonds of a single
816 maturity of a Series are to be redeemed, the Securities Depository shall select the Bonds
817 registered in the name of the Securities Depository to be redeemed in accordance with the
818 Letter of Representations, and the Registrar shall select all other Bonds to be redeemed
819 randomly, or in such other manner set forth in the Sale Document or as the Registrar shall
820 determine.

821 Portions of the principal amount of any Bond, in integral amounts of \$5,000
822 within a Series and maturity, may be redeemed, unless otherwise provided in the Sale
823 Document. If less than all of the principal amount of any Bond is redeemed, upon
824 surrender of that Bond to the Registrar, there shall be issued to the Registered Owner,
825 without charge therefor, a new Bond, or Bonds, at the option of the Registered Owner, of
826 the same Series, maturity and interest rate in any authorized denomination in the
827 aggregate total principal amount remaining outstanding.

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

831 SECTION 6. Notice and Effect of Redemption. Notice of redemption of each
832 Bond registered in the name of the Securities Depository shall be given in accordance
833 with the Letter of Representations. Notice of redemption of each other Bond, unless
834 waived by the Registered Owner, shall be given by the Registrar not less than 20 nor
835 more than 60 days prior to the date fixed for redemption by first-class mail, postage

Ordinance 19785

836 prepaid, to the Registered Owner at the address appearing on the Bond Register on the
837 Record Date, except as otherwise set forth in the Sale Document. The requirements of
838 the preceding sentences shall be deemed to have been fulfilled when notice has been
839 mailed as so provided, whether or not it is actually received by any Owner. Notice of
840 redemption shall also be mailed or sent electronically within the same period to the
841 MSRB, to any nationally recognized rating agency then maintaining a rating on the
842 Bonds at the request of the county, and to such other persons and with such additional
843 information as the Finance Director shall determine, but such further notice shall not be a
844 condition precedent to the redemption of any Bond.

845 In the case of an optional redemption, the notice of redemption may state that the
846 county retains the right to rescind the redemption notice and the redemption by giving a
847 notice of rescission to the affected Registered Owners at any time on or prior to the date
848 fixed for redemption. Any notice of optional redemption that is so rescinded shall be of
849 no effect, and each Bond for which a notice of optional redemption has been rescinded
850 shall remain outstanding.

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

856 SECTION 7. Form and Execution of Bonds. Bonds issued as Parity Bonds shall
857 be in substantially the form set forth in Attachment C to this ordinance. Bonds issued as
858 Parity Lien Obligations shall be in substantially the form set forth in Attachment D to this

Ordinance 19785

859 ordinance. The Bonds shall be signed by the county executive and the clerk of the county
860 council, either or both of whose signatures may be manual or in facsimile, and the seal of
861 the county or a facsimile reproduction thereof shall be impressed or printed thereon.

862 Only a Bond bearing a Certificate of Authentication in the form set forth in
863 Attachment C or Attachment D to this ordinance, as applicable, manually signed by the
864 Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this
865 ordinance. The authorized signing of a Certificate of Authentication shall be conclusive
866 evidence that the Bond so authenticated has been duly executed, authenticated and
867 delivered and is entitled to the benefits of this ordinance.

868 If any officer whose manual or facsimile signature appears on a Bond ceases to be
869 an officer of the county authorized to sign bonds before the Bond bearing the officer's
870 manual or facsimile signature is authenticated by the Registrar or issued or delivered by
871 the county, that Bond nevertheless may be authenticated, issued and delivered and, when
872 authenticated, issued and delivered, shall be as binding on the county as though that
873 person had continued to be an officer of the county authorized to sign bonds. Any Bond
874 also may be signed on behalf of the county by any person who, on the actual date of
875 signing of the Bond, is an officer of the county authorized to sign bonds, although such
876 officer did not hold the required office on the dated date of the Bond.

877 SECTION 8. Lost, Stolen or Destroyed Bonds. If any Bond is lost, stolen or
878 destroyed, the Registrar may authenticate and deliver a new Bond or Bonds of like
879 amount, date, Series, interest rate and tenor to the Registered Owner thereof upon the
880 Registered Owner's paying the expenses and charges of the county and the Registrar in
881 connection therewith and upon filing with the Registrar evidence satisfactory to the

Ordinance 19785

882 Registrar that such Bond was actually lost, stolen or destroyed and of registered
883 ownership thereof, and upon furnishing the county and the Registrar with indemnity
884 satisfactory to the Finance Director and the Registrar.

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

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

901 For each Series of the Bonds that are Parity Bonds there is hereby authorized to
902 be created a special subaccount in the Debt Service Account. All money required by this
903 subsection A. to be deposited into the Debt Service Account for the payment of principal
904 of and interest on that Series of the Bonds shall be deposited into the subaccount created

Ordinance 19785

905 for the Series, and the county hereby covenants to budget for each such payment of
906 principal and interest when due. Money in the subaccount will be treated in all respects
907 as all other money in the Debt Service Account, but will be accounted for separately for
908 the purpose of calculating any Rebate Amount payable with respect to that Series of the
909 Bonds.

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

914 B. Term Bond Provisions. If any Bonds issued as Parity Bonds are
915 designated as Term Bonds pursuant to section 28 of this ordinance, the Sale Document
916 for that Series of Bonds shall set forth a mandatory redemption schedule to amortize the
917 principal of those Parity Term Bonds. Payments of principal of Parity Term Bonds under
918 any such mandatory redemption schedule shall be made from the Debt Service Account,
919 as provided in subsection A. of this section, to the extent not credited pursuant to section
920 5.B. of this ordinance.

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

926 C. Parity Bond Reserve Account. A Parity Bond Reserve Account has
927 heretofore been established in the Parity Bond Fund. The county hereby pledges that it

Ordinance 19785

928 will pay into and maintain in the Parity Bond Reserve Account, an amount that, together
929 with other funds in the Parity Bond Reserve Account, will be at least equal to the Reserve
930 Requirement. The county may substitute Qualified Insurance or a Qualified Letter of
931 Credit for amounts required to be paid into or maintained in the Parity Bond Reserve
932 Account. The Qualified Letter of Credit or Qualified Insurance must not be cancelable
933 on less than five years' notice. In the event of any cancellation, the Parity Bond Reserve
934 Account will be funded in accordance with the provisions of this section providing for
935 payment in the event of a deficiency therein, as if the Parity Bonds that remain
936 outstanding had been issued on the date of such notice of cancellation.

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

942 If there is a deficiency in the Debt Service Account to make any payment when
943 due of either principal of or interest on any Parity Bonds, the deficiency will be made up
944 from the Parity Bond Reserve Account by the withdrawal of money therefrom and by the
945 sale or redemption of obligations held in the Parity Bond Reserve Account, if necessary,
946 in such amounts as will provide cash in the Parity Bond Reserve Account sufficient to
947 make up any such deficiency. If a deficiency still exists immediately prior to an interest
948 payment date and after the withdrawal of cash, the county will then draw from any
949 Qualified Letter of Credit, Qualified Insurance, or other equivalent credit facility in
950 sufficient amount to make up the deficiency. The draw will be made at such times and

Ordinance 19785

951 under such conditions as the agreement for the Qualified Letter of Credit or Qualified
952 Insurance provides. If more than one Qualified Letter of Credit or Qualified Insurance is
953 available, draws will be made ratably thereon to make up the deficiency. Any deficiency
954 created in the Parity Bond Reserve Account by reason of any such withdrawal must then
955 be made up from Revenue of the System that is available after first making the payments
956 required to be made under paragraph "First" through "Third" of section 14 of this
957 ordinance.

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

960 SECTION 10. Parity Lien Obligation Bond Fund. A special fund of the county
961 known as the "Water Quality Limited Tax General Obligation Bond Redemption Fund"
962 (the "Parity Lien Obligation Bond Fund") has heretofore been created and is hereby
963 continued, along with the accounts therein described in this section. The Parity Lien
964 Obligation Bond Fund is at all times completely segregated and set apart from all other
965 funds and accounts of the county and is a trust fund for the security and payment of
966 principal of and premium, if any, and interest on Parity Lien Obligations. All money
967 credited to the Parity Lien Obligation Bond Fund is pledged and ordered to be used for
968 the sole purpose of paying principal of and premium, if any, and interest on Parity Lien
969 Obligations.

970 A. Debt Service Account. A "Debt Service Account" has heretofore been
971 established in the Parity Lien Obligation Bond Fund. The county hereby obligates and
972 binds itself to set aside and pay into that account out of Revenue of the System amounts
973 sufficient, together with accrued interest, if any, received at the time of delivery of any

Ordinance 19785

974 Series of Bonds issued as Parity Lien Obligations and deposited therein, income from the
975 investment of money in the Debt Service Account and any other money on deposit in the
976 Debt Service Account and legally available, to pay the principal of and interest on
977 outstanding Parity Lien Obligations as the same become due and payable.

978 For each Series of the Bonds issued as Parity Lien Obligations, there is hereby
979 authorized to be created a special subaccount in the Debt Service Account. All money
980 required by this subsection A. to be deposited into the Debt Service Account for the
981 payment of principal of and interest on that Series of the Bonds will be deposited into the
982 subaccount created for the Series, and the county hereby covenants to budget for each
983 such payment of principal and interest when due. Money in that subaccount will be
984 treated in all respects as all other money in the Debt Service Account, but will be
985 accounted for separately for the purpose of calculating any Rebate Amount payable with
986 respect to that Series of the Bonds.

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

991 B. Term Bond Provisions. If any Bonds issued as Parity Lien Obligations are
992 designated as Term Bonds pursuant to section 28 of this ordinance, the Sale Document
993 for that Series of Bonds shall set forth a mandatory redemption schedule to amortize the
994 principal of those Parity Lien Obligation Term Bonds. Payments of principal of Parity
995 Lien Obligation Term Bonds under any such mandatory redemption schedule will be

Ordinance 19785

996 made from the Debt Service Account, as provided in subsection A. of this section, to the
997 extent not credited pursuant to section 5.B. of this ordinance.

998 The county covenants that if it issues any Future Parity Lien Obligations as Term
999 Bonds, it will identify those Parity Lien Obligations as Term Bonds in the proceedings
1000 authorizing their issuance and establish a schedule of mandatory redemptions, payable
1001 from the Debt Service Account, to amortize the principal of those Parity Lien Obligation
1002 Term Bonds prior to their maturity.

1003 SECTION 11. Pledge of Taxation and Credit. The county hereby irrevocably
1004 covenants and agrees that, for as long as any Bonds issued as Parity Lien Obligations are
1005 outstanding and unpaid, each year it will include in its budget and levy an ad valorem tax
1006 upon all the property within the county subject to taxation in an amount that will be
1007 sufficient, together with all other revenues and money of the county legally available for
1008 such purposes, to pay the principal of and interest on those Bonds issued as Parity Lien
1009 Obligations as the same shall become due. All of the taxes so collected will be paid into
1010 the Parity Lien Obligation Bond Fund no later than the date those funds are required for
1011 the payment of principal of and interest on the Bonds issued as Parity Lien Obligations.

1012 The county hereby irrevocably pledges that the annual tax herein authorized to be
1013 levied for the payment of such principal and interest shall be within and a part of the tax
1014 levy permitted to counties without a vote of the people, and that a sufficient portion of the
1015 taxes to be levied and collected annually by the county prior to the full payment of the
1016 principal of and interest on the Bonds issued as Parity Lien Obligations will be and is
1017 hereby irrevocably set aside and pledged for the payment of the principal of and interest

Ordinance 19785

1018 on those Bonds, and the county hereby covenants to budget for each such payment of
1019 principal and interest when due.

1020 The full faith, credit and resources of the county are hereby irrevocably pledged
1021 for the annual levy and collection of those taxes and for the prompt payment of the
1022 principal of and interest on those Bonds issued as Parity Lien Obligations as the same
1023 become due.

1024 Any Bonds issued hereunder as Parity Bonds are not general obligations of the
1025 county, and neither the full faith and credit nor the taxing power of the county are
1026 pledged to pay or secure the payment of Bonds issued as Parity Bonds hereunder.

1027 SECTION 12. Pledge of Sewer Revenues.

1028 A. Parity Bonds. The amounts covenanted to be paid out of Revenue of the
1029 System into the Parity Bond Fund and the accounts therein shall constitute a lien and
1030 charge on Revenue of the System superior to all other charges of any kind or nature
1031 except Operating and Maintenance Expenses, and of equal lien to any charges heretofore
1032 or hereafter made on Revenue of the System for the payment of the principal of and
1033 interest on any Parity Bonds.

1034 If money and investments in the Debt Service Account of the Parity Bond Fund
1035 and the Parity Bond Reserve Account are reduced below the amounts required to pay the
1036 principal and/or interest then due and payable on any Parity Bonds, funds on deposit in
1037 any reserve created in the Revenue Fund not then required for the payment of necessary
1038 Operating and Maintenance Expenses will be transferred to the Debt Service Account of
1039 the Parity Bond Fund to the extent required to pay that principal and interest.

Ordinance 19785

1040 B. Parity Lien Obligations. The amounts covenanted to be paid out of
1041 Revenue of the System into the Parity Lien Obligation Bond Fund and the accounts
1042 therein shall constitute a lien and charge on Revenue of the System subject to Operating
1043 and Maintenance Expenses, and junior, subordinate and inferior to the lien and charge on
1044 Revenue of the System for the payments required by the ordinances authorizing the
1045 Parity Bonds to be made into the Parity Bond Fund and the accounts therein, and equal to
1046 the lien and charge on Revenue of the System for the payments required to be made by
1047 the ordinances authorizing the issuance of the outstanding Parity Lien Obligations and
1048 any additional Parity Lien Obligations, and superior to all other liens and charges on
1049 Revenue of the System whatsoever.

1050 SECTION 13. Revenue Fund; Rate Stabilization Fund.

1051 A. Revenue Fund. A special fund of the county known as the "Water Quality
1052 Operating Account" (the "Revenue Fund") has heretofore been created and is hereby
1053 continued. All Revenue of the System will be deposited in the Revenue Fund. All
1054 Operating and Maintenance Expenses will be paid out of the Revenue Fund or
1055 appropriate reserves therein.

1056 B. Rate Stabilization Fund. In anticipation of increases in revenue
1057 requirements of the System, a special fund of the county designated as the "Sewer Rate
1058 Stabilization Fund" (the "Rate Stabilization Fund") has heretofore been established and is
1059 hereby continued. The county may from time to time appropriate or budget amounts in
1060 the Revenue Fund for deposit in the Rate Stabilization Fund, as provided in section 14 of
1061 this ordinance, and may from time to time withdraw amounts therefrom for deposit in the
1062 Revenue Fund to prevent or mitigate sewer rate increases or for other lawful purposes of

Ordinance 19785

1063 the county related to the System, including calculations of "Net Revenue" and "Revenue
1064 of the System" for the purposes of satisfying requirements of sections 18, 24 and 25 of
1065 this ordinance.

1066 For any fiscal year: (a) amounts withdrawn from the Revenue Fund and deposited
1067 into the Rate Stabilization Fund for that fiscal year must be subtracted from Net Revenue
1068 for that fiscal year; and (b) amounts withdrawn from the Rate Stabilization Fund and
1069 deposited in the Revenue Fund for that fiscal year may be added to Revenue of the
1070 System for that fiscal year.

1071 SECTION 14. Sewer Revenue Priorities of Payment. So long as any Bond is
1072 outstanding, all Revenue of the System will be deposited into the Revenue Fund and used
1073 and applied in the following order of priority:

1074 First, to pay all Operating and Maintenance Expenses;

1075 Second, to make all required deposits into the Debt Service Account in the Parity
1076 Bond Fund to provide for the payment of principal of and interest on Parity Bonds as the
1077 same become due and payable and to make any Payment Agreement Payments with
1078 respect to any Parity Payment Agreements;

1079 Third, to make all payments required to be made pursuant to a reimbursement
1080 agreement or agreements or other equivalent documents in connection with Qualified
1081 Insurance or a Qualified Letter of Credit; provided, that if there is not sufficient money to
1082 make all payments under such reimbursement agreements, the payments will be made on
1083 a pro rata basis;

Ordinance 19785

1084 Fourth, to establish and maintain the Parity Bond Reserve Account, including
1085 making deposits into such account and paying the costs of obtaining Qualified Insurance
1086 or a Qualified Letter of Credit therefor;

1087 Fifth, to make all required payments of principal and interest on the Parity Lien
1088 Obligations and to make any Payment Agreement Payments with respect to any Parity
1089 Lien Obligation Payment Agreements;

1090 Sixth, to make all required payments of principal of and interest on the Junior
1091 Lien Obligations as the same become due and payable, to make all Payment Agreement
1092 Payments with respect to any Payment Agreements entered into with respect to Junior
1093 Lien Obligations, and to make any payments required to be made to providers of any
1094 credit enhancements or liquidity facilities for Junior Lien Obligations;

1095 Seventh, to make all required payments of principal of and interest on the Multi-
1096 Modal LTGO/Sewer Revenue Bonds as the same become due and payable, to make all
1097 Payment Agreement Payments for any Payment Agreements entered into with respect to
1098 Multi-Modal LTGO/Sewer Revenue Bonds, and to make any payments required to be
1099 made to providers of credit enhancements or liquidity facilities for any Multi-Modal
1100 LTGO/Sewer Revenue Bonds;

1101 Eighth, to make all required payments of principal of and interest on the
1102 Subordinate Lien Obligations as the same become due and payable;

1103 Ninth, to make all required payments of principal of and interest on bonds, notes,
1104 warrants and other evidences of indebtedness, the lien and charge on Revenue of the
1105 System of which are junior and inferior to the Subordinate Lien Obligations, as the same
1106 become due and payable; and

Ordinance 19785

1107 Tenth, to make all required payments of principal of and interest due on the SRF
1108 Loans and the Public Works Trust Fund Loans.

1109 Any surplus money that the county may have on hand in the Revenue Fund after
1110 making all required payments set forth above may be used by the county: (a) to make
1111 necessary improvements, additions and repairs to and extensions and replacements of the
1112 System; (b) to purchase or redeem and retire outstanding sewer revenue bonds of the
1113 county; (c) to make deposits into the Rate Stabilization Fund; or (d) for any other lawful
1114 purposes of the county related to the System.

1115 SECTION 15. Construction Account; Disposition of Bond Proceeds.

1116 A. Construction Account. There has heretofore been created a special fund of
1117 the county known as the "Second Water Quality Construction Account" (the
1118 "Construction Account"). For purposes of separately accounting for investment earnings
1119 on the proceeds of the Project Bonds to facilitate compliance with the requirements of
1120 section 21 of this ordinance, there is hereby established for each Series of Project Bonds
1121 issued hereunder a special subaccount within the Construction Account to be designated
1122 as the "Series [applicable year designation] Construction Subaccount" (each a
1123 "Construction Subaccount").

1124 Money in each Construction Subaccount will be held and applied to pay costs of
1125 acquiring, constructing and equipping improvements, additions or betterments to the
1126 System as set forth in the Comprehensive Plan and the Capital Improvement Budget and
1127 all costs incidental thereto, including engineering, architectural, planning, financial, legal,
1128 urban design or any other incidental costs, and to repay any advances heretofore or
1129 hereafter made on account of such costs, provided that if deficiencies exist in the Parity

Ordinance 19785

1130 Bond Fund or Parity Lien Obligation Bond Fund, money in any Construction Subaccount
1131 may be transferred to such fund in any amounts necessary to pay principal of and interest
1132 on Parity Bonds or Parity Lien Obligations, as applicable. Proceeds from the sale of a
1133 Series of Project Bonds may be designated to pay capitalized interest on those Project
1134 Bonds and may be held in the applicable Construction Subaccount or in a trust account to
1135 be established with an escrow agent or refunding trustee appointed by the Finance
1136 Director, as determined by the Finance Director upon the sale of such Series of Project
1137 Bonds.

1138 B. Disposition of Bond Proceeds. The proceeds of the Bonds will be
1139 deposited as follows:

1140 1. The amount equal to the interest, if any, accruing on each Series of
1141 the Bonds from their dated date to the date of their Closing will be deposited in the
1142 appropriate subaccount for the Series created in the Debt Service Account in the Parity
1143 Bond Fund or Parity Lien Obligation Bond Fund, as applicable;

1144 2. Proceeds of each Series of the Bonds issued as Parity Bonds may
1145 be deposited into the Parity Bond Reserve Account, as determined by the Finance
1146 Director upon the sale of any Bonds issued as Parity Bonds;

1147 3. The balance of the proceeds of any Series of Project Bonds will be
1148 deposited in the appropriate Construction Subaccount, including an escrow account that
1149 may be established for capitalized interest, as provided in subsection A. of this section
1150 and applied as provided in subsection A. of this section; and

Ordinance 19785

1151 4. The balance of the proceeds of any Series of Refunding Bonds will
1152 be deposited into the appropriate Refunding Account and applied as provided in section
1153 16 of this ordinance.

1154 SECTION 16. Refunding Account; Plan of Refunding.

1155 A. Refunding Account; Refunding Authorization. The Finance Director is
1156 hereby authorized to determine whether to (i) transfer the proceeds of the sale of a Series
1157 of the Bonds to the Registrar on or prior to the redemption or purchase date for payment
1158 of the purchase price, principal of and interest coming due on the Refunding Candidates
1159 selected for redemption, including by purchase or exchange, or (ii) establish one or more
1160 special accounts of the county to be maintained with the Refunding Trustee, each to be
1161 known as a "King County [year and Series designation] Sewer Revenue Bonds
1162 Refunding Account" (each a "Refunding Account"). Each Refunding Account will be
1163 drawn upon for the sole purpose of paying the purchase price, principal of and premium,
1164 if any, and interest on, the applicable Refunded Bonds and of paying costs of issuing that
1165 Series of Refunding Bonds and refunding the applicable Refunded Bonds. Proceeds of
1166 the sale of any Refunding Bonds, together with other county funds that may be
1167 designated for that purpose, will be transferred to the Registrar or deposited into the
1168 applicable Refunding Account to provide for refunding the applicable Refunded Bonds,
1169 including by purchase or exchange, in accordance with the ordinances authorizing the
1170 Refunded Bonds and to pay the costs of issuing the Refunding Bonds.

1171 The Finance Director is authorized to determine, in consultation with the county's
1172 financial advisors, which of the Refunding Candidates, if any, are to be refunded or
1173 purchased for cash or exchange consideration, and whether such refunding shall be a

Ordinance 19785

1174 current refunding (i.e., the redemption, purchase, or exchange of Refunded Bonds paid
1175 for with proceeds of a Series of Bonds issued 90 or fewer days prior to the redemption
1176 date of the Refunded Bonds), or an advance refunding (i.e., the redemption, purchase or
1177 exchange of Refunded Bonds paid for with proceeds of a Series of Bonds issued more
1178 than 90 days prior to the redemption date of the Refunded Bonds). The Finance Director
1179 is authorized to negotiate and approve terms for the acquisition of Refunding Candidates
1180 by purchase or exchange, and to negotiate, approve and execute any offer, dealer
1181 manager agreements, or other documents in connection therewith, including amendments
1182 thereto from time to time.

1183 In determining which of the Refunding Candidates, if any, should be refunded,
1184 including by purchase or exchange, under this ordinance in order to effect a saving to the
1185 county and ratepayers of the System, the county council intends that the Finance Director
1186 adhere to the applicable present value savings targets identified in the adopted debt
1187 management policy of the county in effect at the time of sale. These requirements do not
1188 apply to the refunding of any Refunding Candidates, including by purchase or exchange,
1189 when necessary or in the best interest of the county and ratepayers of the System to
1190 modify debt service or reserve requirements, sources of payment, covenants or other
1191 terms of the Refunding Candidates.

1192 B. Plan of Refunding. Each plan of refunding and call for redemption,
1193 purchase or exchange of Refunded Bonds shall be set forth in the Refunding Agreement
1194 or set forth in a closing certificate. Bond proceeds held by the county may be invested
1195 for a period not to exceed 30 days prior to the transfer of such funds to the Registrar to
1196 accomplish the redemption, purchase or exchange and shall be invested by the county

Ordinance 19785

1197 pending such transfer in any investments permitted for funds of the county consistent
1198 with the Federal Tax Certificate or otherwise as approved by the county's bond counsel.
1199 Money in each Refunding Account shall be used immediately upon receipt thereof to
1200 defease the applicable Refunded Bonds and discharge the other obligations of the county
1201 relating thereto under the ordinances that authorized the Refunded Bonds, by providing
1202 for the payment of the principal of and premium, if any, and interest on the Refunded
1203 Bonds as set forth in such agreement. The county will defease such bonds and discharge
1204 such obligations by the use of the money in each Refunding Account to purchase
1205 Government Obligations (should the purchase of such obligations be deemed by the
1206 Finance Director as being in the best interest of the County, and if so purchased,
1207 "Acquired Obligations") bearing interest and maturing as to principal in such amounts
1208 and at such times that, together with any necessary beginning cash balance, will provide
1209 for the payment of such Refunded Bonds, as set forth in the Refunding Agreement. Such
1210 Acquired Obligations shall be purchased at a yield not greater than the yield permitted by
1211 the Code and regulations relating to the obligations acquired in connection with refunding
1212 bond issues.

1213 In connection with any issuance of a Series of Refunding Bonds to carry out the
1214 refunding and defeasance of Refunded Bonds, the Finance Director is hereby authorized
1215 to appoint a Refunding Trustee qualified by law to perform the duties described herein.
1216 Any beginning cash balance and the Acquired Obligations will be irrevocably deposited
1217 with the Refunding Trustee in an amount sufficient to defease the Refunding Bonds in
1218 accordance with this section and the applicable Refunding Agreement.

Ordinance 19785

1219 The county will take such actions as are found necessary to see that all necessary
1220 and proper fees, compensation and expenses of the Refunding Trustee are paid when due.
1221 The proper officers and agents of the county are directed to negotiate an agreement with
1222 each Refunding Trustee setting forth the duties, obligations and responsibilities of the
1223 Refunding Trustee in connection with the redemption and retirement of the Refunded
1224 Bonds as provided herein and setting forth provisions for the payment of the fees,
1225 compensation and expenses of the Refunding Trustee as are satisfactory to it. To carry
1226 out the Refunding Account purposes of this section, the Finance Director is authorized
1227 and directed to execute and deliver to each Refunding Trustee a Refunding Agreement
1228 and, if requested, a costs of issuance agreement, in forms approved by the county's bond
1229 counsel.

1230 C. Required Findings. The Refunding Agreement or closing certificate shall
1231 set forth the findings of the Finance Director made on behalf of the county, of either:

1232 1. savings and defeasance regarding the Refunded Bonds authorized
1233 to be refunded, including by purchase or exchange, from the proceeds of each Series of
1234 Refunding Bonds; or

1235 2. the best interest of the county and ratepayers of the System from
1236 modifying debt service or reserve requirements, sources of payment, covenants or other
1237 terms of the Refunded Bonds authorized to be refunded from the proceeds of each Series
1238 of Refunding Bonds.

1239 SECTION 17. Due Regard for Expenses and Sewer Revenues Pledged. The
1240 county council hereby declares that, in fixing the amounts to be paid into the Parity Bond
1241 Fund and Parity Lien Obligation Bond Fund, as applicable, and the accounts therein, out

Ordinance 19785

1242 of Revenue of the System, it has exercised due regard for the Operating and Maintenance
1243 Expenses and has not obligated the county to set aside in such funds and accounts a
1244 greater amount of Revenue of the System than in its judgment will be available over and
1245 above the Operating and Maintenance Expenses and Revenue of the System previously
1246 pledged.

1247 SECTION 18. Rate Covenants.

1248 A. Parity Bonds. The county hereby covenants with the Registered Owner of
1249 each of the Bonds issued as Parity Bonds that, for so long as any of the same are
1250 outstanding, the county will at all times establish, maintain and collect rates and charges
1251 for sewage disposal service that will provide in each calendar year Net Revenue in an
1252 amount that, together with the interest earned during that calendar year on investments of
1253 money in the Parity Bond Fund, Parity Bond Reserve Account and Construction Account,
1254 will equal or exceed 1.15 times the amount required to pay the Annual Parity Debt
1255 Service for such calendar year.

1256 At all times and in any event, rates and charges for sewage disposal service will
1257 be sufficient to provide funds adequate to operate and maintain the System, to make all
1258 payments and to establish and maintain all reserves required by this or any other
1259 ordinance authorizing obligations of the county payable from Revenue of the System, to
1260 make up any deficit in such payments remaining from prior years and to pay all costs
1261 incurred in the construction or acquisition of any portion of the Comprehensive Plan that
1262 may be ordered by the county and for the payment of which sewer revenue bonds or other
1263 obligations payable from Revenue of the System are not issued.

Ordinance 19785

1264 B. Parity Lien Obligations. The county hereby covenants with the Registered
1265 Owner of each of the Bonds issued as Parity Lien Obligations that, for so long as any of
1266 the same are outstanding, the county will at all times establish, maintain and collect rates
1267 and charges for sewage disposal service that will be fair and nondiscriminatory and
1268 adequate to provide Revenue of the System sufficient for the proper operation and
1269 maintenance of the System; for the punctual payment of the principal of and interest on
1270 all outstanding Parity Bonds for which payment has not otherwise been provided and all
1271 amounts that the county is obligated to set aside in the Parity Bond Fund securing the
1272 Parity Bonds; for the punctual payment of the principal of and interest on all outstanding
1273 Parity Lien Obligations and for all amounts that the county is obligated to set aside in the
1274 Parity Lien Obligation Bond Fund; and for the payment of any and all other amounts that
1275 the county is now or may hereafter become obligated to pay from Revenue of the System.

1276 The county hereby further covenants with the Registered Owner of each of the
1277 Bonds issued as Parity Lien Obligations for so long as any of the same are outstanding
1278 that the county will at all times establish, maintain and collect rates and charges for
1279 sewage disposal service that will provide in each calendar year Net Revenue in an
1280 amount that, together with the interest earned during that calendar year on investments
1281 made of money in the Parity Bond Fund, Parity Bond Reserve Account, Parity Lien
1282 Obligation Bond Fund and Construction Account, is equal to at least 1.15 times the
1283 amounts required to pay the Annual Debt Service for such calendar year.

1284 C. Rate Stabilization Fund. In determining compliance with the requirements
1285 of this section, Revenue of the System and Net Revenue shall be calculated by taking into

Ordinance 19785

1286 account deposits and withdrawals from the Rate Stabilization Fund as provided in section
1287 13.B. of this ordinance.

1288 SECTION 19. Certain Other Covenants of the County Regarding the Bonds. The
1289 county hereby covenants with the Registered Owner of each of the Bonds for as long as
1290 any of the Bonds are outstanding, as follows:

1291 A. Maintain in Good Order. The county will cause the System and the
1292 business in connection therewith to be operated in a safe, sound, efficient, and economic
1293 manner in compliance with all health, safety, and environmental laws, regulatory body
1294 rules, regulatory body orders and court orders applicable to the county's operation of the
1295 System, and will cause the System to be maintained, preserved, reconstructed, expanded
1296 and kept, with all appurtenances and every part and parcel thereof, in good repair,
1297 working order and condition, and will from time to time cause to be made, without undue
1298 deferral, all necessary or proper repairs, replacements and renewals, so that at all times
1299 the operation of the System will be properly and advantageously conducted;

1300 B. Books and Records. The county will cause proper books of record and
1301 accounts of operation of the System to be kept, including an annual financial report;

1302 C. Annual Audit. The county will cause its books of accounts, including its
1303 annual financial report, to be audited annually by the State auditor's office or other State
1304 department or agency as may be authorized and directed by law to make such audits, or if
1305 such an audit is not made for twelve months after the close of any fiscal year of the
1306 county, by a Certified Public Accountant. The county will furnish the audit to the Owner
1307 of any Bond upon written request therefor;

Ordinance 19785

1308 D. Insurance. The county will at all times carry fire and extended coverage
1309 and such other forms of insurance on such of the buildings, equipment, facilities and
1310 properties of the System as under good practice are ordinarily carried on such buildings,
1311 equipment, facilities and properties by municipal or privately owned utilities engaged in
1312 the operation of sewer systems and will also carry adequate public liability insurance at
1313 all times, provided that the county may, if deemed advisable by the county council,
1314 institute or continue a self-insurance program for any or all of the aforementioned risks;

1315 E. Construction. The county will cause the construction of any duly
1316 authorized and ordered portions of the Comprehensive Plan to be performed and
1317 completed within a reasonable time and at the lowest reasonable cost;

1318 F. Collection of Revenue. The county will operate and maintain the System
1319 and conduct its affairs so as to entitle it at all times to receive and enforce payment to it
1320 of sewage disposal charges payable: (a) pursuant to the ordinance or ordinances
1321 establishing a tariff of rates and charges for sewage disposal services; and (b) under any
1322 Service Agreement that the county has now or may hereafter enter into and to entitle the
1323 county to collect all revenues derived from the operation of the System. The county shall
1324 not release the obligations of any person, corporation or political subdivision under such
1325 tariff of rates and charges or the Service Agreements and shall at all times, to the extent
1326 permitted by law, defend, enforce, preserve and protect the rights and privileges of the
1327 county and of the registered owners of the Parity Bonds and Parity Lien Obligations
1328 under or with respect thereto.

1329 In accordance with RCW 35.58.200(3), the county shall require any county, city,
1330 special district or other political subdivision to discharge to the System all sewage

Ordinance 19785

1331 collected by that entity from any portion of the Seattle metropolitan area that can drain by
1332 gravity flow into facilities of the System that serve such areas if the county council
1333 declares that the health, safety or welfare of the people within the metropolitan area
1334 require such action;

1335 G. Legal Authority. The county has full legal right, power and authority to
1336 adopt this ordinance, to sell, issue and deliver the Bonds as provided herein, and to carry
1337 out and consummate all other transactions contemplated by this ordinance;

1338 H. Due Authorization. By all necessary official action prior to or
1339 concurrently herewith, the county has duly authorized and approved the execution and
1340 delivery of, and the performance by the county of its obligations contained in, the Bonds
1341 and this ordinance and the consummation by it of all other transactions necessary to
1342 effectuate this ordinance in connection with the issuance of Bonds, and such
1343 authorizations and approvals are in full force and effect and have not been amended,
1344 modified or supplemented in any material respect;

1345 I. Binding Obligation. This ordinance constitutes a legal, valid and binding
1346 obligation of the county;

1347 J. No Conflict. The county's adoption of this ordinance and its compliance
1348 with the provisions contained herein will not conflict with or constitute a breach of or
1349 default under any constitutional provision, law, administrative regulation, judgment,
1350 decree, loan agreement, indenture, bond, note, resolution, ordinance, Sale Document,
1351 agreement or other instrument to which the county is a party or to which the county or
1352 any of its property or assets are otherwise subject, nor will any such adoption or
1353 compliance result in the creation or imposition of any lien, charge or other security

Ordinance 19785

1354 interest or encumbrance of any nature whatsoever upon any of the property or assets of
1355 the county or under the terms of any such law, regulation or instrument, except as
1356 permitted by this ordinance and the ordinances authorizing the issuance of other Parity
1357 Bonds and Parity Lien Obligations;

1358 K. Performance under Ordinance. None of the proceeds of the Bonds will be
1359 used for any purpose other than as provided in this ordinance, and except as otherwise
1360 expressly provided herein, the county shall not suffer any amendment or supplement to
1361 this ordinance, or any departure from the due performance of the obligations of the
1362 county hereunder, that might materially adversely affect the rights of the Registered
1363 Owners from time to time of the Bonds.

1364 L. Sale or Disposition. The county will not sell or voluntarily dispose of all
1365 of the operating properties of the System unless provision is made for payment into the
1366 Parity Bond Fund and the Parity Lien Obligation Bond Fund of a sum sufficient to pay
1367 the principal of and interest on all outstanding Parity Bonds and Parity Lien Obligations
1368 in accordance with the terms thereof, nor will the county sell or voluntarily dispose of
1369 any part of the operating properties of the System unless provision is made: (a) for
1370 payment into the Parity Bond Fund of an amount that will bear at least the same
1371 proportion to the amount of the outstanding Parity Bonds that the estimated amount of
1372 any resulting reduction in Revenue of the System for the twelve months following such
1373 sale or disposition bears to the Revenue of the System that would have been realized if
1374 such sale or disposition had not been made; and (b) for payment into the Parity Lien
1375 Obligation Bond Fund of an amount that will bear at least the same proportion to the
1376 amount of the outstanding Parity Lien Obligations that the estimated amount of any

Ordinance 19785

1377 resulting reduction in Revenue of the System for the twelve months following such sale
1378 or disposition bears to the Revenue of the System that would have been realized if such
1379 sale or disposition had not been made. Those estimates must be made by a Professional
1380 Utility Consultant. Any money so paid into the Parity Bond Fund and the Parity Lien
1381 Obligation Bond Fund must be used to retire outstanding Parity Bonds and Parity Lien
1382 Obligations as provided herein at the earliest possible date; provided, however, that the
1383 county may sell or otherwise dispose of any of the works, plant, properties and facilities
1384 of the System or any real or personal property comprising a part of the System with a
1385 value of less than 5% of the net utility plant of the System or that have become
1386 unserviceable, inadequate, obsolete or unfit to be used in the operation of the System, or
1387 no longer necessary, material to or useful in such operation, without making any deposit
1388 into the Parity Bond Fund or Parity Lien Obligation Bond Fund.

1389 SECTION 20. Certain Other Covenants of the County Regarding the Bonds
1390 Issued as Parity Lien Obligations. The county makes the following covenants and
1391 warranties to the Registered Owner of each of the Bonds issued as Parity Lien
1392 Obligations:

1393 A. The Bonds issued as Parity Lien Obligations, when issued, sold,
1394 authenticated and delivered, will constitute legal, valid and binding general obligations of
1395 the county.

1396 B. The county covenants that the Bonds issued as Parity Lien Obligations
1397 will be issued within all statutory and constitutional debt limitations applicable to the
1398 county.

1399 SECTION 21. Federal Tax Law Covenants. The county will take all actions
1400 necessary to assure the tax-advantaged status of the Tax-Advantaged Obligations, or the
1401 exclusion of interest on the Tax-Exempt Obligations from the gross income of the owners
1402 of the Tax-Exempt Obligations to the same extent as such interest is permitted to be
1403 excluded from gross income under the Code as in effect on the date of issuance of the
1404 Tax-Advantaged or Tax-Exempt Obligations, as applicable and as set forth in the Federal
1405 Tax Certificate, including but not limited to the following to the extent applicable:

1406 A. The county will assure that the proceeds of the Tax-Exempt Obligations
1407 are not so used as to cause the Tax-Exempt Obligations issued as governmental bonds to
1408 satisfy the private business tests of Section 141(b) of the Code or the private loan
1409 financing test of Section 141(c) of the Code or to cause any other Tax-Exempt
1410 Obligations to fail to qualify as exempt private activity bonds;

1411 B. The county will not sell or otherwise transfer or dispose of: (i) any
1412 personal property components of the projects financed or refinanced with proceeds of the
1413 Tax-Exempt Obligations (the "Tax-Exempt Projects") other than in the ordinary course of
1414 an established government program under Treasury Regulation § 1.141-2(d)(4); or (ii)
1415 any real property components of the Tax-Exempt Projects, unless it has received an
1416 opinion of nationally recognized bond counsel to the effect that such disposition will not
1417 affect the treatment of interest on the Tax-Exempt Obligations as excludable from gross
1418 income for federal income tax purposes, as applicable;

1419 C. The county will not take any action or permit or suffer any action to be
1420 taken if the result of such action would be to cause any of the Tax-Exempt Obligations to
1421 be "federally guaranteed" within the meaning of Section 149(b) of the Code;

Ordinance 19785

1422 D. The county will take any and all actions necessary to assure compliance
1423 with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if
1424 any, to the federal government;

1425 E. The county will not take, or permit or suffer to be taken, any action with
1426 respect to the proceeds of the Tax-Exempt Obligations which, if such action had been
1427 reasonably expected to have been taken, or had been deliberately and intentionally taken,
1428 on the date of issuance of the Tax-Exempt Obligations would have caused the Tax-
1429 Exempt Obligations to be "arbitrage bonds" within the meaning of Section 148 of the
1430 Code;

1431 F. The county will maintain a system for recording the ownership of each
1432 Tax-Exempt Obligation that complies with the provisions of Section 149 of the Code
1433 until all Tax-Exempt Obligations have been surrendered and canceled;

1434 G. The county will retain its records of all accounting and monitoring it
1435 carries out with respect to the Tax-Exempt Obligations for at least three years after the
1436 Tax-Exempt Obligations mature or are redeemed, whichever is earlier; however, if the
1437 Tax-Exempt Obligations are redeemed and refunded, the county will retain its records of
1438 accounting and monitoring at least three years after the earlier of the maturity or
1439 redemption of the obligations that refunded the Tax-Exempt Obligations;

1440 H. In the event the county issues one or more Series of Tax-Advantaged
1441 Obligations eligible for federal tax credits, a federal interest subsidy, or other subsidy, the
1442 county will comply with the provisions of the Federal Tax Certificate setting forth or
1443 incorporating applicable requirements; and

Ordinance 19785

1444 I. The county will comply with the provisions of the Federal Tax Certificate
1445 with respect to the applicable Tax-Exempt Obligations or Tax-Advantaged Obligations,
1446 which are incorporated herein as if fully set forth herein. In the event of any conflict
1447 between this section and the Federal Tax Certificate, the provisions of the Federal Tax
1448 Certificate will prevail. Additional tax covenants as necessary or desirable for any Series
1449 of Bonds may be set forth in the Sale Document or Federal Tax Certificate for that Series
1450 of Bonds.

1451 The covenants of this section will survive payment in full or defeasance of the
1452 applicable Tax-Exempt Obligations or Tax-Advantaged Obligations.

1453 SECTION 22. Trustee for Registered Owners of Parity Bonds.

1454 A. Appointment of Trustee. Upon the occurrence of any "event of default"
1455 described in section 23.A. of this ordinance, the Registered Owners of a majority in
1456 principal amount of the outstanding Parity Bonds may appoint a Trustee by an instrument
1457 or concurrent instruments in writing signed and acknowledged by such Registered
1458 Owners or by their attorneys-in-fact duly authorized and delivered to the Trustee,
1459 notification thereof being given to the county. Any appointment of a Trustee under the
1460 provisions of this subsection A. must be a bank or trust company organized under the
1461 laws of the State or the State of New York or a national banking association. The fees
1462 and expenses of a Trustee must be borne by the owners of the Parity Bonds and not by
1463 the county. The bank or trust company acting as a Trustee may be removed at any time
1464 and a successor Trustee may be appointed by the Registered Owners of a majority in
1465 principal amount of the outstanding Parity Bonds, by an instrument or concurrent

Ordinance 19785

1466 instruments in writing signed and acknowledged by such Registered Owners or by their
1467 attorneys-in-fact duly authorized.

1468 The Trustee appointed in the manner herein provided, and each successor thereto,
1469 is hereby declared to be a trustee for the Registered Owners of all the Parity Bonds and is
1470 empowered to exercise all rights and powers herein conferred on the Trustee.

1471 B. Certain Rights and Obligations of Trustee. The Trustee will not be
1472 responsible for recitals in any ordinance or in the Parity Bonds, or for the validity of any
1473 Parity Bonds, nor will the Trustee be responsible for insuring the System or for collecting
1474 any insurance money or for the title to any property of the System.

1475 The Trustee will be protected in acting upon any notice, request, consent,
1476 certificate, order, affidavit, letter or other paper or document believed by it to be genuine
1477 and correct and to have been signed, sent or delivered by the person or persons by whom
1478 such paper or document is purported to have been signed, sent or delivered.

1479 The Trustee will not be answerable for any neglect or default of any person, firm
1480 or corporation employed and selected by it with reasonable care.

1481 The Trustee will permit the owner of any Parity Bonds to inspect any instrument,
1482 opinion or certificate filed with the Trustee by the county or by any person, firm or
1483 corporation acting for the county.

1484 The Trustee will not be bound to recognize any person as an owner of any Parity
1485 Bond until such person's title thereto, if disputed, has been established to the Trustee's
1486 reasonable satisfaction.

Ordinance 19785

1487 The Trustee may consult with counsel, and the opinion of such counsel will be
1488 full and complete authorization and protection in respect of any action taken or suffered
1489 by it hereunder in good faith and in accordance with the opinion of such counsel.

1490 SECTION 23. Events of Default for Parity Bonds; Powers and Duties of Trustee.

1491 A. Events of Default. The occurrence of one or more of the following is an
1492 "event of default" with respect to any Bonds issued as Parity Bonds under this ordinance:

1493 1. default in the payment of principal of or interest on any Parity
1494 Bonds when the same becomes due; or

1495 2. default in the observance or performance of any of the other
1496 covenants applicable to Parity Bonds herein contained, and the default continues for a
1497 period of six months after written notice to the county from the registered owner of a
1498 Parity Bond specifying the default and requiring that it be remedied.

1499 B. Powers of Trustee. The Trustee in its own name and on behalf of and for
1500 the benefit and protection of the registered owners of all Parity Bonds may proceed, and
1501 upon the written request of the Registered Owners of not less than 25% in principal
1502 amount of the Parity Bonds then outstanding must proceed, to protect and enforce any
1503 rights of the Trustee and, to the full extent that Registered Owners of Parity Bonds
1504 themselves might do, the rights of such Registered Owners of Parity Bonds under the
1505 laws of the State or under the ordinances providing for the issuance of the Parity Bonds,
1506 by such suits, actions or proceedings in equity or at law, either for the specific
1507 performance of any covenant contained herein or in aid or execution of any power herein
1508 granted or for any proper legal or equitable remedy as the Trustee may deem most
1509 effectual to protect and enforce the rights of the Trustee and the Registered Owners of

Ordinance 19785

1510 Parity Bonds. In the enforcement of any such rights under this or any other ordinance of
1511 the county, the Trustee is entitled to sue for, to enforce payment of and to receive any and
1512 all amounts due from the county for principal, interest or otherwise under any of the
1513 provisions of such ordinance, with interest on overdue payments at the rate or rates set
1514 forth in such Parity Bond or Parity Bonds, together with any and all costs and expenses of
1515 collection and of all proceedings taken by the Trustee without prejudice to any other right
1516 or remedy of the Trustee or of the owners of the Parity Bonds.

1517 If default is made in the payment of principal of any Parity Bond and the default
1518 continues for a period of 30 days, the Trustee may not accelerate payment of any Parity
1519 Bonds but may proceed to enforce payment thereof as hereinabove provided. If, in the
1520 sole judgment of the Trustee, any default is cured and the Trustee furnishes the county a
1521 certificate so stating, that default is conclusively deemed to be cured, and the county,
1522 Trustee and owners of Parity Bonds will be restored to the same rights and position they
1523 would have held if no event of default had occurred.

1524 C. Actions in Name of Trustee. All rights of action under this ordinance or
1525 upon any of the Parity Bonds enforceable by the Trustee may be enforced by the Trustee
1526 without the possession of any Parity Bonds or the production thereof in the trial or other
1527 proceedings relative thereto, and any such suit, action or proceeding instituted by the
1528 Trustee will be brought in its name for the ratable benefit of the Registered Owners of all
1529 Parity Bonds, subject to the provisions of this ordinance.

1530 D. Procedure by Bond Owners. No owner of any one or more of the Parity
1531 Bonds has any right to institute any action, suit or proceedings at law or in equity for the
1532 enforcement of the same, unless an event of default occurs and no Trustee has been

Ordinance 19785

1533 appointed as herein provided, but any remedy herein authorized to be exercised by a
1534 Trustee may be exercised individually by any registered owner of a Parity Bond, in such
1535 Registered Owner's own name and on such Registered Owner's own behalf or for the
1536 benefit of all registered owners of Parity Bonds, if no Trustee is appointed, or with the
1537 consent of the Trustee if such Trustee has been appointed.

1538 E. Application of Money Collected by Trustee. Any money collected by the
1539 Trustee at any time pursuant to this section will be applied, first, to the payment of its
1540 charges, expenses, advances and compensation and the charges, expenses, counsel fees,
1541 disbursements and compensation of its agents and attorneys, and, second, toward
1542 payment of the amount then due and unpaid upon the Parity Bonds, ratably and without
1543 preference or priority of any kind not expressly provided in this ordinance, according to
1544 the amounts due and payable on the Parity Bonds at the date fixed by the Trustee for the
1545 distribution of such money, upon presentation of the several Parity Bonds and upon
1546 causing such payment to be stamped thereon, if partly paid, and upon surrender thereof, if
1547 fully paid.

1548 SECTION 24. Future Parity Bonds. The county further covenants and agrees
1549 with the Registered Owner of each of the Bonds issued as Parity Bonds for as long as the
1550 same are outstanding that it will not create any special fund for the payment of the
1551 principal of and interest on any revenue bonds that will rank on a parity with or have any
1552 priority over the payments out of Revenue of the System required to be made into the
1553 Parity Bond Fund and the accounts therein to pay or secure the payment of the
1554 outstanding Parity Bonds. The county reserves the right for: (a) the purpose of acquiring,
1555 constructing and installing any portion of the Comprehensive Plan; (b) the purpose of

Ordinance 19785

1556 acquiring, constructing and installing any necessary renewals or replacements of the
1557 System; or (c) the purpose of refunding or purchasing for cash or exchange consideration
1558 and retiring at or prior to their maturity any outstanding obligations of the county payable
1559 from Revenue of the System, to issue additional or refunding Parity Bonds, including
1560 Variable Rate Parity Bonds, and to make payments into the Parity Bond Fund out of the
1561 Revenue Fund that will be sufficient to pay the principal of and interest on those
1562 additional or refunding Parity Bonds and to maintain required reserves, such payments
1563 out of the Revenue Fund to rank equally with the payments out of the Revenue Fund
1564 required to be made into the Parity Bond Fund and the accounts therein for the payment
1565 of the principal of and interest on outstanding Parity Bonds, but only upon compliance
1566 with the following conditions:

1567 A. At the time of the issuance of any Future Parity Bonds there is no
1568 deficiency in the Parity Bond Fund or any account therein;

1569 B. Each ordinance providing for the issuance of any Future Parity Bonds that
1570 are refunding bonds must require that all money held in any fund or account of the county
1571 created for the purpose of paying the principal of and interest on the bonds being
1572 refunded either be used to pay the principal of and interest on such bonds or be
1573 transferred or paid into the Parity Bond Fund;

1574 C. Each ordinance providing for the issuance of Future Parity Bonds must
1575 provide for the payment of the principal thereof and interest thereon out of the Parity
1576 Bond Fund. The Future Parity Bonds may bear such date of issue, interest payment
1577 dates, and principal payment dates, and may mature in such year or years, as the county
1578 council provides. Each such ordinance will further provide that upon the issuance of any

Ordinance 19785

1579 Future Parity Bonds, the county will pay into the Parity Bond Reserve Account an
1580 amount that will be sufficient to satisfy the Reserve Requirement then applicable or
1581 provide Qualified Insurance or a Qualified Letter of Credit to satisfy the Reserve
1582 Requirement;

1583 D. At the time of the issuance of any Future Parity Bonds, the county must
1584 have on file a certificate from a Professional Utility Consultant, dated no more than 90
1585 days prior to the date of delivery of such Future Parity Bonds, showing that, in the
1586 Professional Utility Consultant's professional opinion, the "annual income available for
1587 debt service on Parity Bonds" for each year during the life of such Future Parity Bonds
1588 shall be at least equal to 1.25 times the amount required in each such year to pay the
1589 Annual Parity Debt Service for such year. Such "annual income available for debt service
1590 on Parity Bonds" must be determined as follows for each year following the proposed
1591 date of issue of such Future Parity Bonds:

1592 1. The Revenue of the System must be determined for a period of any
1593 12 consecutive months out of the 18 months immediately preceding the delivery of the
1594 Future Parity Bonds being issued;

1595 2. Such revenue may be adjusted to give effect on a 12-month basis
1596 to the rates in effect on the date of such certificate;

1597 3. If there were any Customers added to the System during such 12-
1598 month period or thereafter and prior to the date of the Professional Utility Consultant's
1599 certificate, such revenue may be further adjusted on the basis that added Customers were
1600 Customers of the System during the entire 12-month period;

Ordinance 19785

1601 4. There will be deducted from such revenue the amount expended
1602 for Operating and Maintenance Expenses during such period;

1603 5. For each year following the proposed date of issuance of such
1604 Future Parity Bonds the Professional Utility Consultant may add to the annual revenue
1605 determined in subsection D.1. through 4. of this section an estimate of the income to be
1606 received in each such year from the investment of money in the Parity Bond Fund and
1607 any account therein, and the Construction Account, which is to be determined by and in
1608 the sole discretion of a firm of nationally recognized financial consultants selected by the
1609 county;

1610 6. Beginning with the second year following the proposed date of
1611 issue of such Future Parity Bonds and for each year thereafter, the Professional Utility
1612 Consultant may add to the annual revenue determined in subsection D.1. through 5. of
1613 this section the Professional Utility Consultant's estimate of any additional annual
1614 revenue to be received from anticipated growth in the number of Customers within the
1615 area served by the System on the date of such certificate, after deducting therefrom any
1616 increased Operating and Maintenance Expenses estimated to be incurred as a result of
1617 such growth; provided, that the Professional Utility Consultant's estimate of the number
1618 of Customers served may not assume growth of more than 1/4 of 1% over and above the
1619 number of Customers served or estimated to be served during the preceding year; and

1620 7. If extensions of or additions to the System are in the process of
1621 construction at the time of such certificate, or if the proceeds of the Future Parity Bonds
1622 being issued are to be used to acquire or construct extensions of or additions to the
1623 System, there may be added to the annual net revenue as above determined any revenue

Ordinance 19785

1624 not included in subsection D.1. through 6. of this section that will be derived from such
1625 additions and extensions after deducting therefrom the estimated additional Operating
1626 and Maintenance Expenses to be incurred as a result of such additions and extensions;
1627 provided, that such estimated annual revenue will be based upon 75% of any estimated
1628 Customer growth in the four years following the first full year in which such additional
1629 revenue is to be collected and thereafter the estimated Customer growth may not exceed
1630 1/4 of 1% per year over and above such reduced estimate;

1631 E. Instead of the certificate described in subsection D. of this section, the
1632 county may elect to have on file a certificate of the Finance Director demonstrating that
1633 during any 12 consecutive calendar months out of the immediately preceding 18 calendar
1634 months Net Revenue was at least equal to 1.25 times the amount required to pay, in each
1635 year that such Future Parity Bonds would be outstanding, the Annual Parity Debt Service
1636 for such year;

1637 F. For the purpose of refunding at or prior to their maturity any outstanding
1638 Parity Bonds or any bonds or other obligations of the county payable from Revenue of
1639 the System, including refundings by purchase or exchange, the county may at any time
1640 issue Future Parity Bonds without complying with the provisions of subsection D. or E.
1641 of this section; provided, that the county may not issue Future Parity Bonds for such
1642 purpose under this subsection F. unless the Finance Director certifies that upon the
1643 issuance of such Future Parity Bonds: (a) total debt service required for all Parity Bonds,
1644 including the refunding bonds and not including the bonds to be refunded thereby, will
1645 decrease; and (b) the Annual Parity Debt Service for each year that any Parity Bonds,
1646 including the refunding bonds and not including the bonds to be refunded thereby, are

Ordinance 19785

1647 then outstanding will not be increased by more than \$5,000 by reason of the issuance of
1648 such Future Parity Bonds.

1649 The principal amount of Future Parity Bonds issued pursuant to this subsection F.
1650 may include amounts necessary to pay the principal of the Parity Bonds or other
1651 obligations to be refunded, interest thereon to the date of payment or redemption thereof,
1652 any premium payable thereon upon such payment or redemption and the costs of issuance
1653 of such Future Parity Bonds, and if a Payment Agreement has been provided with respect
1654 to the obligations to be refunded, may include amounts necessary to make the payment of
1655 all amounts, if any, due and payable by the county under such Payment Agreement. The
1656 proceeds of such Future Parity Bonds will be held and applied in such manner as is
1657 provided for in the ordinance authorizing the issuance of the Parity Bonds or other
1658 obligations to be refunded, so that upon the delivery of such Future Parity Bonds, the
1659 Parity Bonds or other obligations to be refunded thereby will be deemed no longer
1660 outstanding in accordance with the ordinance authorizing their issuance; and

1661 G. Nothing contained in this ordinance prevents the county from issuing
1662 revenue bonds that are a charge on Revenue of the System and money in the Revenue
1663 Fund junior or inferior to the payments required to be made therefrom into the Parity
1664 Bond Fund and any account therein, nor shall anything herein contained prevent the
1665 county from issuing Future Parity Bonds to refund maturing Parity Bonds for the
1666 payment of which money is not otherwise available.

1667 SECTION 25. Additional Parity Lien Obligations. The county expressly reserves
1668 the right to issue additional Parity Bonds in accordance with the ordinances, including
1669 this ordinance, authorizing the Parity Bonds. Subject to this reservation of rights with

Ordinance 19785

1670 respect to Parity Bonds, the county hereby covenants and agrees with the Registered
1671 Owner of each of the Bonds issued as Parity Lien Obligations, so long as such Bonds are
1672 outstanding, that it will not issue or incur any other additional indebtedness secured in
1673 whole or in part by a lien on Revenue of the System superior to the lien of such Bonds
1674 issued as Parity Lien Obligations.

1675 A. Parity Lien Obligations Other Than Refunding Bonds. The county
1676 expressly reserves the right to issue or enter into additional Parity Lien Obligations,
1677 including Variable Rate Parity Lien Obligations, for any lawful purpose of the county
1678 related to the System if at the time of issuing or entering into such Parity Lien
1679 Obligations:

1680 1. There is no deficiency in the Parity Bond Fund, the Parity Lien
1681 Obligation Bond Fund or any other bond fund or account securing Parity Lien
1682 Obligations;

1683 2. The county has on file a certificate from a Professional Utility
1684 Consultant, dated no more than 90 days prior to the date of delivery of such Parity Lien
1685 Obligations, showing that, in the Professional Utility Consultant's professional opinion,
1686 the "annual income available for debt service on Parity Bonds and Parity Lien
1687 Obligations" for each year during the life of such Parity Lien Obligations is at least equal
1688 to 1.25 times the amount required to pay Annual Debt Service in each such year. Such
1689 "annual income available for debt service on Parity Bonds and Parity Lien Obligations"
1690 shall be determined as follows for each year following the proposed date of issue of such
1691 additional Parity Lien Obligations:

Ordinance 19785

- 1692 a. The Revenue of the System must be determined for a
1693 period of any 12 consecutive months out of the 18 months immediately preceding the
1694 delivery of the Parity Lien Obligations being issued;
- 1695 b. Such revenue may be adjusted to give effect on a 12-month
1696 basis to the rates in effect on the date of such certificate;
- 1697 c. If there were any Customers added to the System during
1698 such 12-month period or thereafter and prior to the date of the Professional Utility
1699 Consultant's certificate, such revenue may be further adjusted on the basis that added
1700 Customers were Customers of the System during the entire 12-month period;
- 1701 d. There will be deducted from such revenue the amount
1702 expended for Operating and Maintenance Expenses during such period;
- 1703 e. For each year following the proposed date of issuance of
1704 such Parity Lien Obligations the Professional Utility Consultant may add to the annual
1705 revenue determined in clauses a through d of this paragraph 2 an estimate of the income
1706 to be received in each such year from the investment of money in the Parity Bond Fund,
1707 the Parity Lien Obligation Bond Fund and the Construction Account, which is to be
1708 determined by and in the sole discretion of a firm of nationally recognized financial
1709 consultants selected by the county;
- 1710 f. Beginning with the second year following the proposed
1711 date of issue of such Parity Lien Obligations and for each year thereafter the Professional
1712 Utility Consultant may add to the annual revenue determined in clauses a through e of
1713 this paragraph 2 the Professional Utility Consultant's estimate of any additional annual
1714 revenue to be received from anticipated growth in the number of Customers within the
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Ordinance 19785

1715 area served by the System on the date of such certificate, after deducting therefrom any
1716 increased Operating and Maintenance Expenses estimated to be incurred as a result of
1717 such growth; provided, that the Professional Utility Consultant's estimate of the number
1718 of customers served may not assume a growth of more than 1/4 of 1% over and above the
1719 number of customers served or estimated to be served during the preceding year; and

1720 g. If extensions of or additions to the System are in the
1721 process of construction at the time of such certificate, or if the proceeds of the Parity Lien
1722 Obligations being issued are to be used to acquire or construct extensions of or additions
1723 to the System, there may be added to the annual net revenue as above determined any
1724 revenue not included in subsection A.2.a. through f. of this section that will be derived
1725 from such additions and extensions after deducting therefrom the estimated additional
1726 Operating and Maintenance Expenses to be incurred as a result of such additions and
1727 extensions; provided, that such estimated annual revenue must be based upon 75% of any
1728 estimated Customer growth in the four years following the first full year in which such
1729 additional revenue is to be collected and thereafter the estimated Customer growth may
1730 not exceed 1/4 of 1% per year over and above such reduced estimate; and

1731 3. Instead of the certificate described in subsection A.2. of this
1732 section, the county may elect to have on file a certificate of the Finance Director
1733 demonstrating that during any 12 consecutive calendar months out of the immediately
1734 preceding 18 calendar months Net Revenue was at least equal to 1.25 times the amount
1735 required to pay, in each year that such Parity Lien Obligations would be outstanding, the
1736 Annual Debt Service for such year.

1737 B. Parity Lien Obligations That Are Refunding Bonds.

Ordinance 19785

1738 1. The county may at any time, for the purpose of refunding at or
1739 prior to their maturity any outstanding Parity Lien Obligations, Parity Bonds, or any
1740 bonds or other obligations of the county payable from Revenue of the System, including
1741 refundings by purchase or exchange, issue additional Parity Lien Obligations without
1742 complying with the provisions of subsection A.2. and 3. of this section if there is filed
1743 with the clerk of the county council a certificate of the Finance Director stating that upon
1744 the issuance of such additional Parity Lien Obligations: (a) total debt service on all Parity
1745 Bonds and Parity Lien Obligations, including the refunding bonds but not including the
1746 bonds to be refunded thereby, will decrease; and (b) the Annual Debt Service for each
1747 year that any Parity Bonds and any Parity Lien Obligations, including the refunding
1748 bonds but not including the bonds to be refunded thereby, are then outstanding will not be
1749 increased by more than \$5,000 by reason of the issuance of such additional Parity Lien
1750 Obligations.

1751 2. The principal amount of such Parity Lien Obligations may include
1752 amounts necessary to pay the principal of the bonds or other obligations to be refunded,
1753 interest thereon to the date of payment or redemption thereof and any premium payable
1754 thereon upon such payment or redemption and the costs of issuance of such Parity Lien
1755 Obligations and, if a Payment Agreement has been provided with respect to the
1756 obligations to be refunded, may include amounts necessary to make the payment of all
1757 amounts, if any, due and payable by the county under such Payment Agreement. The
1758 proceeds of such Parity Lien Obligations will be held and applied as provided in the
1759 ordinance authorizing the issuance of such Parity Lien Obligations, so that upon the
1760 delivery of such Parity Lien Obligations, the bonds or other obligations to be refunded

Ordinance 19785

1761 thereby will be deemed no longer outstanding in accordance with the ordinance
1762 authorizing their issuance.

1763 3. At the election of the county, the provisions of this subsection B.
1764 need not apply to the refunding at one time of all the Parity Lien Obligations then
1765 outstanding.

1766 4. Nothing contained in this ordinance prohibits or prevents, or will
1767 be deemed or construed to prohibit or prevent, the county from issuing Parity Lien
1768 Obligations to refund maturing Parity Lien Obligations of the county for the payment of
1769 which money is not otherwise available.

1770 C. Subordinate Obligations. Nothing in this ordinance prohibits, or will be
1771 deemed or construed to prohibit, the county from authorizing and issuing bonds, notes or
1772 other evidences of indebtedness for any purpose of the county related to the System
1773 payable in whole or in part from Revenue of the System and secured by a lien on
1774 Revenue of the System that is junior, subordinate and inferior to the lien of any Bonds
1775 issued as Parity Lien Obligations.

1776 SECTION 26. Reimbursement Obligations. If the county elects to secure any
1777 Bonds with a Credit Facility, the county may contract with the entity providing the Credit
1778 Facility that the reimbursement obligation, if any, to that entity will be a Parity Bond or
1779 Parity Lien Obligation, as applicable.

1780 SECTION 27. Payment Agreements.

1781 A. General. To the extent and for the purposes permitted from time to time
1782 by chapter 39.96 RCW, as it may be amended, and other applicable provisions of State

Ordinance 19785

1783 law, the county may enter into Payment Agreements, subject to the conditions set forth in
1784 this section and in other provisions of this ordinance.

1785 B. Manner and Schedule of Payments. Each Payment Agreement must set
1786 forth the manner in which the Payment Agreement Payments and the Payment
1787 Agreement Receipts will be calculated and a schedule of payment dates.

1788 C. Authorizing Ordinance. Prior to entering into a Payment Agreement, the
1789 county council must adopt an ordinance authorizing such agreement and setting forth
1790 such provisions as the county deems necessary or desirable and are not inconsistent with
1791 the provisions of this ordinance.

1792 D. Calculation of Payment Agreement Payments and Debt Service on Bonds
1793 with Respect to which a Payment Agreement is in Force. It is the intent of the county, for
1794 purposes of section 18, 24 or 25 of this ordinance, that debt service on Parity Bonds with
1795 respect to which a Parity Payment Agreement is in force will be calculated to reflect the
1796 net economic effect on the county intended to be produced by the terms of such Parity
1797 Bonds and Parity Payment Agreement and that debt service on Parity Lien Obligation
1798 Bonds with respect to which a Parity Lien Obligation Payment Agreement is in force will
1799 be calculated to reflect the net economic effect on the county intended to be produced by
1800 the terms of such Parity Lien Obligation Bonds and Parity Lien Obligation Payment
1801 Agreement. In calculating such amounts, the county will be guided by the following
1802 requirements.

1803 1. The amount of interest deemed to be payable on any Bonds with
1804 respect to which a Payment Agreement is in force will be an amount equal to the amount

Ordinance 19785

1805 of interest that would be payable at the rate or rates stated in those Bonds plus Payment
1806 Agreement Payments minus Payment Agreement Receipts.

1807 2. For any period during which Payment Agreement Payments are
1808 not taken into account in calculating interest on any outstanding Bonds because the
1809 Payment Agreement is not then related to any outstanding Bonds, Payment Agreement
1810 Payments on that Parity Payment Agreement will be calculated based upon the following
1811 assumptions:

1812 a. County Obligated to Make Payments Based on Fixed Rate.

1813 If the county is obligated to make Payment Agreement Payments based on a fixed rate
1814 and the Qualified Counterparty is obligated to make payments based on a variable rate
1815 index, payments by the county will be based on the assumed fixed payor rate, and
1816 payments by the Qualified Counterparty will be based on a rate equal to the average rate
1817 determined by the variable rate index specified by the Payment Agreement during the
1818 fiscal quarter preceding the quarter in which the calculation is made; and

1819 b. County Obligated to Make Payments Based on Variable

1820 Rate Index. If the county is obligated to make Payment Agreement Payments based on a
1821 variable rate index and the Qualified Counterparty is obligated to make payments based
1822 on a fixed rate, payments by the county will be based on a rate equal to the average rate
1823 determined by the variable rate index specified by the Payment Agreement during the
1824 fiscal quarter preceding the quarter in which the calculation is made, and the Qualified
1825 Counterparty will make payments based on the fixed rate specified by the Payment
1826 Agreement.

Ordinance 19785

1827 E. Prior Notice to Rating Agencies. The county will give notice to Moody's
1828 and S&P 30 days prior to the date it intends to enter into a Parity Payment Agreement
1829 and will give notice to Fitch, Moody's and S&P 30 days prior to the date it intends to
1830 enter into a Parity Lien Obligation Payment Agreement.

1831 SECTION 28. Sale of Bonds. The county hereby authorizes the sale of the Bonds
1832 in one or more Series. The Finance Director is authorized to proceed with the sale of any
1833 Series of the Bonds pursuant to subsections B., C. or D. of this section to refund the
1834 Refunded Bonds and finance the costs of any project that has been approved by the
1835 county council or will have been approved by the county council prior to the sale date for
1836 such Bonds. The Finance Director is further authorized to proceed under this ordinance
1837 with the sale of the Project Bonds for any such project and with the sale of the Refunding
1838 Bonds to refund any Refunding Candidate(s), including by purchase or exchange,
1839 pursuant to the sale provisions set forth in this section and without regard to the
1840 requirements of any prior bond ordinance that authorized the financing of the project or
1841 the refunding of such Refunding Candidate(s).

1842 The Bonds will be sold in one or more Series, any of which may be sold in a
1843 combined offering with other bonds and/or notes of the county, at the option of the
1844 Finance Director. The Finance Director will determine, in consultation with the county's
1845 financial advisors, the principal amount of each Series of the Project Bonds, which of the
1846 Refunding Candidates will be refunded, whether such Refunding Candidates will be
1847 refunded by purchase or exchange, whether any Series of Project Bonds or Refunding
1848 Bonds will be sold separately or in one or more combined Series, whether each Series of
1849 Bonds will be sold by competitive bid or negotiated sale, or otherwise, and for current or

Ordinance 19785

1850 future delivery, and whether such Series of Bonds will be issued and sold as Tax-
1851 Advantaged Obligations, Tax-Exempt Obligations or Taxable Obligations, and whether
1852 any Series will be designated as "green bonds," social impact bonds, sustainability bonds
1853 or otherwise.

1854 A. Satisfaction of Additional Bonds Tests. The Finance Director will provide
1855 or cause to be provided by a Professional Utility Consultant any certifications required to
1856 comply with the tests established in prior ordinances of the county for the issuance of
1857 additional Parity Bonds and additional Parity Lien Obligations, as applicable.

1858 B. Negotiated Sale. If the Finance Director determines that any Series of the
1859 Bonds will be sold by negotiated sale, the Finance Director shall, in accordance with
1860 applicable county procurement procedures, solicit one or more underwriting firms or
1861 other financial institutions with which to negotiate the sale of such Bonds. Subject to the
1862 parameters set forth in subsection E. of this section, the Bond Purchase Agreement for
1863 such Series of the Bonds will specify whether the Bonds of such Series are being issued
1864 and sold as Tax-Advantaged Obligations, Tax-Exempt Obligations or Taxable
1865 Obligations, and whether any Series of Bonds are designated as "green bonds," social
1866 impact bonds, sustainability bonds or otherwise, and will also identify any Term Bonds
1867 and the year and any applicable Series designation, date, principal amounts and maturity
1868 dates, interest rates and interest payment dates, redemption and/or purchase provisions
1869 and delivery date for such Series of Bonds.

1870 C. Sale by Competitive Bid. If the Finance Director determines that any
1871 Series of Bonds will be sold by competitive bid, bids for the purchase of such Series of
1872 Bonds will be received at such time and place and by such means as the Finance Director

Ordinance 19785

1873 will direct. The Finance Director is authorized to prepare an Official Notice of Bond Sale
1874 for each Series of Bonds to be sold pursuant to competitive bid, which notice will be filed
1875 with the clerk of the county council. The Official Notice of Bond Sale will specify
1876 whether the Bonds of such Series are being issued and sold as Tax-Advantaged
1877 Obligations, Tax-Exempt Obligations or Taxable Obligations, and whether any Series
1878 will be designated as "green bonds," social impact bonds, sustainability bonds or
1879 otherwise, and will identify the year and any applicable Series designation, date, principal
1880 amounts and maturity dates, interest payment dates, redemption and/or purchase
1881 provisions and delivery date for such Series of Bonds.

1882 Upon the date and time established for the receipt of bids for a Series of the
1883 Bonds, the Finance Director or the Finance Director's designee will review the bids
1884 received, cause the bids to be mathematically verified, and accept the winning bid by
1885 executing the Certificate of Award, which shall designate any Term Bonds, subject to the
1886 parameters set forth in subsection E. of this section. The county, acting through the
1887 Finance Director, reserves the right to reject any and all bids for such Bonds.

1888 D. Other Sales. If the Finance Director determines that any Series of Bonds
1889 will be sold to the federal government or other purchaser to evidence a loan from that
1890 purchaser, the Finance Director, in consultation with the county financial advisors, will
1891 negotiate the sale of such Bonds and the terms of any Loan Agreement or other
1892 agreement with the purchaser, including any Master WIFIA Agreement to be
1893 supplemented or amended by WIFIA loan agreements for each WIFIA loan made
1894 thereunder. The terms of any Master WIFIA Agreement or any WIFIA loan agreements
1895 may include additional disbursement or other conditions, covenants, events of default,

Ordinance 19785

1896 remedies and other provisions generally consistent with such provisions of the existing
1897 WIFIA loans, the forms of which were approved by Motion 15115 and 15789,
1898 respectively, or current WIFIA program terms. Subject to the parameters set forth in
1899 subsection E. of this section, the Loan Agreement or other agreement or closing
1900 certificates for such Series of Bonds will specify whether the Bonds of such Series are
1901 being issued and sold as Tax-Advantaged Obligations, Tax-Exempt Obligations or
1902 Taxable Obligations, and whether any Series of Bonds are designated as "green bonds,"
1903 social impact bonds, sustainability bonds or otherwise, and will also identify any Term
1904 Bonds and the year and any applicable Series designation, date, principal amounts and
1905 maturity dates, interest rates and interest payment dates, redemption and/or purchase
1906 provisions and delivery date for such Series of Bonds.

1907 E. Sale Parameters. Subject to the terms and conditions set forth in this
1908 subsection, the Finance Director is hereby authorized to approve the issuance and sale of
1909 any Series of the Bonds upon the Finance Director's approval of the final interest rates,
1910 maturity dates, aggregate principal amounts, principal maturities and redemption rights
1911 for the Series of the Bonds in accordance with the authority granted by this section so
1912 long as:

1913 1. The aggregate principal amount for the Series of Project Bonds
1914 does not cause the aggregate principal amount for all Project Bonds issued under this
1915 ordinance to exceed \$1,200,000,000;

1916 2. The aggregate principal amount of the Series of Refunding
1917 Bonds to be issued does not exceed the aggregate principal amount of the Refunded
1918 Bonds to be refunded, including by purchase or exchange, with such Series of Refunding

Ordinance 19785

1919 Bonds, plus the amount deemed by the Finance Director as reasonably required to effect
1920 such refunding as described in RCW 39.53.050, including amounts reasonably required
1921 to pay the redemption or purchase price of the Refunded Bonds and costs of issuance and
1922 the refunding;

1923 3. Except for Project Bonds delivered to evidence one or more
1924 WIFIA loans from the EPA, the final maturity date for the Series of the Project Bonds to
1925 be issued is not later than 31 years after its date of issuance. The final maturity date for
1926 any Series of Project Bonds to be delivered to evidence one or more WIFIA loans from
1927 the EPA is not later than the earlier of: (a) the date that is 35 years following substantial
1928 completion of the financed project as such terms are defined in the WIFIA loan
1929 agreement for that Series of Project Bonds; and (b) the date that is 40 years after the date
1930 the county initially draws on the WIFIA loan evidenced by that Series of Parity Bonds;

1931 4. The final maturity date for the Series of the Refunding Bonds to
1932 be issued is not later than the end of the fiscal year that includes the final maturity date
1933 for the Refunded Bonds to be refunded, including by purchase or exchange, with such
1934 Series of Bonds; provided, that the final maturity date for any Series of the Refunding
1935 Bonds to be issued to refund Project Bonds issued as bond anticipation notes, commercial
1936 paper or other interim financing is not later than 31 years after the date of issuance of the
1937 interim financing;

1938 5. The Series of the Bonds to be issued are sold in the aggregate at
1939 a price not less than 95 percent;

1940 6. The true interest cost for the Series of Bonds does not exceed
1941 5.0% if the Series of Bonds are issued as Tax-Exempt Obligations;

Ordinance 19785

1942 7. The true interest cost for the Series of Bonds does not exceed
1943 7.0% if the Series of Bonds are issued as Taxable or Tax-Advantaged Obligations; and

1944 8. The Series of Bonds conforms to all other terms of this
1945 ordinance.

1946 Subject to the terms and conditions set forth in this section, the Finance Director
1947 is hereby authorized to execute each Sale Document to be dated the date of sale of the
1948 applicable Series of Bonds. The signature of the Finance Director shall be sufficient to
1949 bind the county.

1950 The Finance Director shall provide an annual report to the Executive Finance
1951 Committee and county council describing the sale of any series of Bonds approved
1952 pursuant to the authority delegated in this section. The annual report shall be
1953 electronically filed with the clerk of the county council, who shall retain an electronic
1954 copy and provide an electronic copy to all councilmembers. The requirement for an
1955 annual report provided by this subsection expires three years after the effective date of
1956 this ordinance.

1957 The authority granted to the Finance Director by this subsection E. to execute Sale
1958 Documents shall expire December 31, 2026; provided, that an amendment to a Sale
1959 Document may be executed, and performance pursuant to any Sale Document may be
1960 completed, at any time. In the case of a Sale Document in the form of a WIFIA Master
1961 Agreement, the authority granted to the Finance Director by this subsection E. to execute
1962 such WIFIA Master Agreement shall expire December 31, 2026; provided, that an
1963 amendment or supplement to such Sale Document, including any supplement in the form
1964 of a WIFIA loan agreement subject to the WIFIA Master Agreement, may be executed at

Ordinance 19785

1965 any time, issuance and delivery of one or more Series of Parity Bonds to evidence the
1966 county's obligations under such Sale Document as supplemented may be completed at
1967 any time, and performance pursuant to the Sale Document may be completed at any time.
1968 All other provisions of this ordinance will remain in full force and effect. If a Sale
1969 Document for a Series of the Bonds has not been executed by December 31, 2026, the
1970 authorization for the issuance of the Bonds shall be rescinded and the Bonds shall not be
1971 issued nor their sale approved unless such Bonds shall have been reauthorized by
1972 ordinance of the county council. The ordinance reauthorizing the issuance and sale of
1973 such Bonds may be in the form of a new ordinance repealing this ordinance in whole or
1974 in part or may be in the form of an amendatory ordinance approving a bond purchase
1975 agreement, certificate of award or loan agreement or establishing terms and conditions
1976 for the authority delegated under this section.

1977 The authority of the county to sell bonds, e.g., enter into a bond purchase
1978 agreement, accept a bid to sell any bonds or enter into a loan or other agreement for the
1979 sale of the bonds, as defined in and pursuant to Ordinance 19377, as amended by
1980 Ordinance 19635, will terminate on the effective date of this ordinance, but all other
1981 provisions of Ordinance 19377, as amended by Ordinance 19635, will remain in full
1982 force and effect.

1983 SECTION 29. Delivery of Bonds. Following the sale of each Series of the Bonds,
1984 the county will cause definitive Bonds to be prepared, executed and delivered in
1985 accordance with the provisions of this ordinance and in a form acceptable to DTC as
1986 initial depository for the Bonds, with the approving legal opinion of municipal bond
1987 counsel regarding such Series of Bonds.

Ordinance 19785

1988 SECTION 30. Preliminary Official Statement and Final Official Statement. The
1989 county hereby authorizes and directs the Finance Director: (a) to review and approve the
1990 information contained in any preliminary official statement (each, a "Preliminary Official
1991 Statement") prepared in connection with the sale of each Series of Bonds; and (b) for the
1992 sole purpose of compliance by the purchasers of such Series of Bonds with subsection
1993 (b)(1) of the Rule, to "deem final" the related Preliminary Official Statement as of its
1994 date, except for such omissions as are permitted under the Rule. After each Preliminary
1995 Official Statement has been reviewed and approved in accordance with the provisions of
1996 this section, the county hereby authorizes the distribution of such Preliminary Official
1997 Statement to prospective purchasers of such related Series of Bonds.

1998 Following the sale of each Series of Bonds, the Finance Director is hereby
1999 authorized to review and approve on behalf of the county a final official statement with
2000 respect to such Series of Bonds. The county agrees to cooperate with the purchaser of
2001 each Series of Bonds to deliver or cause to be delivered, within seven business days from
2002 the date of the Sale Document, and in sufficient time to accompany any confirmation that
2003 requests payment from any customer of the purchaser, copies of a final official statement
2004 pertaining to such Series of Bonds in sufficient quantity to allow compliance with
2005 subsection (b)(4) of the Rule and the rules of the MSRB.

2006 The county further authorizes and directs the Finance Director to review and
2007 approve the information contained in any invitation to tender prepared in connection with
2008 the county's acquisition of Refunding Candidates by purchase or exchange.

2009 SECTION 31. Undertaking to Provide Ongoing Disclosure. The Finance Director
2010 is authorized to enter into an undertaking to provide ongoing disclosure with respect to

Ordinance 19785

2011 each Series of Bonds, as required by subsection (b)(5) of the Rule. The form of the
2012 undertaking may be set forth in the Sale Document or the Official Statement for the
2013 Bonds.

2014 SECTION 32. General Authorization. The appropriate county officials, agents
2015 and representatives are hereby authorized and directed to do everything necessary for the
2016 prompt sale, issuance, execution and delivery of each Series of Bonds, and for the proper
2017 use and application of the proceeds of the sale thereof.

2018 SECTION 33. Investment of Funds and Accounts. Money in the Parity Bond
2019 Fund, Parity Bond Reserve Account, Parity Lien Obligation Bond Fund, Revenue Fund
2020 and Construction Account may be invested in any Permitted Investments. Obligations
2021 purchased as an investment of money in the Parity Bond Fund, Parity Bond Reserve
2022 Account, Parity Lien Obligation Bond Fund, Revenue Fund and Construction Account
2023 and accounts or subaccounts therein will be deemed at all times to be a part of such
2024 respective fund, account or subaccount, and the income or interest earned and profits
2025 realized or losses suffered by a fund, account or subaccount due to the investment thereof
2026 will be retained in, credited or charged, as the case may be, to such fund or account.

2027 SECTION 34. Refunding or Defeasance of Bonds. The Bonds are designated as
2028 Refunding Candidates for purposes of ordinances of the county authorizing the issuance
2029 of bonds to refund outstanding obligations of the county. The county may issue
2030 refunding obligations pursuant to the laws of the State or use money available from any
2031 other lawful source to pay when due the purchase price, principal of, premium, if any,
2032 and interest on the Bonds of any Series, or any portion thereof included in a refunding or
2033 defeasance plan and to redeem and retire, refund, including by purchase or exchange, or

Ordinance 19785

2034 defease all or a portion of such then-outstanding Bonds of such Series (hereinafter
2035 collectively called the "Defeased Bonds"), and to pay the costs of the refunding or
2036 defeasance.

2037 If money and/or noncallable Government Obligations maturing at such time or
2038 times and bearing interest to be earned thereon in amounts, together with such money, if
2039 necessary, sufficient to redeem and retire, refund or defease the Defeased Bonds in
2040 accordance with their terms are set aside in a special trust or escrow fund or account
2041 irrevocably pledged to that redemption, retirement or defeasance of Defeased Bonds
2042 (hereinafter called the "trust account"), then the Defeased Bonds will be deemed not to be
2043 outstanding hereunder, no further payments need be made into the related bond fund for
2044 the payment of the principal of and interest on the Defeased Bonds and the Registered
2045 Owners of the Defeased Bonds will cease to be entitled to any covenant, pledge, benefit
2046 or security of this ordinance. The Registered Owners of Defeased Bonds will have the
2047 right to receive payment of the principal of, premium, if any, and interest on the Defeased
2048 Bonds from the trust account.

2049 The county will provide or cause to be provided notice of defeasance of such
2050 Bonds to the MSRB in accordance with the undertaking for ongoing disclosure to be
2051 adopted pursuant to section 31 of this ordinance.

2052 SECTION 35. Supplemental Ordinances.

2053 A. Without Bondowner Consent. The county council from time to time and
2054 at any time may adopt an ordinance or ordinances supplemental to this ordinance, without
2055 the consent of owners of any of the Bonds, for any one or more of the following
2056 purposes:

Ordinance 19785

2057 1. To add to the covenants and agreements of the county in this
2058 ordinance such other covenants and agreements thereafter to be observed that will not
2059 adversely affect the interests of the registered owners of any Parity Bonds or Parity Lien
2060 Obligations, as applicable, or to surrender any right or power herein reserved to or
2061 conferred upon the county.

2062 2. To make such provisions for the purpose of curing any ambiguities
2063 or of curing, correcting or supplementing any defective provision contained in this
2064 ordinance or any ordinance authorizing Parity Bonds or Parity Lien Obligations in regard
2065 to matters or questions arising under such ordinances as the county council may deem
2066 necessary or desirable and not inconsistent with such ordinances and that will not
2067 adversely affect the interest of the registered owners of Parity Bonds or Parity Lien
2068 Obligations, as applicable.

2069 B. With Bondowner Consent.

2070 1. With the consent of the registered owners of not less than 51% in
2071 aggregate principal amount of all Parity Bonds at the time outstanding, the county council
2072 may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any
2073 provisions to or changing in any manner or eliminating any of the provisions of this
2074 ordinance or of any supplemental ordinance applicable to Parity Bonds, except as
2075 described in subsection B.3. of this section.

2076 2. With the consent of the registered owners of not less than 51% in
2077 aggregate principal amount of all Parity Lien Obligations at the time outstanding, the
2078 county council may adopt an ordinance or ordinances supplemental hereto for the
2079 purpose of adding any provisions to or changing in any manner or eliminating any of the

Ordinance 19785

2080 provisions of this ordinance or of any supplemental ordinance applicable to Parity Lien
2081 Obligations, except as described in subsection B.3. of this section.

2082 3. No supplemental ordinance entered into pursuant to this subsection
2083 B. may:

2084 a. Extend the fixed maturity of any Parity Bonds or Parity
2085 Lien Obligations, or reduce the rate of interest thereon, or extend the time of payments of
2086 interest from their due date, or reduce the amount of the principal thereof, or reduce any
2087 premium payable on the redemption thereof, without the consent of the registered owner
2088 of each bond so affected; or

2089 b. Reduce the aforesaid percentage of registered owners of
2090 Parity Bonds or Parity Lien Obligations required to approve any such supplemental
2091 ordinance, without the consent of the registered owners of all of such bonds.

2092 4. It is not necessary for the consent of registered owners of bonds
2093 under this subsection B. to approve the particular form of any proposed supplemental
2094 ordinance, but it is sufficient if such consent approves the substance thereof.

2095 C. Amendments Deemed Approved by Parity Bondowners. The Registered
2096 Owners from time to time of the Bonds issued as Parity Bonds, by taking and holding the
2097 same, shall be deemed to have consented to the adoption of this ordinance or ordinances
2098 supplemental to this ordinance amending the definition of Reserve Requirement. From
2099 and after the First Springing Amendment Date (Parity Bonds), the Finance Director is
2100 authorized and directed, in the First Springing Amendment Certificate, any Sale
2101 Document or other ordinance or sale document authorized thereunder to:

Ordinance 19785

2102 1. Establish one or more separate Reserve Requirements for one or
2103 more Series of Parity Bonds, including each Series of the Bonds issued as Parity Bonds;

2104 2. Further amend the Reserve Requirement, including the Reserve
2105 Requirement for each Series of the Bonds issued as Parity Bonds, to mean the amount or
2106 amounts, which may be \$0 or such other amount or amounts not to exceed maximum
2107 Annual Parity Debt Service; and

2108 3. Establish one or more separate subaccounts within the Parity Bond
2109 Reserve Account to secure one or more Series of Parity Bonds, including each Series of
2110 the Bonds issued as Parity Bonds, with other Series of Parity Bonds not being secured by
2111 such separate subaccounts.

2112 As a result, on and after the First Springing Amendment Date (Parity Bonds),
2113 outstanding Parity Bonds and other Bonds to be issued as Parity Bonds may be secured
2114 by an amount less than maximum Annual Parity Debt Service in the Parity Bond Reserve
2115 Account, which amount may be \$0.

2116 SECTION 36. Contract; Severability. The covenants contained in this ordinance
2117 constitute a contract between the county and: (a) the Registered Owner of each Bond; (b)
2118 the Qualified Counterparty to any Payment Agreement entered into with respect to any
2119 Bonds; and (c) the provider of any Credit Facility, Qualified Insurance or Qualified Letter
2120 of Credit with respect to any Bonds. If any court of competent jurisdiction determines
2121 that any covenant or agreement provided in this ordinance to be performed on the part of
2122 the county is contrary to law, then such covenant or agreement shall be null and void and
2123 shall be deemed separable from the remaining covenants and agreements of this


Ordinance 19785

2124 ordinance and shall in no way affect the validity of the other provisions of this ordinance
2125 or of the Bonds.

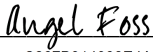
Ordinance 19785 was introduced on 5/28/2024 and passed as amended by the Metropolitan King County Council on 6/25/2024, by the following vote:

Yes: 9 - Balducci, Barón, Dembowski, Dunn, Mosqueda, Perry, Upthegrove, von Reichbauer and Zahilay

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

DocuSigned by:

E76CE01F07B14EF...
Dave Upthegrove, Chair

ATTEST:

DocuSigned by:

C267B914088E4A0...
Melani Hay, Clerk of the Council

APPROVED this _____ day of 7/3/2024, _____.

DocuSigned by:

4FBCAB8196AE4C6...
Dow Constantine, County Executive

Attachments: A. Outstanding Parity Bonds, B. Outstanding Parity Lien Obligations, C. Form of Parity Bond, D. Form of Parity Bond Lien Obligations

**Ordinance 19785 ATTACHMENT A –
OUTSTANDING PARITY BONDS**

Series	Ordinance	Date of Issue	Original Principal	Outstanding Principal (as of 2/29/24)
2014B	17599	08/12/2014	\$ 192,460,000	\$ 96,010,000
2015A	17599	02/18/2015	474,025,000	250,660,000
2015B	18111	11/17/2015	93,345,000	53,650,000
2016A	18116	02/17/2016	281,535,000	251,450,000
2016B	18111	09/12/2016	499,655,000	418,855,000
2017	18587	12/19/2017	149,485,000	107,325,000
2018A ⁽¹⁾	18588	04/19/2018	134,500,000	17,685,910
2018B	18588	11/15/2018	124,455,000	96,985,000
2020A	19112	08/04/2020	179,530,000	172,930,000
2020B	19112	08/04/2020	186,745,000	173,770,000
2021 ⁽¹⁾	19112	01/19/2021	96,844,510	0
2021A	19112	08/10/2021	231,200,000	222,835,000
2023	19377	07/19/2023	129,970,000	129,530,000
2024 ⁽²⁾	19377	01/25/2024	194,125,628	0
Total			\$ 2,967,875,138	\$ 1,991,685,910

⁽¹⁾ WIFIA loan. “Original Principal” represents the total authorized amount of the loan, and “Outstanding Principal” represents amounts drawn on the loan as of 2/29/2024.

⁽²⁾ WIFIA loan. “Original Principal” represents the authorized amount of the first loan issued under a WIFIA Master Agreement with a total authorized amount of \$498,344,408. “Outstanding Principal” represents amounts drawn on the first loan as of 2/29/2024.

**Ordinance 19785 ATTACHMENT B –
OUTSTANDING PARITY LIEN OBLIGATIONS**

Series	Ordinance	Date of Issue	Original Principal	Outstanding Principal (as of 2/29/24)
2015A	17599	02/18/2015	\$ 247,825,000	\$ 99,460,000
2017A	18116	10/25/2017	154,560,000	122,715,000
2019	18588	10/24/2019	101,035,000	101,035,000
2021A	19112	08/10/2021	239,585,000	215,150,000
2021B	19112	08/10/2021	94,510,000	89,850,000
		Total	\$ 837,515,000	\$ 628,210,000

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 of like series, date and tenor, except as to number, amount, rate of interest, options of redemption and date of maturity, 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.

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

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

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 substation 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 19785 ATTACHMENT D –

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

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 of like series, date and tenor, except as to number, amount, rate of interest, options of redemption and date of maturity, 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 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

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

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF
TRANSFeree

(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: 64CEF016955C49108D31A1CA6CA28DA3	Status: Completed
Subject: Complete with Docusign: Ordinance 19785.docx, Ordinance 19785 Attachment D.docx, Ordinance 1978...	
Source Envelope:	
Document Pages: 95	Signatures: 3
Supplemental Document Pages: 12	Initials: 0
Certificate Pages: 5	Envelope Originator:
AutoNav: Enabled	Cherie Camp
Envelopeld Stamping: Enabled	401 5TH AVE
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	SEATTLE, WA 98104
	Cherie.Camp@kingcounty.gov
	IP Address: 198.49.222.20

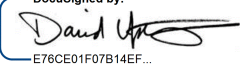
Record Tracking

Status: Original	Holder: Cherie Camp	Location: DocuSign
6/26/2024 12:49:19 PM	Cherie.Camp@kingcounty.gov	
Security Appliance Status: Connected	Pool: FedRamp	
Storage Appliance Status: Connected	Pool: King County-Council	Location: DocuSign

Signer Events

Dave Upthegrove
 dave.upthegrove@kingcounty.gov
 Chair
 Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

 E76CE01F07B14EF...
 Signature Adoption: Uploaded Signature Image
 Using IP Address: 198.49.222.20

Timestamp

Sent: 6/26/2024 12:51:59 PM
 Viewed: 6/26/2024 1:21:56 PM
 Signed: 6/26/2024 1:22:23 PM

Electronic Record and Signature Disclosure:

Accepted: 6/26/2024 1:21:56 PM
 ID: 051e90b3-c17c-4e78-9b22-000c4a4472b8

Angel Foss
 Angel.Foss@kingcounty.gov
 Deputy Clerk of the Council
 King County Council
 Security Level: Email, Account Authentication (None)

DocuSigned by:

 C267B914088E4A0...
 Signature Adoption: Pre-selected Style
 Using IP Address: 198.49.222.20

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Electronic Record and Signature Disclosure:

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Dow Constantine
 Dow.Constantine@kingcounty.gov
 King County Executive
 Security Level: Email, Account Authentication (None)

DocuSigned by:

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 Using IP Address: 146.129.84.156

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 Signed: 7/3/2024 3:53:39 PM

Electronic Record and Signature Disclosure:

Accepted: 7/3/2024 3:52:54 PM
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp
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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Ames Kessler
akessler@kingcounty.gov
Executive Legislative Coordinator & Public Records
Officer
King County
Security Level: Email, Account Authentication
(None)
Electronic Record and Signature Disclosure:
Not Offered via DocuSign

COPIED

Sent: 6/26/2024 1:41:48 PM
Viewed: 6/28/2024 3:27:32 PM

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	6/26/2024 12:51:59 PM
Certified Delivered	Security Checked	7/3/2024 3:52:54 PM
Signing Complete	Security Checked	7/3/2024 3:53:39 PM
Completed	Security Checked	7/3/2024 3:53:39 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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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>.

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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.

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- 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.