



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

Ordinance 19955

Proposed No. 2025-0137.1

Sponsors Dembowski

1 AN ORDINANCE authorizing the issuance and sale of one
2 or more series of junior lien sewer revenue bonds and
3 multi-modal limited tax general obligation bonds (payable
4 from sewer revenues) of the county in an aggregate
5 principal amount not to exceed \$1,200,000,000 to provide
6 funds for acquiring and constructing improvements to the
7 sewer system and to pay the costs of issuing such bonds;
8 authorizing the issuance and sale of one or more series of
9 junior lien sewer revenue refunding bonds and multi-modal
10 limited tax general obligation refunding bonds (payable
11 from sewer revenues) of the county to refund outstanding
12 obligations of the county payable from sewer revenues and
13 to pay the costs of issuing such refunding bonds;
14 reauthorizing the county's existing commercial paper notes
15 issued for sewer system purposes, in the aggregate
16 principal amount not to exceed \$250,000,000 outstanding
17 at any time; pledging sewer revenues to pay the principal of
18 and interest on junior lien sewer revenue bonds issued
19 under this ordinance; pledging the annual levy of taxes and
20 an additional pledge of sewer revenues to pay the principal

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21 of and interest on multi-modal limited tax general
 22 obligation bonds (payable from sewer revenues) issued
 23 under this ordinance; delegating authority to the county's
 24 Finance Director to approve the issuance and sale of junior
 25 lien sewer revenue bonds and multi-modal limited tax
 26 general obligation bonds (payable from sewer revenues)
 27 within specified parameters, to remarket and authorize the
 28 conversion of the interest rate mode of the bonds, to select
 29 one or more remarketing agents and/or commercial paper
 30 dealers and enter into, amend, extend or replace mode
 31 agreements, dealer agreements, credit enhancements,
 32 liquidity facilities, and related documents, as applicable;
 33 providing for the form, terms and covenants of the bonds
 34 issued under this ordinance; and provided for other matters
 35 relating thereto.

36 PREAMBLE:

37 The county owns and operates facilities for the conveyance and treatment
 38 of sewage and the control of combined sewer overflows that include
 39 wastewater treatment plants, interceptor and trunk sewers, pumping
 40 stations, regulator stations, outfall sewers, lands for application of
 41 biosolids, property rights and buildings and other structures and equipment
 42 (collectively, the "System"), all in accordance with a comprehensive plan

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43 for metropolitan water pollution abatement under the authority of chapters
44 36.56 and 35.58 of the Revised Code of Washington ("RCW").

45 Long-term service agreements with participating municipalities and other
46 entities (the "Participants") obligate the county to treat and dispose of
47 sewage collected by the Participants. The Participants must pay the costs
48 of these services, including debt service on bonds payable from sewer
49 revenues, including the bonds authorized by this ordinance, and other
50 indebtedness payable from and secured by sewer revenues. Comparable
51 rates and charges have been established for customers who deliver sewage
52 to the System but are not subject to a contract with the county for this
53 service.

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

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

64 In addition, the county may have opportunities to refund, including by
65 purchase or exchange, or to defease all or portions of its currently

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66 outstanding obligations of the county payable from sewer revenues, as
67 further described below: (a) to effect a saving to the county and ratepayers
68 of the System; (b) when necessary or in the best interest of the county and
69 ratepayers of the System to modify debt service or reserve requirements,
70 sources of payment, covenants or other terms of the obligations to be
71 refunded; (c) in connection with a conversion between interest rate modes;
72 and/or (d) to extend, amend or replace credit facilities, liquidity facilities
73 or bondowner agreements.

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

77 The county has issued its limited tax general obligation bonds additionally
78 secured by a lien on Revenue of the System junior and subordinate to the
79 lien thereon of the Parity Bonds, as set forth in Attachment A, Section II,
80 to this ordinance (as further defined herein, the "Parity Lien Obligations").

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

85 The county has issued its limited tax general obligation bonds additionally
86 secured by a lien on Revenue of the System, junior and subordinate to the
87 lien thereon of the Junior Lien Obligations (as further defined herein, the
88 "Multi-Modal LTGO/Sewer Revenue Bonds"), which includes multi-

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89 modal limited tax general obligation notes (payable from sewer revenues)
90 in the commercial paper mode, as set forth in Attachment A, Section IV,
91 to this ordinance.

92 The county has reserved the right to issue certain revenue bonds or other
93 revenue obligations with a lien on Revenue of the System junior and
94 inferior to the lien thereon of the Multi-Modal LTGO/Sewer Revenue
95 Bonds (as further defined herein, the "Subordinate Lien Obligations").
96 The county has entered into loan agreements with the State Department of
97 Ecology under the State water pollution control revolving fund loan
98 program (the "SRF Loans") and with the State Department of Commerce
99 under the Public Works Board loan program (the "Public Works Board
100 Loans"), the repayment obligations of which are secured by a lien on
101 Revenue of the System junior and subordinate to the lien thereon of the
102 Subordinate Lien Obligations.

103 It is necessary and advisable for the county to issue and sell, from time to
104 time, one or more series of its bonds payable from sewer revenue (the
105 "Refunding Bonds," and together with the Project Bonds, the "Bonds") to
106 effect the refunding of Parity Bonds, Parity Lien Obligations, Junior Lien
107 Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, SRF Loans and
108 Public Works Board Loans, and any Future Junior Lien Obligations,
109 Future Multi-Modal LTGO/Sewer Revenue Bonds, Subordinate Lien
110 Obligations, and future SRF Loans and Public Works Board Loans, and to
111 pay the costs of issuing the bonds and accomplishing the refunding.

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112 It is in the best interest of the county to designate, pursuant to RCW
 113 39.46.040 and other authority of the county, the county's Finance Director
 114 to serve as its designated representative to accept offers to purchase the
 115 Bonds on behalf of the county consistent with terms and parameters
 116 established by this ordinance and county debt policy.

117 As designated representative, the Finance Director has authority to sell the
 118 Bonds in one or more series, as either Junior Lien Obligations or Multi-
 119 Modal LTGO/Sewer Revenue Bonds, or a combination thereof, by
 120 competitive bid or negotiated sale, or to the federal government or another
 121 direct purchaser, to identify any obligations to be refunded, including by
 122 purchase or exchange, with the proceeds of the Bonds, to remarket and
 123 authorize the conversion of the interest rate mode of the Bonds in one or
 124 more series, to select one or more remarketing agents and/or commercial
 125 paper dealers and enter into, amend, extend or replace mode agreements,
 126 dealer agreements, credit enhancements, liquidity facilities, and related
 127 documents, as applicable, all in consultation with the county's financial
 128 advisors, and consistent with terms and parameters established by this
 129 ordinance and county debt policy.

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

133 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

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

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

149 "Annual Debt Service" means, for the applicable obligations of the System, with
150 respect to any calendar year, the sum of the following:

151 1. The interest on such designated obligations due: (a) on all interest
152 payment dates, other than January 1, in such calendar year; and (b) on January 1 of the
153 next succeeding calendar year, plus any Payment Agreement Payments due on such dates
154 in respect of Payment Agreements for such designated obligations and minus any
155 Payment Agreement Receipts due in such period in respect of Payment Agreements for
156 such designated obligations.

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157 a. For purposes of calculating the amounts required to pay interest on
 158 such designated obligations, capitalized interest, accrued interest paid to the county upon
 159 the issuance of such designated obligations, and Debt Service Offsets pledged to the
 160 payment of such designated obligations will be excluded, e.g., any Debt Service Offsets
 161 shall be deducted from Annual Debt Service, and interest on any Balloon Maturity Bond
 162 shall also be excluded.

163 b. The amount of interest deemed to be payable on any such
 164 designated obligations bearing interest at a variable rate will be calculated on the
 165 assumption that the interest rate on those bonds would be equal to the rate (the "assumed
 166 variable rate") that is the average of the SIFMA Municipal Swap Index over the 10
 167 calendar years preceding the quarter in which the calculation is made; provided, that for
 168 purposes of determining actual compliance in any past calendar year with the rate
 169 covenant made in section 20 of this ordinance, the actual amount of interest paid on any
 170 issue of variable rate obligations shall be taken into account.

171 2. The principal due, at maturity or upon the mandatory redemption
 172 of Term Bonds prior to their maturity, for such designated obligations other than any
 173 Balloon Maturity Bond: (a) on all principal payment dates, other than January 1, of such
 174 calendar year; and b) on January 1 of the next succeeding year.

175 3. The Assumed Debt Service for any Balloon Maturity Bond for that
 176 calendar year.

177 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or
 178 upon mandatory redemption shall be included in the calculation of Annual Debt Service,

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179 and references in this ordinance to principal include the Accreted Value due at maturity
180 or upon the mandatory redemption of any Capital Appreciation Bonds.

181 Notwithstanding the foregoing, debt service on any such designated obligations
182 with respect to which a Payment Agreement is in force shall be calculated by the county
183 to reflect the net economic effect of the terms of such designated obligations and the
184 applicable Payment Agreement, in accordance with the requirements set forth in this
185 ordinance and any other applicable requirements from the proceedings authorizing the
186 issuance of such designated obligations.

187 "Assumed Amortization Period" means an assumed amortization period for a
188 Balloon Maturity Bond as specified in a closing certificate of the Finance Director
189 designating the Balloon Maturity Bond. An Assumed Amortization Period may not be
190 longer than the lesser of: (a) the useful life, as of the date of designation, of the assets
191 being financed; and (b) 75 years. The Assumed Amortization Period for a Balloon
192 Maturity Bond applies, e.g., is not reset, until the Balloon Maturity Bond, and any
193 Balloon Maturity Bond issued to refund that Balloon Maturity Bond, is no longer
194 outstanding.

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

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202 "Balloon Maturity Bonds" means any scheduled principal maturity of any Series
203 of obligations of the System that the county designates in the closing certificate of the
204 Finance Director or Sale Document for that Series to be a Balloon Maturity Bond for the
205 purposes of the definition of Annual Debt Service. Any Balloon Maturity Bond includes
206 any corresponding scheduled principal maturity of any such designated obligations issued
207 to refund such Balloon Maturity Bond unless the Balloon Maturity Bond designation is
208 rescinded in a closing certificate of the Finance Director or Sale Document in connection
209 with the refunding.

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

212 "Bond Purchase Agreement" means any bond purchase agreement for the sale of a
213 Series of Bonds approved by the Finance Director pursuant to section 27.B. of this
214 ordinance.

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

217 "Bondowners' Trustee" means the bank or financial institution selected by the
218 Registered Owners of the Bonds pursuant to section 24 of this ordinance.

219 "Bonds" means the county's Project Bonds, Refunding Bonds and CP Program
220 Notes, authorized to be issued under this ordinance. The Bonds may be issued in one or
221 more Series of Junior Lien Obligations and/or Multi-Modal LTGO/Sewer Revenue
222 Bonds, as provided in this ordinance.

223 "Capital Appreciation Bonds" means any obligations of the System the interest on
224 which is compounded, accumulated and payable only upon redemption or on the maturity

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225 date of such obligations; provided, that obligations may be deemed to be Capital
226 Appreciation Bonds for only a portion of their term pursuant to the ordinance, resolution
227 or Sale Document authorizing their issuance. On the date on which such obligations are
228 no longer Capital Appreciation Bonds, they shall be deemed outstanding in a principal
229 amount equal to their Accreted Value.

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

233 "Certificate of Award" means any certificate of award for the sale of a Series of
234 Bonds approved by the Finance Director pursuant to section 27.C. of this ordinance.

235 "Certified Public Accountant" means an independent certified public accountant, or firm
236 of certified public accountants, selected by the county and having a favorable national
237 reputation.

238 "Closing" means the delivery of a Series of the Bonds to, and payment of the
239 purchase price therefor by, the initial purchaser of that Series of Bonds.

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

246 "Comprehensive Plan" means the county's comprehensive water pollution
247 abatement plan authorized by RCW 35.58.200 and defined in K.C.C. 28.82.150 as the

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248 Comprehensive Sewage Disposal Plan adopted by Resolution No. 23 of the Municipality
 249 of Metropolitan Seattle on April 22, 1959, and all amendments thereto, together with any
 250 amendments hereafter approved by ordinance.

251 "Construction Account" means the "Second Water Quality Construction
 252 Account," as designated by Ordinance 12076, Section 30, of the county.

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

254 "CP Program Notes" means the Series A Notes and the Series B Notes.

255 "Credit Enhancement" means any letter of credit, insurance policy, surety bond, line of
 256 credit or other instrument then in effect that secures or guarantees the payment of
 257 principal of and interest on, and/or purchase price of, any Series of Bonds, including any
 258 interfund loan agreement or other self-liquidity instrument provided by the county to
 259 secure the payment of the principal or purchase price of or interest on any Series of
 260 Bonds in advance of pledged amounts becoming available for such purpose.

261 "Credit Provider" means any bank, insurance company, pension fund or other
 262 financial institution that provides a Credit Enhancement for any Series of Bonds.

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

265 "Dealer" means any dealer for Notes as appointed by the Finance Director
 266 pursuant to this ordinance.

267 "Dealer Agreement" means any commercial paper dealer agreement between the
 268 county and a Dealer for the services of the Dealer with respect to Notes, approved by the
 269 Finance Director pursuant to this ordinance.

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270 "Debt Service Offset" means receipts of the county that are: (a) legally available
271 to pay debt service on obligations payable from Revenue of the System, including federal
272 interest subsidy payments; and (b) pledged to the payment of obligations payable from
273 Revenue of the System.

274 "Default" means any of the events or conditions set forth in section 23 of this
275 ordinance.

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

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

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

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

291 "Fitch" means Fitch Ratings, and its successors and assigns, except that if such
292 entity is dissolved or liquidated or no longer performs the functions of a securities rating

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293 agency, then the term "Fitch" shall be deemed to refer to any other nationally recognized
294 securities rating agency selected by the county.

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

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

302 "Global Note" means one or more global notes delivered to the Registrar
303 evidencing the county's obligation to pay principal of and interest on Notes of a Series,
304 issued from time to time pursuant to this ordinance.

305 "Government Obligations" means "government obligations," as defined in chapter
306 39.53 RCW, as such chapter may be hereafter amended or restated, except as such
307 definition is further limited in the Sale Document.

308 "Junior Lien Bond Fund" means the "King County, Washington, Junior Lien
309 Obligation Redemption Fund" created pursuant to Ordinance 14171, Section 5.01, of the
310 county for the purpose of paying and securing the payment of the Junior Lien
311 Obligations.

312 "Junior Lien Obligation Payment Agreement" means a Payment Agreement under
313 which the county's payment obligations are expressly stated to constitute a charge and
314 lien on Revenue of the System equal in rank with the charge and lien on Revenue of the

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315 System securing amounts required to be paid into the Junior Lien Bond Fund to pay and
316 secure the payment of principal of and interest on the Junior Lien Obligations.

317 "Junior Lien Obligations" means the outstanding Junior Lien Obligations, which
318 are identified in Attachment A, Section III, to this ordinance, any Series of Bonds issued
319 as Junior Lien Obligations, and any Future Junior Lien Obligations.

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

324 "Liquidity Facility" means any letter of credit, line of credit, standby purchase
325 agreement or other instrument then in effect that provides for the payment of the purchase
326 price of any Series of Bonds upon the tender thereof if remarketing or refunding proceeds
327 are insufficient therefor, including any interfund loan agreement or other self-liquidity
328 instrument provided by the county to pay the principal or purchase price of or interest on
329 any Series of Bonds in advance of pledged amounts becoming available for such purpose.

330 "Liquidity Provider" means any bank, insurance company, pension fund or other
331 financial institution that provides a Liquidity Facility.

332 "Loan Agreement" means any loan agreement or direct purchase agreement for
333 the sale of a Series of Bonds approved by the Finance Director pursuant to section 27.D.
334 of this ordinance.

335 "Mode Agreement" means an agreement entered into in connection with the
336 issuance, sale or remarketing of any Series of the Bonds setting forth the daily mode,
337 weekly mode, commercial paper mode, term mode, index floating mode, fixed mode or

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338 other mode or modes in which such Series of Bonds will be sold or remarketed,
339 establishing minimum and maximum rate(s), alternate rate(s) and default rate(s),
340 providing for conversion between modes, providing for optional and mandatory tender
341 for purchase on dates and at prices and additional provisions relating to redemption,
342 defaults and remedies, all as set forth in the Mode Agreement. The Mode Agreement
343 may be in the form of a continuing covenant or purchase agreement, loan agreement,
344 Remarketing Agent Agreement, tender agent agreement, paying agent agreement,
345 calculation agent agreement, Credit Enhancement, or other credit facility, Liquidity
346 Facility or other agreement, or an annex or amendments thereto, consistent with this
347 ordinance and approved by the Finance Director pursuant to the authority in section 27 of
348 this ordinance.

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

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

355 "Multi-Modal LTGO/Sewer Revenue Bond Fund" means the special fund of the
356 county designated the "King County, Washington, Multi-Modal Limited Tax General
357 Obligation (Payable from Sewer Revenue) Bond Fund" that has been created for the
358 purpose of paying Multi-Modal LTGO/Sewer Revenue Bonds.

359 "Multi-Modal LTGO/Sewer Revenue Bonds" means the outstanding Multi-Modal
360 LTGO/Sewer Revenue Bonds, which are identified in Attachment A, Section IV, to this

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361 ordinance, any Series of Bonds issued as Multi-Modal LTGO/Sewer Revenue Bonds, and
 362 any other Future Multi-Modal LTGO/Sewer Revenue Bonds.

363 "Multi-Modal LTGO/Sewer Revenue Bond Payment Agreement" means a
 364 Payment Agreement under which the county's payment obligations are expressly stated to
 365 constitute a charge and lien on Revenue of the System equal in rank with the charge and
 366 lien on Revenue of the System securing amounts required to be paid into the Multi-Modal
 367 LTGO/Sewer Revenue Bond Fund to pay and secure the payment of principal of and
 368 interest on Multi-Modal LTGO/Sewer Revenue Bonds.

369 "Net Revenue" means Revenue of the System less Operating and Maintenance
 370 Expenses.

371 "Notes" means Junior Lien Obligations or Multi-Modal LTGO/Sewer Revenue
 372 Bonds in the commercial paper mode, including the CP Program Notes.

373 "Official Notice of Bond Sale" means, with respect to each Series of Bonds sold
 374 by competitive bid, the official notice of sale therefor prepared pursuant to section 27.C.
 375 of this ordinance.

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

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

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383 "Parity Bond Fund" means the "Water Quality Revenue Bond Account"
384 designated pursuant to Ordinance 12076, Section 30, of the county for the purpose of
385 paying and securing the payment of the Parity Bonds.

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

388 "Parity Bonds" means the bonds identified as such in Attachment A, Section I, to
389 this ordinance, together with any Parity Bonds that may be issued in the future. The term
390 "Parity Bonds" includes any Parity Payment Agreements and parity reimbursement
391 agreements entered into with the provider of a credit facility securing any Parity Bonds.

392 "Parity Lien Obligation Bond Fund" means the "Water Quality Limited Tax
393 General Obligation Bond Redemption Fund" established pursuant to Ordinance 11241,
394 Section 8, of the county to provide for payment of Parity Lien Obligations.

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

400 "Parity Lien Obligations" means bonds identified as such in Attachment A,
401 Section II, to this ordinance, together with any sewer revenue bonds, warrants or other
402 obligations that may be issued in the future with a lien on Revenue of the System equal to
403 the lien thereon of those bonds. The term "Parity Lien Obligations" includes any Parity
404 Lien Obligation Payment Agreements and parity reimbursement agreements entered into
405 with the provider of a credit facility securing any Parity Lien Obligations.

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

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

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

424 "Payment Agreement Payments" means the amounts periodically required to be
425 paid by the county to the Qualified Counterparty pursuant to a Payment Agreement. The
426 term "Payment Agreement Payments" does not include any termination payment required
427 to be paid with respect to a Payment Agreement.

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

430 "Permitted Investments" means any investment permitted by law, but only to the
431 extent that the same is acquired at Fair Market Value.

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

437 "Project Bonds" means the bonds of the county authorized by this ordinance to be
438 issued in an aggregate principal amount not to exceed \$1,200,000,000 to pay costs of
439 acquiring and constructing improvements to the System, and any bond anticipation notes,
440 commercial paper or other interim financing issued in advance thereof to be repaid from
441 the proceeds of such bonds. The Project Bonds may be issued in one or more Series of
442 Junior Lien Obligations or Multi-Modal LTGO/Sewer Revenue Bonds, as provided in
443 this ordinance.

444 "Public Works Board Loans" means loans to the county by the State Department
445 of Commerce under the Public Works Board loan program pursuant to loan agreements
446 in effect as of the date of this ordinance and any loan agreements hereafter entered into
447 by the county under the Public Works Board loan program, the repayment obligations of
448 which are secured by a lien on Revenue of the System equal to the lien thereon
449 established by such loan agreements in effect as of the date of this ordinance.

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

459 "Qualified Insurance" means any unconditional municipal bond insurance policy
460 or surety bond issued for the benefit of the registered owners of Parity Bonds by any
461 insurance company licensed to conduct an insurance business in any state of the United
462 States or by a service corporation acting on behalf of one or more such insurance
463 companies, which insurance company or service corporation, as of the time of issuance of
464 such policy or surety bond, is then rated in one of the two highest rating categories by
465 Moody's, S&P, and any other rating agency then maintaining a rating on the Parity Bonds
466 and maintains a policy owner's surplus in excess of \$500,000,000.

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

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473 "Rate Stabilization Fund" means the fund of that name created pursuant to
474 Ordinance 12314, Section 13.D., of the county and continued pursuant to section 14.B. of
475 this ordinance.

476 "RCW" means the Revised Code of Washington.

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

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

486 "Refunded Bonds" means, for each Series of Refunding Bonds, all or a portion of
487 the Refunding Candidates that will be refunded, including by purchase or exchange with
488 proceeds of or in exchange for that Series of Bonds, as determined by the Finance
489 Director pursuant to sections 18 and 27 of this ordinance and set forth in a closing
490 certificate or a Refunding Agreement in accordance with sections 18 and 27 of this
491 ordinance.

492 "Refunding Account" means any account authorized to be created pursuant to
493 section 18 of this ordinance to provide for the refunding of any Refunded Bonds.

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

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496 "Refunding Bonds" mean the bonds authorized by this ordinance to be issued in
 497 one or more series to refund the Refunded Bonds, including by purchase or exchange.
 498 The Refunding Bonds may be issued in one or more Series of Junior Lien Obligations or
 499 Multi-Modal LTGO/Sewer Revenue Bonds, as provided in this ordinance.

500 "Refunding Candidates" mean any Parity Bonds, Parity Lien Obligations, Junior
 501 Lien Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, Subordinate Lien
 502 Obligations, SRF Loans, or Public Works Board Loans, and any bond anticipation notes,
 503 commercial paper, or other interim financing issued in advance thereof to be repaid from
 504 the proceeds of such bonds identified by the Finance Director as Refunding Candidates,
 505 whether currently outstanding or issued after the effective date of this ordinance,
 506 including any Series of Bonds issued under this ordinance.

507 "Refunding Trustee" means each corporate trustee chosen pursuant to the
 508 provisions of section 18 of this ordinance to serve as refunding trustee or escrow agent in
 509 connection with the refunding of Refunded Bonds.

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

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

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517 "Remarketing Agent" means each remarketing firm qualified under the applicable
518 Mode Agreement to act as Remarketing Agent for the applicable Bonds and appointed by
519 the Finance Director on behalf of the county.

520 "Remarketing Agreement" means any remarketing agreement between the county
521 and the Remarketing Agent whereby the Remarketing Agent undertakes to perform the
522 duties of the Remarketing Agent as provided in the applicable Mode Agreement.

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

525 "Revenue of the System" means all the earnings, revenues and money received by
526 the county from or on account of the operations of the System and the income from the
527 investment of money in the Revenue Fund or any account within such fund, but shall not
528 include: (a) any money collected pursuant to the Service Agreements applicable to
529 administrative costs of the county other than costs of administration of the System; or (b)
530 any Debt Service Offsets. For certain purposes described in section 14.B. of this
531 ordinance, deposits from the Rate Stabilization Fund into the Revenue Fund may be
532 included in calculations of "Revenue of the System."

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

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

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539 "Sale Document" means the Bond Purchase Agreement, Certificate of Award,
 540 Loan Agreement, Mode Agreement or Remarketing Agreement, as applicable, for a
 541 Series of Bonds.

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

546 "Senior Lien Payments" means, for any calendar year, the sum of the following:

- 547 1. Annual Debt Service for such year for the Parity Bonds and Parity
 548 Lien Obligations then outstanding; and
- 549 2. Other payments described in paragraphs "Second" through "Fifth"
 550 of section 15 of this ordinance required to be made during such year.

551 "Series" means any series of Junior Lien Obligations or Multi-Modal
 552 LTGO/Sewer Revenue Bonds.

553 "Series A Notes" means the King County, Washington, Multi-Modal Limited Tax
 554 General Obligation Notes (Payable from Sewer Revenues) (Commercial Paper), Series A,
 555 issued from time to time pursuant to section 3.B. of this ordinance.

556 "Series B Notes" means the King County, Washington, Multi-Modal Limited Tax
 557 General Obligation Notes (Payable from Sewer Revenues) (Commercial Paper), Series B
 558 (Taxable), issued from time to time pursuant to section 3.B. of this ordinance.

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

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

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

569 "State" means the State of Washington.

570 "Subordinate Lien Obligations" means those revenue bonds or other revenue
571 obligations that may be issued by the county in the future with a lien on Revenue of the
572 System junior and inferior to the lien thereon of the Multi-Modal LTGO/Sewer Revenue
573 Bonds, and payable from Revenue of the System that is available after first making the
574 payments required to be made under paragraph "First" through "Seventh" but before
575 making the payments required to be made under paragraph "Ninth" of section 15 of this
576 ordinance.

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

580 "Taxable Obligations" means the Bonds of any Series determined to be issued on
581 a taxable basis pursuant to section 27 of this ordinance.

582 "Tax-Advantaged Obligations" means the Bonds of any Series determined to be
583 issued upon a tax-advantaged basis pursuant to section 27 of this ordinance.

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584 "Tax-Exempt Obligations" means the Bonds of any Series determined to be
585 issued on a tax-exempt basis pursuant to section 27 of this ordinance.

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

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

590 A. It is in the best interests of the county and ratepayers of the System that
591 the county issue its Junior Lien Obligations and Multi-Modal LTGO/Sewer Revenue
592 Bonds to finance or refinance improvements to the county sewer system and/or refund
593 the Refunded Bonds, including by purchase or exchange, to reduce the overall costs of
594 borrowing funds and/or enable the county to refinance interim financing into long-term
595 debt, and/or modify debt service or reserve requirements, sources of payment, covenants
596 or other terms of the Refunded Bonds.

597 B. Because conditions in the capital markets are volatile, it is in the best
598 interests of the county and ratepayers of the System that the county retain the flexibility
599 to issue the Bonds in one or more Series, as Junior Lien Obligations or Multi-Modal
600 LTGO/Sewer Revenue Bonds, to sell or remarket the Bonds from time to time in the
601 same interest rate mode or a different mode, including the sale, remarketing and
602 reissuance of commercial paper notes, to refund all or a portion of the Refunding
603 Candidates, and to enter into, amend, extend or replace Credit Enhancements, Liquidity
604 Facilities, and/or agreements with Bondowners, as applicable.

605 C. To achieve this flexibility, it is in the best interests of the county and
606 ratepayers of the System to delegate to the Finance Director the authority to sell the

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607 Bonds in one or more Series, as Junior Lien Obligations and/or Multi-Modal
608 LTGO/Sewer Revenue Bonds, as Tax-Exempt Obligations, Tax-Advantaged Obligations
609 or Taxable Obligations, by competitive bid or negotiated sale, or to the federal
610 government or another purchaser, for current or future delivery, to identify any
611 Refunding Candidates to be refunded, including by purchase or exchange, with the
612 proceeds of the Bonds, to sell, remarket or reissue the Bonds in one or more interest rate
613 modes, including commercial paper mode, and to authorize the conversion of such
614 interest rate modes, to select one or more remarketing agent and/or commercial paper
615 dealers and enter into, amend, extend or replace Mode Agreements, Dealer Agreements,
616 Credit Enhancements, Liquidity Facilities, and related documents, as applicable, in
617 consultation with the county's financial advisors and consistent with terms and
618 parameters established by this ordinance and county debt policy.

619 **SECTION 3. Authorization and Description.**

620 A. Bonds. To provide funds necessary to pay costs of acquiring, constructing
621 and equipping improvements, additions or betterments to the System as set forth in the
622 Comprehensive Plan and the Capital Improvement Budget, the county is authorized to
623 issue one or more Series of Project Bonds in an aggregate principal amount not to exceed
624 \$1,200,000,000. To provide funds to refund any of the Refunding Candidates, including
625 by purchase or exchange, the county is authorized to issue one or more Series of
626 Refunding Bonds in principal amounts to be established within the parameters provided
627 in sections 18 and 27 of this ordinance.

628 The Bonds may be issued in one or more Series of Junior Lien Obligations and/or
629 Multi-Modal LTGO/Sewer Revenue Bonds, as provided in section 27 of this ordinance.

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630 Except as otherwise provided in subsection B. of this section or in a Sale Document, each
631 such Series of Junior Lien Obligations shall be designated as "King County, Washington,
632 Junior Lien Sewer Revenue [and Refunding] Bonds [Bond Anticipation Notes][Notes]"
633 with an applicable year and Series designation, and each such Series of Multi-Modal
634 LTGO/Sewer Revenue Bonds shall be designated as "King County, Washington, Multi-
635 Modal Limited Tax General Obligation [and Refunding] Bonds [Bond Anticipation
636 Notes][Notes] (Payable from Sewer Revenues)" with an applicable year and Series
637 designation. The Bonds shall be fully registered as to both principal and interest; shall be
638 numbered separately in such manner and with any additional designation as the Registrar
639 deems necessary for purposes of identification; and shall be in the denominations, dated
640 the date and mature on the dates, in the years and in the amounts established as provided
641 in section 27 of this ordinance.

642 Except as otherwise provided in a Mode Agreement, each Series of Bonds shall
643 bear interest, computed, unless otherwise provided in the Sale Document, on the basis of
644 a 360-day year of twelve 30-day months, from their dated date or from the most recent
645 interest payment date to which interest has been paid or duly provided for, whichever is
646 later, payable on interest payment dates and at the rate or rates established as provided in
647 section 27 of this ordinance and set forth in the Sale Document. The Accreted Values of
648 any Bonds that are Capital Appreciation Bonds shall be set forth in a Sale Document.

649 B. Existing Commercial Paper Note Program. Pursuant to Ordinance 18898,
650 passed May 22, 2019, as amended by Ordinance 19324, passed September 7, 2021,
651 Ordinance 19114, passed June 23, 2020, and Motion 15771, adopted December 8, 2020
652 (collectively, the "CP Program Legislation"), the county established a commercial paper

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653 program (the "CP Program"). The CP Program provides for the issuance of multi-modal
654 limited tax general obligation notes (payable from sewer revenues) in the commercial
655 paper mode, with a total aggregate outstanding principal amount not to exceed
656 \$250,000,000 at any time, to provide funds for acquiring and constructing improvements
657 to the county sewer system and for the purpose of refunding obligations of the sewer
658 system. The CP Program Legislation authorized the issuance of new money CP Program
659 Notes in an aggregate outstanding principal amount not to exceed \$175,000,000 at any
660 time. The final maturity date for the CP Program is December 15, 2050.

661 The CP Program and the issuance of CP Program Notes are hereby reauthorized
662 pursuant to this ordinance. CP Program Notes issued hereafter will be evidenced by a
663 Global Note, which may be an amended and restated Global Note, to be delivered on the
664 date such Global Notes are issued. CP Program Notes issued pursuant to this ordinance
665 constitute Notes, and are subject to the terms and parameters set forth herein, including
666 this section 3.B and section 27 of this ordinance, as applicable, except as to the following:
667 the total aggregate principal amount of CP Program Notes outstanding at any time,
668 including any and all such notes whether issued for new money or refunding purposes,
669 may not exceed \$250,000,000. As reauthorized, the CP Program no longer separately
670 restricts the maximum allowable principal amount for CP Program Notes issued for new
671 money purposes. The final maturity date for the CP Program remains December 15,
672 2050.

673 For clarity, the limitations set forth in this subsection 3.B. are inapplicable to
674 Notes that are not CP Program Notes. Notes that are not CP Program Notes may be
675 issued as Refunding Bonds, subject to the total aggregate principal amount limitations set

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676 forth in section 18 and section 27.F of this ordinance, or as Project Bonds, subject to the
677 total aggregate principal amount limitations set forth in section 3.A. and section 27.F. of
678 this ordinance.

679 **SECTION 4. Registration, Exchange and Payments.**

680 A. Registrar/Bond Register. Unless otherwise specified in the Sale
681 Document, the county, in accordance with K.C.C. chapter 4.84, adopts for the Bonds the
682 system of registration specified and approved by the Washington State Finance
683 Committee, which utilizes the fiscal agent of the State as Registrar. The Registrar shall
684 keep, or cause to be kept, at its designated corporate trust office, the Bond Register,
685 which shall be open to inspection by the county at all times. The Bond Register shall
686 contain the name and mailing address of the Registered Owner of each Bond and the
687 principal amount and number of each of the Bonds held by each Registered Owner. The
688 Registrar is authorized, on behalf of the county, to authenticate and deliver Bonds
689 transferred or exchanged in accordance with the provisions of the Bonds and this
690 ordinance, to serve as the county's paying agent for the Bonds and to carry out all of the
691 Registrar's powers and duties under this ordinance.

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

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

707 C. Use of Depository. Each Bond registered in the name of the Securities
708 Depository shall be held fully immobilized in book-entry only form by the Securities
709 Depository in accordance with the provisions of the Letter of Representations. Neither
710 the county nor the Registrar shall have any obligation to participants of any Securities
711 Depository or the persons for whom they act as nominees regarding the accuracy of any
712 records maintained by the Securities Depository or its participants. Neither the county
713 nor the Registrar shall be responsible for any notice that is permitted or required to be
714 given to the Registered Owner of any Bond registered in the name of the Securities
715 Depository except such notice as is required to be given by the Registrar to the Securities
716 Depository.

717 If and for so long as the Bonds are registered in the name of the Securities
718 Depository, the Securities Depository shall be deemed to be the Registered Owner for all
719 purposes hereunder, and all references to Registered Owners shall mean the Securities
720 Depository and shall not mean the Beneficial Owners. Registered ownership of any

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Bond registered in the name of the Securities Depository may not be transferred except:
(a) to any successor Securities Depository; (b) to any substitute Securities Depository
appointed by the county; or (c) to any person if the Bond is no longer to be held by a
Securities Depository.

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

D. Place and Medium of Payment. Principal of and premium, if any, and
interest on the Bonds are payable in lawful money of the United States of America.
Principal of and premium, if any, and interest on each Bond registered in the name of the
Securities Depository are payable in the manner set forth in the Letter of Representations.
Unless otherwise specified in the Sale Document, interest on each Bond not registered in
the name of the Securities Depository is payable by electronic transfer on the interest
payment date, or by check or draft of 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. Unless otherwise specified in the Sale Document, the
principal of and premium, if any, on each Bond not registered in the name of the

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744 Securities Depository are payable upon presentation and surrender of the Bond by the
745 Registered Owner to the Registrar at maturity or upon prior redemption in full.

746 E. Transfer or Exchange of Registered Ownership; Change in
747 Denominations. The registered ownership of any Bond may be transferred or exchanged,
748 but no transfer of any Bond shall be valid unless it is surrendered to the Registrar with the
749 assignment form appearing on such Bond duly executed by the Registered Owner or such
750 Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon
751 such surrender, the Registrar shall cancel the surrendered Bond and shall authenticate and
752 deliver, without charge to the Registered Owner or transferee therefor, a new Bond, or
753 Bonds, at the option of the new Registered Owner, of the same Series, date, maturity and
754 interest rate and for the same aggregate principal amount in any authorized denomination,
755 naming as Registered Owner the person or persons listed as the assignee on the
756 assignment form appearing on the surrendered Bond, in exchange for such surrendered
757 and cancelled Bond. Any Bond may be surrendered to the Registrar and exchanged,
758 without charge, for an equal aggregate principal amount of Bonds of the same Series,
759 date, maturity and interest rate, in any authorized denomination. The Registrar shall not
760 be obligated to exchange or transfer any Bond after the Record Date for any principal
761 payment or redemption date, or, in the case of any proposed redemption of a Bond, after
762 mailing of the notice of the call of the Bond for redemption.

763 **SECTION 5. Redemption Provisions; Purchase of Bonds.**

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

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

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

773 If the county redeems Term Bonds under the optional redemption provisions set
774 forth in the Sale Document or purchases for cancellation or defeases Term Bonds, the
775 Term Bonds so redeemed, purchased or defeased, irrespective of their redemption or
776 purchase prices, shall, unless otherwise provided in the Sale Document, be credited
777 against one or more scheduled mandatory redemption amounts for those Term Bonds as
778 determined by the county.

779 C. Partial Redemption. Whenever less than all of the Bonds of a single
780 maturity of a Series are to be redeemed, the Securities Depository shall select the Bonds
781 registered in the name of the Securities Depository to be redeemed in accordance with the
782 Letter of Representations, and the Registrar shall select all other Bonds to be redeemed
783 randomly, or in such other manner set forth in the Sale Document or as the Registrar shall
784 determine.

785 Portions of the principal amount of any Bond, in authorized denominations, may
786 be redeemed, unless otherwise provided in the Sale Document. If less than all of the
787 principal amount of any Bond is redeemed, upon surrender of that Bond to the Registrar,
788 there shall be issued to the Registered Owner, without charge therefor, a new Bond, or

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Bonds, at the option of the Registered Owner, of the same Series, maturity and interest rate in any authorized denomination in the aggregate total principal amount of such Bond remaining outstanding.

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

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

In the case of an optional redemption, the notice of redemption may state that the county retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time on or prior to the date

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812 fixed for redemption. Any notice of optional redemption that is so rescinded shall be of
813 no effect, and each Bond for which a notice of optional redemption has been rescinded
814 shall remain outstanding.

815 Interest on each Bond called for redemption shall cease to accrue on the date fixed
816 for redemption, unless either the notice of optional redemption is rescinded as set forth
817 above or money sufficient to effect such redemption is not on deposit with the Registrar
818 or in a trust account established to refund or defease the Bond.

819 SECTION 7. Form and Execution of Bonds. Bonds issued as Junior Lien
820 Obligations, including Global Notes, shall be in substantially the form set forth in
821 Attachment B to this ordinance (with appropriate insertions, deletions and revisions to
822 reflect the global nature of any Global Notes). Bonds issued as Multi-Modal
823 LTGO/Sewer Revenue Bonds, including Global Notes, as applicable, shall be in
824 substantially the form set forth in Attachment C to this ordinance (with appropriate
825 insertions, deletions and revisions to reflect the global nature of any Global Notes). The
826 Bonds shall be signed by the county executive and the clerk of the county council, either
827 or both of whose signatures may be manual or in facsimile, and the seal of the county or a
828 facsimile reproduction thereof shall be impressed or printed thereon.

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

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835 If any officer whose manual or facsimile signature appears on a Bond ceases to be
836 an officer of the county authorized to sign bonds before the Bond bearing that officer's
837 manual or facsimile signature is authenticated by the Registrar or issued or delivered by
838 the county, that Bond nevertheless may be authenticated, issued and delivered and, when
839 authenticated, issued and delivered, shall be as binding on the county as though that
840 person had continued to be an officer of the county authorized to sign bonds. Any Bond
841 also may be signed on behalf of the county by any person who, on the actual date of
842 signing of the Bond, is an officer of the county authorized to sign bonds, although they
843 did not hold the required office on the dated date of the Bond.

844 SECTION 8. Lost, Stolen or Destroyed Bonds. If any Bond is lost, stolen or
845 destroyed, the Registrar may authenticate and deliver a new Bond or Bonds of like
846 amount, date, Series, interest rate and tenor to the Registered Owner thereof upon the
847 Registered Owner paying the expenses and charges of the county and the Registrar in
848 connection therewith and upon filing with the Registrar evidence satisfactory to the
849 Registrar that such Bond was actually lost, stolen or destroyed and of registered
850 ownership thereof, and upon furnishing the county and the Registrar with indemnity
851 satisfactory to the Finance Director and the Registrar.

852 SECTION 9. Junior Lien Bond Fund. A special fund of the county designated
853 the "King County, Washington, Junior Lien Obligation Redemption Fund" has heretofore
854 been created, and is hereby continued, for the purpose of paying Junior Lien Obligations.
855 The Junior Lien Bond Fund shall be held separate and apart from all other funds and
856 accounts of the county and shall be a trust fund for the owners of Junior Lien Obligations.

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857 The county hereby irrevocably obligates and binds itself to set aside and pay into
858 the Junior Lien Bond Fund out of Revenue of the System amounts sufficient, together
859 with income from the investment of money in the Junior Lien Bond Fund, and any other
860 money on deposit in the Junior Lien Bond Fund and legally available, to pay all Bonds
861 that are issued as Junior Lien Obligations as the same become due and payable.

862 Any Series of the Bonds also may be payable from and secured by Credit
863 Enhancement or be payable from a Liquidity Facility that provides for payment of that
864 Series of Bonds, and such Credit Enhancement or Liquidity Facility need not secure
865 payment of any other Series of the Bonds. The county's payment obligation with respect
866 to Bonds secured by Credit Enhancement shall be deemed satisfied if provided by draws
867 on the Credit Enhancement.

868 There is hereby authorized to be created a special account in the Junior Lien Bond
869 Fund for the Bonds. All money required by this section to be deposited into the Junior
870 Lien Bond Fund for the payment of principal of and interest on the Bonds that are issued
871 as Junior Lien Obligations may be deposited into the account created for such Bonds, and
872 the county hereby covenants to budget for each such payment of principal and interest
873 when due. Money in the account will be treated in all respects as all other money in the
874 Junior Lien Bond Fund, but will be accounted for separately for the purpose of
875 calculating any Rebate Amount payable with respect to such Bonds.

876 Payments on account of the Bonds that are issued as Junior Lien Obligations will
877 be made out of Revenue of the System into the applicable account in the Junior Lien
878 Bond Fund on or before the day each payment of principal of or interest on the Bonds is
879 due.

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880 If any Bonds are designated as Term Bonds pursuant to section 27 of this
881 ordinance, there shall be set forth in the Sale Document a mandatory redemption schedule
882 to amortize the principal of those Term Bonds. Payments of principal of Term Bonds
883 under any such mandatory redemption schedule shall be made from the Junior Lien Bond
884 Fund, as provided in this section, to the extent not credited pursuant to section 5.B. of this
885 ordinance.

886 SECTION 10. Pledge of Sewer Revenues to Junior Lien Obligations. The
887 Bonds that are issued as Junior Lien Obligations are special fund obligations payable
888 only from amounts in deposit in the Junior Lien Bond Fund.

889 The amounts covenanted in this ordinance to be paid out of Revenue of the
890 System into the Junior Lien Bond Fund and the accounts therein constitute, and the
891 county hereby grants to the Registered Owners of the Bonds and to any Credit Provider
892 and Liquidity Provider with respect to obligations owed to them under a related
893 reimbursement agreement or Liquidity Facility, a lien and charge on Revenue of the
894 System junior, subordinate and inferior to Operating and Maintenance Expenses; junior,
895 subordinate and inferior to the lien and charge on Revenue of the System for the
896 payments required to be made into the Parity Bond Fund and the accounts therein, and
897 Payment Agreement Payments with respect to Parity Bond Payment Agreements, and
898 payments required to be made in connection with Qualified Insurance, a Qualified Letter
899 of Credit or the Parity Bond Reserve Account as set forth in section 15 of this ordinance;
900 junior, subordinate and inferior to the lien and charge on Revenue of the System for the
901 payments required to be made into the Parity Lien Obligation Bond Fund and the
902 accounts therein, and Payment Agreement Payments with respect to Parity Lien

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903 Obligation Payment Agreements as set forth in section 15 of this ordinance; equal to the
904 lien and charge on Revenue of the System to pay and secure the payment of the
905 outstanding Junior Lien Obligations and any Future Junior Lien Obligations, including
906 Payment Agreement Payments with respect to Junior Lien Obligation Payment
907 Agreements and to make any payments required to be made to providers of any credit
908 enhancements or liquidity facilities for Junior Lien Obligations; and superior to all other
909 liens and charges of any kind or nature, including, inter alia, the lien and charge on
910 Revenue of the System to pay and secure the payment of Multi-Modal LTGO/Sewer
911 Revenue Bonds, Subordinate Lien Obligations, SRF Loans and Public Works Board
912 Loans.

913 The Bonds issued as Junior Lien Obligations are not a general obligation of the
914 county. Neither the full faith and credit nor the taxing power of the county or the State or
915 any political subdivision thereof is pledged to the payment of the Bonds issued as Junior
916 Lien Obligations.

917 SECTION 11. Multi-Modal LTGO/Sewer Revenue Bond Fund. A special
918 fund of the county designated the "King County, Washington, Multi-Modal Limited Tax
919 General Obligation (Payable from Sewer Revenue) Bond Fund" has heretofore been
920 created for the purpose of paying Multi-Modal LTGO/Sewer Revenue Bonds. The
921 Multi-Modal LTGO/Sewer Revenue Bond Fund shall be held separate and apart from all
922 other funds and accounts of the county and shall be a trust fund for the owners of Multi-
923 Modal LTGO/Sewer Revenue Bonds.

924 The county hereby irrevocably obligates and binds itself to set aside and pay into
925 the Multi-Modal LTGO/Sewer Revenue Bond Fund, from the sources described in

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sections 12 and 13 of this ordinance, on or prior to the respective dates the same become due, and if such payment is made on the due date, such payment must be made in immediately available funds: (a) such amounts as are required to pay the interest scheduled to become due on the Multi-Modal LTGO/Sewer Revenue Bonds; and (b) such amounts with respect to the Multi-Modal LTGO/Sewer Revenue Bonds as are required to pay maturing principal, to make any required sinking fund payments and to redeem such Bonds in accordance with any mandatory redemption provisions, and the county hereby covenants to budget for each such payment of principal and interest when due.

Any Series of the Bonds also may be payable from and secured by Credit Enhancement or be payable from a Liquidity Facility that provides for the payment of only that Series of Bonds, and such Credit Enhancement or Liquidity Facility need not secure payment of any other Series of the Bonds. The county's payment obligation with respect to Bonds secured by Credit Enhancement shall be deemed satisfied if provided by draws on the Credit Enhancement.

If any Bonds that are issued as Multi-Modal LTGO/Sewer Revenue Bonds are designated as Term Bonds pursuant to section 27 of this ordinance, there shall be set forth in the Sale Document for that Series of Bonds a mandatory redemption schedule to amortize the principal of those Term Bonds. Payments of principal of Term Bonds under any such mandatory redemption schedule shall be made from the Multi-Modal LTGO/Sewer Revenue Bond Fund, as provided in this section, to the extent not credited pursuant to section 5.B. of this ordinance.

SECTION 12. Pledge of Sewer Revenues to Multi-Modal LTGO/Sewer Revenue Bonds. The Bonds that are issued as Multi-Modal LTGO/Sewer Revenue

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949 Bonds are payable from and secured by a pledge of Revenue of the System. The county
950 hereby irrevocably obligates and binds itself to set aside and pay into the Multi-Modal
951 LTGO/Sewer Revenue Bond Fund out of Revenue of the System, on or prior to the
952 respective dates the same become due, the amounts required by section 11 of this
953 ordinance.

954 The amounts covenanted in this ordinance to be paid out of Revenue of the
955 System into the Multi-Modal LTGO/Sewer Revenue Bond Fund constitute, and the
956 county hereby grants to the Registered Owners of the Bonds and to any Credit Provider
957 and Liquidity Provider with respect to obligations owed to them under a related
958 reimbursement agreement or Liquidity Facility, a lien and charge on Revenue of the
959 System junior, subordinate and inferior to Operating and Maintenance Expenses; junior,
960 subordinate and inferior to the lien and charge on Revenue of the System for the
961 payments required to be made into the Parity Bond Fund and the accounts therein, and
962 Payment Agreement Payments with respect to Parity Payment Agreements, and payments
963 required to be made in connection with Qualified Insurance, a Qualified Letter of Credit
964 or the Parity Bond Reserve Account as set forth in section 15 of this ordinance; junior,
965 subordinate and inferior to the lien and charge on Revenue of the System for the
966 payments required to be made into the Parity Lien Obligation Bond Fund and the
967 accounts therein, and Payment Agreement Payments with respect to Parity Lien
968 Obligation Payment Agreements as set forth in section 15 of this ordinance; junior,
969 subordinate and inferior to the lien and charge on Revenue of the System to pay and
970 secure the payment of any Junior Lien Obligations, and Payment Agreement Payments
971 with respect to Junior Lien Obligation Payment Agreements and required payments to

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providers of credit enhancement or liquidity facilities for Junior Lien Obligations as set forth in section 15 of this ordinance; equal to the lien and charge on Revenue of the System to pay and secure the payment of any outstanding Multi-Modal LTGO/Sewer Revenue Bonds and any Future Multi-Modal LTGO/Sewer Revenue Bonds, and Payment Agreement Payments with respect to Multi-Modal LTGO/Sewer Revenue Bond Payment Agreements and required payments to providers of credit enhancement or liquidity facilities for Multi-Modal LTGO/Sewer Revenue Bonds; and superior to all other liens and charges of any kind or nature, including, inter alia, the lien and charge on Revenue of the System to pay and secure the payment of any Subordinate Lien Obligations, SRF Loans and Public Works Board Loans.

SECTION 13. Pledge of Taxation and Credit to Multi-Modal LTGO/Sewer Revenue Bonds. The county hereby irrevocably covenants and agrees for as long as any Bonds that are issued as Multi-Modal LTGO/Sewer Revenue Bonds are outstanding and unpaid, that each year it will include in its budget and levy an ad valorem tax upon all the 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 make the payments into the Multi-Modal LTGO/Sewer Revenue Bond Fund required by section 11 of this ordinance as the same become due. All of the taxes so collected will be paid into the Multi-Modal LTGO/Sewer Revenue Bond Fund no later than the date those funds are required for the payments required by section 11 of this ordinance.

The county hereby irrevocably pledges that the annual tax herein authorized to be levied for the payment of such amounts shall be within and a part of the tax levy

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995 permitted to counties without a vote of the people, and that a sufficient portion of the
996 taxes to be levied and collected annually by the county prior to the full payment of the
997 amounts required by section 11 of this ordinance will be and is hereby irrevocably set
998 aside, pledged and appropriated for the payment of the amounts required by section 11 of
999 this ordinance.

1000 The full faith, credit and resources of the county are hereby irrevocably pledged
1001 for the annual levy and collection of such taxes and for the prompt payment of the
1002 amounts required by section 11 of this ordinance as the same become due.

1003 **SECTION 14. Revenue Fund; Rate Stabilization Fund.**

1004 A. Revenue Fund. A special fund of the county known as the "Water Quality
1005 Operating Account" (the "Revenue Fund") has heretofore been created and is hereby
1006 continued. All Revenue of the System shall be deposited in the Revenue Fund. All
1007 Operating and Maintenance Expenses shall be paid out of the Revenue Fund or
1008 appropriate reserves therein.

1009 B. Rate Stabilization Fund. In anticipation of increases in revenue
1010 requirements of the System, a special fund of the county designated as the "Sewer Rate
1011 Stabilization Fund" (the "Rate Stabilization Fund") has heretofore been established and is
1012 hereby continued. The county may from time to time appropriate or budget amounts in
1013 the Revenue Fund for deposit in the Rate Stabilization Fund, as provided in section 15 of
1014 this ordinance, and may from time to time withdraw amounts therefrom for deposit in the
1015 Revenue Fund to prevent or mitigate sewer rate increases or for other lawful purposes of
1016 the county related to the System, including calculations of "Net Revenue" and "Revenue

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1017 of the System" for the purposes of satisfying requirements of sections 20 and 25 of this
1018 ordinance.

1019 For any fiscal year: (a) amounts withdrawn from the Revenue Fund and
1020 deposited into the Rate Stabilization Fund for that fiscal year must be subtracted from Net
1021 Revenue for that fiscal year; and (b) amounts withdrawn from the Rate Stabilization Fund
1022 and deposited in the Revenue Fund for that fiscal year may be added to Revenue of the
1023 System for that fiscal year.

1024 **SECTION 15. Sewer Revenue Priorities of Payment.** So long as any Bond is
1025 outstanding, all Revenue of the System shall be deposited into the Revenue Fund and
1026 used and applied in the following order of priority:

1027 First, to pay all Operating and Maintenance Expenses;

1028 Second, to make all required deposits into the Parity Bond Fund to provide for the
1029 payment of principal of and interest on Parity Bonds as the same become due and payable
1030 and to make any Payment Agreement Payments with respect to any Parity Payment
1031 Agreements;

1032 Third, to make all payments required to be made pursuant to a reimbursement
1033 agreement or agreements, or other equivalent documents, in connection with Qualified
1034 Insurance or a Qualified Letter of Credit; provided, that if there is not sufficient money to
1035 make all payments under such reimbursement agreements, the payments will be made on
1036 a pro rata basis;

1037 Fourth, to establish and maintain the Parity Bond Reserve Account, including
1038 making deposits into such account and paying the costs of obtaining Qualified Insurance
1039 or a Qualified Letter of Credit therefor;

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1040 Fifth, to make all required payments of principal and interest on the Parity Lien
 1041 Obligations and to make any Payment Agreement Payments with respect to any Parity
 1042 Lien Obligation Payment Agreements;

1043 Sixth, to make all required payments of principal of and interest on the Junior
 1044 Lien Obligations as the same become due and payable, to make all Payment Agreement
 1045 Payments with respect to any Junior Lien Obligation Payment Agreements, and to make
 1046 any payments required to be made to providers of any Credit Enhancements or Liquidity
 1047 Facilities, including the county, for Junior Lien Obligations;

1048 Seventh, to make all required payments of principal of and interest on the Multi-
 1049 Modal LTGO/Sewer Revenue Bonds as the same become due and payable, to make all
 1050 Payment Agreement Payments for any Multi-Modal LTGO/Sewer Revenue Bond
 1051 Payment Agreements, and to make any payments required to be made to providers of
 1052 Credit Enhancements or Liquidity Facilities, including the county, for any Multi-Modal
 1053 LTGO/Sewer Revenue Bonds;

1054 Eighth, to make all required payments of principal of and interest on any
 1055 Subordinate Lien Obligations as the same become due and payable;

1056 Ninth, to make all required payments of principal of and interest on bonds, notes,
 1057 warrants and other evidences of indebtedness, the lien and charge on Revenue of the
 1058 System of which are junior and inferior to the Subordinate Lien Obligations, as the same
 1059 become due and payable; and

1060 Tenth, to make all required payments of principal of and interest due on the SRF
 1061 Loans and the Public Works Board Loans.

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1062 Any surplus money that the county may have on hand in the Revenue Fund after
1063 making all required payments set forth above may be used by the county: (a) to make
1064 necessary improvements, additions and repairs to and extensions and replacements of the
1065 System,;(b) to purchase or redeem and retire outstanding sewer revenue bonds of the
1066 county; (c) to make deposits into the Rate Stabilization Fund; or (d) for any other lawful
1067 purposes of the county related to the System.

1068 SECTION 16. Disposition of Bond Proceeds. The proceeds of each Series of the
1069 Bonds will be deposited as follows:

1070 A. The amount equal to the interest, if any, accruing on each Series of the
1071 Bonds from their dated date to the date of their Closing will be deposited in the
1072 appropriate subaccount for the Series created in the Junior Lien Obligation Bond Fund or
1073 Multi-Modal LTGO/Sewer Revenue Bond Fund, as applicable;

1074 B. The balance of the proceeds of any Series of Project Bonds or Notes
1075 issued for new money purposes will be deposited in the appropriate Construction
1076 Subaccount, including an escrow account that may be established for capitalized interest,
1077 as provided in section 17 and applied as provided therein; provided that the amount of
1078 such proceeds allocated by the Finance Director to pay the costs of issuing such Series of
1079 Project Bonds or Notes will be deposited in the appropriate fund or account of the county,
1080 as determined by the Finance Director, and used for such purpose.

1081 C. The balance of the proceeds of any Series of Refunding Bonds or Notes
1082 issued for refunding purposes will be deposited into the appropriate Refunding Account
1083 and applied as provided in section 18 of this ordinance; provided that the amount of such
1084 proceeds allocated by the Finance Director to pay the costs of issuing such Series of

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Refunding Bonds or Notes will be deposited in the appropriate fund or account of the county, as determined by the Finance Director, and used for such purpose.

SECTION 17. Construction Account. There has heretofore been created a special fund of the county known as the "Second Water Quality Construction Account" (the "Construction Account"). For purposes of separately accounting for investment earnings on the proceeds of the Project Bonds and Notes to facilitate compliance with the requirements of this ordinance, there is hereby established for each Series of Project Bonds or Notes issued hereunder a special subaccount within the Construction Account to be designated as the "Series [applicable year designation] Construction Subaccount" (each a "Construction Subaccount"). Money in each Construction Subaccount will be held and applied to pay costs of acquiring, constructing and equipping improvements, additions or betterments to the System as set forth in the Comprehensive Plan and the Capital Improvement Budget and all costs incidental thereto, including engineering, architectural, planning, financial, legal, urban design or any other incidental costs, and to repay any advances heretofore or hereafter made on account of such costs, provided that if deficiencies exist in the Junior Lien Bond Fund or Multi-Modal LTGO/Sewer Revenue Bond Fund, money in any Construction Subaccount may be transferred to such fund in any amounts necessary to pay principal of and interest on Junior Lien Obligations or Multi-Modal LTGO/Sewer Revenue Bonds, as applicable. Proceeds from the sale of a Series of Project Bonds or Notes may be designated to pay capitalized interest on those Project Bonds or Notes and may be held in the applicable Construction Subaccount or in a trust account to be established with an escrow agent or refunding trustee appointed by

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1107 the Finance Director, as determined by the Finance Director upon the sale of such Series
1108 of Project Bonds or Notes.

1109 **SECTION 18. Refunding Account; Plan of Refunding.**

1110 A. Refunding Account; Refunding Authorization. The Finance Director is
1111 hereby authorized to determine whether to (i) transfer the proceeds of the sale of a Series
1112 of the Bonds or Notes to the Registrar on or prior to the redemption or purchase date for
1113 payment of the purchase price, principal of, and interest coming due on the Refunding
1114 Candidates selected for redemption, including by purchase or exchange, or (ii) establish
1115 one or more special accounts of the county to be maintained with the Refunding Trustee,
1116 each to be known as a "King County [year and Series designation] [Junior Lien] [Multi-
1117 Modal LTGO/Sewer] Revenue Bonds Refunding Account" (each a "Refunding
1118 Account"). Each Refunding Account will be drawn upon for the sole purpose of paying
1119 the purchase price, principal of and premium, if any, and interest on, the applicable
1120 Refunded Bonds and of paying costs of issuing that Series of Refunding Bonds or Notes
1121 and refunding the applicable Refunded Bonds. Proceeds of the sale of any Refunding
1122 Bonds or Notes, together with other county funds that may be designated for that
1123 purpose, will be transferred to the Registrar or deposited into the applicable Refunding
1124 Account to provide for refunding the applicable Refunded Bonds, including by purchase
1125 or exchange, in accordance with the ordinances authorizing the Refunded Bonds, and to
1126 pay the costs of issuing the Refunding Bonds or Notes.

1127 The Finance Director is authorized to determine, in consultation with the county's
1128 financial advisors, which of the Refunding Candidates, if any, are to be refunded or
1129 purchased, for cash or exchange consideration, and whether such refunding shall be a

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1130 current refunding, i.e., the redemption, purchase, or exchange of Refunded Bonds paid
1131 for with proceeds of a Series of Bonds issued 90 or fewer days prior to the redemption
1132 date of the Refunded Bonds, or an advance refunding, i.e., the redemption, purchase, or
1133 exchange of Refunded Bonds paid for with proceeds of a Series of Bonds issued more
1134 than 90 days prior to the redemption, purchase or exchange date of the Refunded Bonds.
1135 The Finance Director is authorized to negotiate and approve terms for the acquisition of
1136 Refunding Candidates by purchase or exchange, and to negotiate, approve, and execute
1137 any offer, dealer manager agreements, or other documents in connection therewith,
1138 including amendments thereto from time to time.

1139 In determining which of the Refunding Candidates, if any, should be refunded
1140 under this ordinance, including by purchase or exchange, in order to effect a saving to the
1141 county and ratepayers of the System, the county council intends that the Finance Director
1142 adhere to the applicable present value savings targets identified in the adopted debt
1143 management policy of the county in effect at the time of sale. These requirements do not
1144 apply to the refunding of any Refunding Candidates, including by purchase or exchange,
1145 when necessary or in the best interest of the county and ratepayers of the System to
1146 modify debt service or reserve requirements, sources of payment, covenants or other
1147 terms of the Refunding Candidates.

1148 B. Plan of Refunding. Each plan of refunding and call for redemption,
1149 purchase or exchange of Refunded Bonds shall be set forth in the Refunding Agreement
1150 or set forth in a closing certificate. Bond or Note proceeds held by the county may be
1151 invested for a period not to exceed 30 days prior to the transfer of such funds to the
1152 Registrar to accomplish the redemption, purchase or exchange, and shall be invested by

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1153 the county pending such transfer in any investments permitted for funds of the county
1154 consistent with the Federal Tax Certificate or otherwise as approved by the county's bond
1155 counsel. Money in each Refunding Account shall be used immediately upon receipt
1156 thereof to defease the applicable Refunded Bonds and discharge the other obligations of
1157 the county relating thereto under the ordinances that authorized the Refunded Bonds, by
1158 providing for the payment of the principal of and premium, if any, and interest on the
1159 Refunded Bonds as set forth in such agreement. The county will defease such bonds and
1160 discharge such obligations by the use of the money in each Refunding Account to
1161 purchase Government Obligations (should the purchase of such obligations be deemed by
1162 the Finance Director as being in the best interest of the County, and if so purchased,
1163 "Acquired Obligations") bearing interest and maturing as to principal in such amounts
1164 and at such times that, together with any necessary beginning cash balance, will provide
1165 for the payment of such Refunded Bonds, as set forth in the Refunding Agreement. Such
1166 Acquired Obligations shall be purchased at a yield not greater than the yield permitted by
1167 the Code and regulations relating to the obligations acquired in connection with refunding
1168 bond issues.

1169 In connection with the issuance of a Series of Refunding Bonds or Notes to carry
1170 out the refunding and defeasance of Refunded Bonds, the Finance Director is hereby
1171 authorized to appoint a Refunding Trustee qualified by law to perform the duties
1172 described herein. Any beginning cash balance and the Acquired Obligations will be
1173 irrevocably deposited with the Refunding Trustee in an amount sufficient to defease the
1174 Refunding Bonds in accordance with this section and the applicable Refunding
1175 Agreement.

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1176 The county will take such actions as are found necessary to see that all necessary
1177 and proper fees, compensation and expenses of the Refunding Trustee are paid when due.
1178 The proper officers and agents of the county are directed to negotiate an agreement with
1179 each Refunding Trustee setting forth the duties, obligations and responsibilities of the
1180 Refunding Trustee in connection with the redemption and retirement of the Refunded
1181 Bonds as provided herein and setting forth provisions for the payment of the fees,
1182 compensation and expenses of the Refunding Trustee as are satisfactory to it. To carry
1183 out the Refunding Account purposes of this section, the Finance Director is authorized
1184 and directed to execute and deliver to each Refunding Trustee a Refunding Agreement
1185 and, if requested, a costs of issuance agreement, in forms approved by the county's bond
1186 counsel.

1187 C. Required Findings. The Refunding Agreement or closing certificate shall
1188 set forth the findings of the Finance Director made on behalf of the county that the sale of
1189 the Refunding Bonds accomplishes either:

1190 1. savings and defeasance regarding the Refunded Bonds authorized
1191 to be refunded, including by purchase or exchange, from the proceeds of each Series of
1192 Refunding Bonds or Notes; or

1193 2. the best interest of the county and ratepayers of the System from:
1194 modifying debt service or reserve requirements, sources of payment, covenants or other
1195 terms of the Refunded Bonds authorized to be refunded from the proceeds of each Series
1196 of Refunding Bonds or Notes; the conversion between Modes; or the replacement,
1197 extension or amendment of a Credit Enhancement, Liquidity Facility and/or agreement
1198 with Bondowners.

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1199 **SECTION 19. Due Regard for Expenses and Sewer Revenues Pledged.** The
1200 county hereby declares that, in fixing the amounts to be paid into the Junior Lien Bond
1201 Fund and Multi-Modal LTGO/Sewer Revenue Bond Fund, as applicable, and the
1202 accounts therein, out of Revenue of the System, it has exercised due regard for the
1203 Operating and Maintenance Expenses and has not obligated the county to set aside in
1204 such funds and accounts a greater amount of Revenue of the System that in its judgment
1205 will be available over and above the Operating and Maintenance Expenses and Revenue
1206 of the System previously pledged.

1207 **SECTION 20. Rate Covenants.**

1208 A. General Rate Covenant. The county will establish, maintain and collect
1209 rates and charges for sewage disposal service for each calendar year that are fair and
1210 nondiscriminatory and adequate to provide the county with Revenue of the System
1211 sufficient: (a) to pay all Operating and Maintenance Expenses during that calendar year;
1212 (b) to pay punctually all amounts described in paragraphs "Second" through "Tenth" in
1213 section 15 of this ordinance due during that calendar year; and (c) to pay any and all
1214 amounts that the county is now or may hereafter become obligated by law or contract to
1215 pay during that calendar year from the Revenue of the System.

1216 B. Coverage Covenant. Subject to the provisions of subsection C. of this
1217 section, the county will establish, maintain and collect rates and charges for sewage
1218 disposal service that, together with the interest to be earned on investments made of
1219 money in the Revenue Fund, Parity Bond Fund, Parity Lien Obligation Bond Fund,
1220 Junior Lien Bond Fund, Multi-Modal LTGO/Sewer Revenue Bond Fund and
1221 Construction Account will provide in each calendar year Net Revenue, after deducting

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1222 therefrom amounts required in such year to pay Annual Debt Service on Parity Bonds and
1223 Parity Lien Obligations, in an amount equal to at least 1.10 times the amounts required to
1224 pay Annual Debt Service for all Junior Lien Obligations and Multi-Modal LTGO/Sewer
1225 Revenue Bonds for that year.

1226 C. Rate Stabilization Fund. In determining compliance with the requirements
1227 of this section, Revenue of the System and Net Revenue shall be calculated by taking into
1228 account deposits and withdrawals from the Rate Stabilization Fund as provided in section
1229 14.B. of this ordinance.

1230 **SECTION 21. Certain Other Covenants of the County Regarding the Bonds.**

1231 The county hereby covenants with the Registered Owner of each of the Bonds, for as
1232 long as any of the Bonds are outstanding, as follows:

1233 A. Maintain in Good Order. The county will cause the System and the
1234 business in connection therewith to be operated in a safe, sound, efficient and economic
1235 manner in compliance with all health, safety and environmental laws, regulatory body
1236 rules, regulatory body orders and court orders applicable to the county's operation of the
1237 System, and will cause the System to be maintained, preserved, reconstructed, expanded
1238 and kept, with all appurtenances and every part and parcel thereof, in good repair,
1239 working order and condition, and will from time to time cause to be made, without undue
1240 deferral, all necessary or proper repairs, replacements and renewals, so that all times the
1241 operation of the System will be properly and advantageously conducted;

1242 B. Books and Records. The county will cause proper books of record and
1243 accounts of operation of the System to be kept, including an annual financial report;

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1244 C. Annual Audit. The county will cause its books of accounts, including its
1245 annual financial report, to be audited annually by the State auditor's office or other State
1246 department or agency as may be authorized and directed by law to make such audits or, if
1247 such an audit is not made for twelve months after the close of any fiscal year of the
1248 county, by a Certified Public Accountant. The county will furnish the audit to the Owner
1249 of any Bond upon written request therefor;

1250 D. Insurance. The county will at all times carry fire and extended coverage
1251 and such other forms of insurance on such of the buildings, equipment, facilities and
1252 properties of the System as under good practice are ordinarily carried on such buildings,
1253 equipment, facilities and properties by municipal or privately owned utilities engaged in
1254 the operation of sewer systems and will also carry adequate public liability insurance at
1255 all times, provided that the county may, if deemed advisable by the county council,
1256 institute or continue a self-insurance program for any or all of the aforementioned risks;

1257 E. Construction. The county will cause the construction of any duly
1258 authorized and ordered portions of the Comprehensive Plan to be performed and
1259 completed within a reasonable time and at the lowest reasonable cost;

1260 F. Collection of Revenue. The county will operate and maintain the System
1261 and conduct its affairs so as to entitle it at all times to receive and enforce payment to it
1262 of sewage disposal charges payable: (a) pursuant to the ordinance or ordinances
1263 establishing a tariff of rates and charges for sewage disposal services; and (b) under any
1264 Service Agreement that the county has now or may hereafter enter into, and to entitle the
1265 county to collect all revenues derived from the operation of the System. The county shall
1266 not release the obligations of any person, corporation or political subdivision under such

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1267 tariff of rates and charges or the Service Agreements and shall at all times, to the extent
1268 permitted by law, defend, enforce, preserve and protect the rights and privileges of the
1269 county and of the Registered Owners of the Bonds under or with respect thereto;

1270 In accordance with RCW 35.58.200(3), the county shall require any county, city,
1271 special district or other political subdivision to discharge to the System all sewage
1272 collected by that entity from any portion of the Seattle metropolitan area that can drain by
1273 gravity flow into facilities of the System that serve such areas if the county council
1274 declares that the health, safety or welfare of the people within the metropolitan area
1275 require such action;

1276 G. Legal Authority. The county has full legal right, power and authority to
1277 adopt this ordinance, to sell, issue and deliver the Bonds as provided herein, and to carry
1278 out and consummate all other transactions contemplated by this ordinance;

1279 H. Due Authorization. By all necessary official action prior to or
1280 concurrently herewith, the county has duly authorized and approved the execution and
1281 delivery of, and the performance by the county of its obligations contained in, the Bonds
1282 and in this ordinance and the consummation by it of all other transactions necessary to
1283 effectuate this ordinance in connection with the issuance of Bonds, and such
1284 authorizations and approvals are in full force and effect and have not been amended,
1285 modified or supplemented in any material respect;

1286 I. Binding Obligation. This ordinance constitutes a legal, valid and binding
1287 obligation of the county;

1288 J. No Conflict. The county's adoption of this ordinance and its compliance
1289 with the provisions contained herein will not conflict with or constitute a breach of or

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1290 default under any constitutional provision, law, administrative regulation, judgment,
1291 decree, loan agreement, indenture, bond, note, resolution, ordinance, Sale Document,
1292 agreement or other instrument to which the county is a party or to which the county or
1293 any of its property or assets are otherwise subject, nor will any such adoption or
1294 compliance result in the creation or imposition of any lien, charge or other security
1295 interest or encumbrance of any nature whatsoever upon any of the property or assets of
1296 the county or under the terms of any such law, regulation or instrument, except as may be
1297 provided by this ordinance and the ordinances authorizing the issuance of other Junior
1298 Lien Obligations and Multi-Modal LTGO/Sewer Revenue Bonds;

1299 K. Performance under Ordinance. None of the proceeds of the Bonds will be
1300 used for any purpose other than as provided in this ordinance, and except as otherwise
1301 expressly provided herein, the county shall not suffer any amendment or supplement to
1302 this ordinance, or any departure from the due performance of the obligations of the
1303 county hereunder, that might materially adversely affect the rights of the Registered
1304 Owners from time to time of the Bonds; and

1305 L. Sale or Disposition. The county will not sell or voluntarily dispose of all
1306 of the operating properties of the System unless provision is made for payment into the
1307 applicable debt service funds of a sum sufficient to pay the principal of and interest on all
1308 outstanding Parity Bonds, Parity Lien Obligations, Junior Lien Obligations and Multi-
1309 Modal LTGO/Sewer Revenue Bonds in accordance with the terms thereof, nor will the
1310 county sell or voluntarily dispose of any part of the operating properties of the System
1311 unless the county has first complied with any applicable covenants of the Parity Bonds
1312 and Parity Lien Obligations.

1313 **SECTION 22. Federal Tax Law Covenants.** The county will take all actions
1314 necessary to assure the tax-advantaged status of the Tax-Advantaged Obligations, or the
1315 exclusion of interest on the Tax-Exempt Obligations from the gross income of the owners
1316 of the Tax-Exempt Obligations, to the same extent as such interest is permitted to be
1317 excluded from gross income under the Code as in effect on the date of issuance of the
1318 Tax-Advantaged or Tax-Exempt Obligations, as applicable and as set forth in the Federal
1319 Tax Certificate, including but not limited to the following to the extent applicable:

1320 A. The county will assure that the proceeds of the Tax-Exempt Obligations
1321 are not so used as to cause the Tax-Exempt Obligations issued as governmental bonds to
1322 satisfy the private business tests of Section 141(b) of the Code or the private loan
1323 financing test of Section 141(c) of the Code or to cause any other Tax-Exempt
1324 Obligations to fail to qualify as exempt private activity bonds;

1325 B. The county will not sell or otherwise transfer or dispose of: (i) any
1326 personal property components of the projects financed or refinanced with proceeds of the
1327 Tax-Exempt Obligations (the "Tax-Exempt Projects") other than in the ordinary course of
1328 an established government program under Treasury Regulation § 1.141-2(d)(4); or (ii)
1329 any real property components of the Tax-Exempt Projects, unless it has received an
1330 opinion of nationally recognized bond counsel to the effect that such disposition will not
1331 affect the treatment of interest on the Tax-Exempt Obligations as excludable from gross
1332 income for federal income tax purposes, as applicable;

1333 C. The county will not take any action or permit or suffer any action to be
1334 taken if the result of such action would be to cause any of the Tax-Exempt Obligations to
1335 be "federally guaranteed" within the meaning of Section 149(b) of the Code;

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1336 D. The county will take any and all actions necessary to assure compliance
1337 with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if
1338 any, to the federal government;

1339 E. The county will not take, or permit or suffer to be taken, any action with
1340 respect to the proceeds of the Tax-Exempt Obligations which, if such action had been
1341 reasonably expected to have been taken, or had been deliberately and intentionally taken,
1342 on the date of issuance of the Tax-Exempt Obligations would have caused the Tax-
1343 Exempt Obligations to be "arbitrage bonds" within the meaning of Section 148 of the
1344 Code, as applicable;

1345 F. The county will maintain a system for recording the ownership of each
1346 Tax-Exempt Obligation that complies with the provisions of Section 149 of the Code
1347 until all Tax-Exempt Obligations have been surrendered and canceled;

1348 G. The county will retain its records of all accounting and monitoring it
1349 carries out with respect to the Tax-Exempt Obligations for at least three years after the
1350 Tax-Exempt Obligations mature or are redeemed, whichever is earlier; however, if the
1351 Tax-Exempt Obligations are refunded and redeemed, the county will retain its records of
1352 accounting and monitoring at least three years after the earlier of the maturity or
1353 redemption of the obligations that refunded the Tax-Exempt Obligations;

1354 H. In the event the county issues one or more Series of Tax-Advantaged
1355 Obligations eligible for federal tax credits, a federal interest subsidy, or other subsidy, the
1356 county will comply with the provisions of the Federal Tax Certificate setting forth or
1357 incorporating applicable requirements; and

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1358 I. The county will comply with the provisions of the Federal Tax Certificate
1359 with respect to the applicable Tax-Exempt Obligations or Tax-Advantaged Obligations,
1360 which are incorporated herein as if fully set forth herein. In the event of any conflict
1361 between this section and the Federal Tax Certificate, the provisions of the Federal Tax
1362 Certificate will prevail. Additional tax covenants as necessary or desirable for any Series
1363 of Bonds may be set forth in the Sale Document or Federal Tax Certificate for that Series
1364 of Bonds.

1365 The covenants of this section will survive payment in full or defeasance of the
1366 applicable Tax-Exempt Obligations or Tax-Advantaged Obligations.

1367 SECTION 23. Defaults. The county hereby finds and determines that the failure
1368 or refusal of the county or any of its officers to perform the covenants and obligations of
1369 this ordinance will endanger the operation of the System and the application of Revenue
1370 of the System and such other money, funds and securities to the purposes herein set forth.
1371 Any one or more of the following will constitute a Default under this ordinance:

1372 A. The county fails to make payment of the principal of any Bond when the
1373 same becomes due and payable, whether by maturity or scheduled redemption prior to
1374 maturity;

1375 B. The county fails to make payment of the interest on any Bond when the
1376 same becomes due and payable;

1377 C. The county defaults in the observance or performance of any other
1378 covenant, condition or agreement on the part of the county contained in this ordinance,
1379 and such default has continued for a period of 30 days; or

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1380 D. The county: (a) admits in writing its inability to pay its debts generally as
1381 they become due; (b) files a petition in bankruptcy or seeking a composition of
1382 indebtedness under any state or federal bankruptcy or insolvency law; (c) makes an
1383 assignment for the benefit of its creditors; (d) consents to the appointment of a receiver
1384 for the whole or any substantial part of the System; or (e) consents to the assumption by
1385 any court of competent jurisdiction under the provisions of any other law for the relief or
1386 aid of debtors of custody or control of the county or of the whole or any substantial part
1387 of the System.

1388 SECTION 24. Remedies.

1389 A. Control by Credit Provider. Upon the occurrence and continuation of a
1390 Default described in section 23.A. through D. of this ordinance, each Credit Provider will
1391 be entitled to exercise, on behalf of the Registered Owners of any Bonds secured by
1392 Credit Enhancement provided by the Credit Provider, any of the remedies provided to the
1393 Registered Owners of such Bonds under this section and, for so long as the Credit
1394 Provider is not in default of its obligations under the Credit Enhancement, the Credit
1395 Provider will be the only person entitled to exercise the remedies provided under this
1396 section with respect to such Bonds.

1397 B. Appointment of Bondowners' Trustee. Upon the occurrence of a Default
1398 and so long as such Default is not remedied, and subject to the rights of any Credit
1399 Provider as provided in subsection A. of this section, a Bondowners' Trustee may be
1400 appointed for the Registered Owners of the Bonds by the Registered Owners of a
1401 majority in principal amount of the Bonds then outstanding by an instrument or
1402 concurrent instruments in writing signed and acknowledged by such Registered Owners

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1403 or by their attorneys-in-fact duly authorized and delivered to the Bondowners' Trustee,
1404 notification thereof having been given to the county. Any Bondowners' Trustee
1405 appointed under the provisions of this section must be a bank or trust company organized
1406 under the laws of a state or a national banking association. The fees and expenses of the
1407 Bondowners' Trustee must be borne by the Registered Owners of the Bonds and not by
1408 the county. The bank or trust company acting as the Bondowners' Trustee may be
1409 removed at any time, and a successor Bondowners' Trustee may be appointed, by the
1410 Registered Owners of a majority in principal amount of the Bonds then outstanding, by
1411 an instrument or concurrent instruments in writing signed and acknowledged by such
1412 Registered Owners or by their attorneys-in-fact duly authorized. The Bondowners'
1413 Trustee may resign upon 60 days' notice and a new Bondowners' Trustee appointed by
1414 the Registered Owners of a majority in principal amount of the Bonds then outstanding;
1415 provided, that no such resignation or removal will be effective until a successor
1416 Bondowners' Trustee has been appointed and has delivered to the county and the
1417 Registered Owners of the Bonds then outstanding a written instrument of acceptance of
1418 the duties and responsibilities of the Bondowners' Trustee under this ordinance.

1419 The Bondowners' Trustee appointed in the manner herein provided, and each
1420 successor thereto, is hereby declared to be a trustee for the Registered Owners of all the
1421 Bonds then outstanding and is empowered to exercise all the rights and powers herein
1422 conferred on the Bondowners' Trustee.

1423 C. Legal Action by Bondowners' Trustee. Subject to the rights of the Credit
1424 Provider, if any, as provided in subsection A. of this section, upon the happening of a
1425 Default and during the continuation thereof, the Bondowners' Trustee may, and upon the

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1426 written request of the Registered Owners of not less than 25 percent in principal amount
1427 of the Bonds then outstanding must, take such steps and institute such suits, actions or
1428 other proceedings as it may deem appropriate for the protection and enforcement of the
1429 rights of such Registered Owners to collect any amounts due and owing to or from the
1430 county, or to obtain other appropriate relief, and may enforce the specific performance of
1431 any covenant, agreement or condition contained in this ordinance or in the Bonds. Any
1432 action, suit or other proceedings instituted by the Bondowners' Trustee hereunder will be
1433 brought in its name as trustee for the Registered Owners of all Bonds, and all such rights
1434 of action upon or under any of the Bonds or the provisions of this ordinance may be
1435 enforced by the Bondowners' Trustee without the possession of any of the Bonds, and
1436 without the production of the same at any trial or proceedings relating thereto except
1437 where otherwise required by law. Any such suit or proceeding instituted by the
1438 Bondowners' Trustee will be brought for the ratable benefit of all of the Registered
1439 Owners of the Bonds, subject to the provisions of this ordinance. The respective
1440 Registered Owners of the Bonds, by taking and holding the same, will be conclusively
1441 deemed irrevocably to have appointed the Bondowners' Trustee the true and lawful
1442 trustee of the respective Registered Owners of the Bonds, with authority to institute any
1443 such action, suit or proceeding; to receive as trustee and deposit in trust any sums that
1444 become distributable on account of the Bonds; to execute any paper or documents for the
1445 receipt of such money; and to do all acts with respect thereto that such registered owners
1446 themselves might have done. Nothing herein will be deemed to authorize or empower
1447 the Bondowners' Trustee to consent to accept or adopt, on behalf of any Registered
1448 Owner of the Bonds, any plan of reorganization or adjustment affecting such Bonds or

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1449 any right of any Registered Owner thereof, or to authorize or empower the Bondowners'
1450 Trustee to vote the claims of the Registered Owners thereof in any receivership,
1451 insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the
1452 county is a party.

1453 D. Restrictions on Legal Action by Individual Owners. Subject to the rights
1454 of the Credit Provider, if any, as provided in subsection A. of this section, no Registered
1455 Owner of any Bonds has any right to institute any action, suit or proceedings at law or in
1456 equity for the enforcement of the same unless:

- 1457 1. a Default has happened and is continuing; and
- 1458 2. a Bondowners' Trustee has been appointed as herein provided; and
- 1459 3. such Registered Owner previously has given to the Bondowners'
1460 Trustee written notice of the Default as to which such suit, action or proceeding is to be
1461 instituted; and
- 1462 4. Registered Owners of not less than 25 percent in principal amount
1463 of the Bonds then outstanding, after the occurrence of such Default, have made written
1464 request of the Bondowners' Trustee and have afforded the Bondowners' Trustee a
1465 reasonable opportunity to institute such suit, action or proceedings; and
- 1466 5. the Bondowners' Trustee has been offered security and indemnity
1467 satisfactory to it against the costs, expenses and liabilities to be incurred therein or
1468 thereby; and
- 1469 6. the Bondowners' Trustee has refused or neglected to comply with
1470 such request within a reasonable time.

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1471 Notwithstanding any other provision of this ordinance, each Registered Owner of
1472 the Bonds will have the absolute and unconditional right to receive payment of principal
1473 of and premium, if any, and interest on such Bonds on and after the due date thereof, and
1474 to institute suit for the enforcement of any such payment.

1475 E. Waivers of Default; Remedies not Exclusive. The remedies herein
1476 conferred upon or reserved to the Registered Owners of the Bonds and to the
1477 Bondowners' Trustee are not intended to be exclusive of any other remedy or remedies,
1478 and each and every such remedy will be cumulative and will be in addition to every other
1479 remedy given hereunder or now or hereafter existing at law or in equity or by statute.
1480 The privileges herein granted may be exercised from time to time and continued so long
1481 as and as often as the occasion therefor may arise.

1482 Subject to the rights of the Credit Provider, if any, as provided in subsection A. of
1483 this section, the Bondowners' Trustee may waive any past Default and its consequences,
1484 except a default in the payment of the principal of or premium, if any, or interest on any
1485 of the Bonds. No such waiver will extend to or affect any subsequent Default or impair
1486 any rights or remedies consequent thereon. No delay or omission of the Credit Provider
1487 or the Bondowners' Trustee to exercise any right or power accruing upon any Default will
1488 impair any such right or power or be construed to be a waiver of any such Default or
1489 acquiescence therein.

1490 **SECTION 25. Additional Obligations of the System.**

1491 A. Senior Lien Obligations. The county reserves the right to issue additional
1492 Parity Bonds and Parity Lien Obligations on the applicable terms and conditions set forth

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1493 in the ordinances authorizing issuance of the Parity Bonds and Parity Lien Obligations
1494 then outstanding.

1495 B. Future Junior Lien Obligations; Future Multi-Modal LTGO/Sewer
1496 Revenue Bonds. The county reserves the right to issue Future Junior Lien Obligations
1497 and Future Multi-Modal LTGO/Sewer Revenue Bonds, but only if such Future Junior
1498 Lien Obligations and Future Multi-Modal LTGO/Sewer Revenue Bonds are issued: (a)
1499 for the purpose of refunding any Junior Lien Obligations or Multi-Modal LTGO/Sewer
1500 Revenue Bonds then outstanding; or (b) for any lawful purpose of the county related to
1501 the System and the following conditions are met:

1502 1. At the time of issuing such Future Junior Lien Obligations or
1503 Future Multi-Modal LTGO/Sewer Revenue Bonds, there is no default in the payment of
1504 the principal of or interest on any Parity Bonds, Parity Lien Obligations, Junior Lien
1505 Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, Subordinate Lien Obligations,
1506 SRF Loans or Public Works Board Loans.

1507 2. The county has on file one of the following certificates:

1508 a. A certificate of the Finance Director showing that Net
1509 Revenue in any 12 consecutive months out of the most recent 18 months preceding the
1510 issuance of such Future Junior Lien Obligations or Future Multi-Modal LTGO/Sewer
1511 Revenue Bonds, based on financial statements of the System prepared by the county and
1512 after deducting therefrom the Senior Lien Payments required in each calendar year during
1513 the life of such Future Junior Lien Obligations or Future Multi-Modal LTGO/Sewer
1514 Revenue Bonds, will be at least equal to 1.10 times the Annual Debt Service for the
1515 proposed Future Junior Lien Obligations or Future Multi-Modal LTGO/Sewer Revenue

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1516 Bonds and all Junior Lien Obligations and Multi-Modal LTGO/Sewer Revenue Bonds
1517 then outstanding in each year during the life of such Future Junior Lien Obligations or
1518 Future Multi-Modal LTGO/Sewer Revenue Bonds; or

1519 b. A certificate from a Professional Utility Consultant, which
1520 certificate may not be dated more than 90 days prior to the date of delivery of such Future
1521 Junior Lien Obligations or Future Multi-Modal LTGO/Sewer Revenue Bonds, showing
1522 that in the Professional Utility Consultant's professional opinion the Net Revenue,
1523 estimated on the basis of all factors as they may consider reasonable, for each of the five
1524 calendar years following the year in which such Future Junior Lien Obligations or Future
1525 Multi-Modal LTGO/Sewer Revenue Bonds are to be issued, after deducting therefrom
1526 Senior Lien Payments for each such year, will be at least equal to 1.10 times the Annual
1527 Debt Service for the proposed Future Junior Lien Obligations or Future Multi-Modal
1528 LTGO/Sewer Revenue Bonds and all Junior Lien Obligations and Multi-Modal
1529 LTGO/Sewer Revenue Bonds then outstanding in each of those five years.

1530 C. Inferior Lien Obligations. Nothing contained in this ordinance prevents
1531 the county from issuing revenue bonds, notes or other obligations that are a charge on
1532 Revenue of the System junior or inferior to the payments required to be made therefrom
1533 into the Junior Lien Bond Fund to pay and secure the payment of any Junior Lien
1534 Obligations, and nothing contained in this ordinance prevents the county from issuing
1535 revenue bonds, notes or other obligations that are a charge on Revenue of the System
1536 junior or inferior to the payments required to be made therefrom into the Multi-Modal
1537 LTGO/Sewer Revenue Bond Fund to pay and secure the payment of any Multi-Modal
1538 LTGO/Sewer Revenue Bonds.

1539 **SECTION 26. Payment Agreements.**

1540 A. General. To the extent and for the purposes permitted from time to time
1541 by chapter 39.96 RCW, as it may be amended, and other applicable provisions of State
1542 law, the county may enter into Payment Agreements with respect to any series of the
1543 Bonds, subject to the conditions set forth in this section and in other provisions of this
1544 ordinance.

1545 B. Manner and Schedule of Payments. Each Payment Agreement must set
1546 forth the manner in which the Payment Agreement Payments and the Payment
1547 Agreement Receipts will be calculated and a schedule of payment dates.

1548 C. Authorizing Ordinance. Prior to entering into a Payment Agreement, the
1549 county council must adopt an ordinance authorizing such agreement and setting forth
1550 such provisions as the county deems necessary or desirable and are not inconsistent with
1551 the provisions of this ordinance.

1552 D. Calculation of Payment Agreement Payments and Debt Service on Bonds
1553 with Respect to which a Payment Agreement is in Force. It is the intent of the county, for
1554 purposes of section 20 or 25 of this ordinance, that debt service on Bonds with respect to
1555 which a Payment Agreement is in force will be calculated to reflect the net economic
1556 effect on the county intended to be produced by the terms of such Bonds and the Payment
1557 Agreement. In calculating such amounts, the county will be guided by the following
1558 requirements:

1559 1. The amount of interest deemed to be payable on any Bonds with
1560 respect to which a Payment Agreement is in force will be an amount equal to the amount

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

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

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

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

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1583 E. Prior Notice to Rating Agencies. The county will give notice to Moody's
1584 and S&P 30 days prior to the date it intends to enter into a Junior Lien Obligation
1585 Payment Agreement or Multi-Modal LTGO/Sewer Revenue Bond Payment Agreement.

1586 **SECTION 27. Sale and Remarketing of Bonds.** The county hereby authorizes
1587 the sale of the Bonds or Notes in one or more Series. The Finance Director is authorized
1588 to proceed with the sale of any Series of the Bonds or Notes pursuant to subsection B.,
1589 C., D. or E. of this section to refund the Refunded Bonds and finance the costs of any
1590 project that has been approved by the county council or will have been approved by the
1591 county council prior to the sale date for such Bonds or Notes. The Finance Director is
1592 further authorized to proceed under this ordinance with the sale of the Project Bonds or
1593 Notes for any such project and with the sale of the Refunding Bonds or Notes to refund
1594 any Refunding Candidate(s), including by purchase or exchange, pursuant to the sale
1595 provisions set forth in this section and without regard to the requirements of any prior
1596 bond ordinance that authorized the financing of the project or the refunding of such
1597 Refunding Candidate(s).

1598 The Bonds will be sold in one or more Series, any of which may be sold in a
1599 combined offering with other bonds and/or notes of the county, at the option of the
1600 Finance Director. The Finance Director will determine, in consultation with the county's
1601 financial advisors, whether each Series of Bonds will be issued as Junior Lien
1602 Obligations or Multi-Modal LTGO/Sewer Revenue Bonds, the principal amount of each
1603 Series of the Project Bonds or Notes, which of the Refunding Candidates will be
1604 refunded, if any, whether such Refunding Candidates will be refunded by purchase or
1605 exchange, whether any Series of Project Bonds, Refunding Bonds or Notes will be sold

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1606 separately or in one or more combined Series, whether each Series of Bonds will be sold
1607 by competitive bid or negotiated sale, or otherwise, and for current or future delivery,
1608 whether such Series of Bonds will be issued and sold as Tax-Advantaged Obligations,
1609 Tax-Exempt Obligations or Taxable Obligations, and whether any Series will be
1610 designated as "green bonds," social impact bonds, sustainability bonds or otherwise.

1611 A. Satisfaction of Conditions. The Finance Director will provide, or cause to
1612 be provided by a Professional Utility Consultant, any certifications required to satisfy the
1613 conditions established in the ordinances of the county for the issuance of the Bonds as
1614 Junior Lien Obligations or Multi-Modal LTGO/Sewer Revenue Bonds, as applicable. In
1615 the Sale Document, the Finance Director shall certify to any required findings regarding
1616 the satisfaction of such conditions applicable to that Series of Bonds.

1617 B. Negotiated Sale. If the Finance Director determines that any Series of the
1618 Bonds will be sold by negotiated sale, the Finance Director shall, in accordance with
1619 applicable county procurement procedures, solicit one or more underwriting firms or
1620 other financial institutions with which to negotiate the sale of the Bonds. Subject to the
1621 parameters set forth in subsection F. of this section, the Bond Purchase Agreement for
1622 each Series of the Bonds will specify whether the Bonds of such Series are being issued
1623 and sold as Tax-Advantaged Obligations, Tax-Exempt Obligations or Taxable
1624 Obligations, and whether any Series of Bonds are designated as "green bonds," social
1625 impact bonds, sustainability bonds or otherwise, and will also identify any Term Bonds
1626 and the year and any applicable Series designation, date, principal amounts and maturity
1627 dates, interest rates and interest payment dates, redemption, bond insurance provisions
1628 and/or purchase provisions and delivery date for such Series of Bonds.

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1629 C. Sale by Competitive Bid. If the Finance Director determines that any
1630 Series of the Bonds will be sold by competitive bid, bids for the purchase of such Series
1631 of Bonds will be received at such time or place and by such means as the Finance
1632 Director will direct. The Finance Director is authorized to prepare an Official Notice of
1633 Bond Sale for each Series of Bonds to be sold pursuant to competitive bid, which notice
1634 will be filed with the clerk of the county council. The Official Notice of Bond Sale will
1635 specify whether the Bonds of such Series are being issued and sold as Tax-Advantaged
1636 Obligations, Tax-Exempt Obligations or Taxable Obligations, and whether any Series
1637 will be designated as "green bonds," social impact bonds, sustainability bonds or
1638 otherwise, and will identify the year and any applicable Series designation, date, principal
1639 amounts and maturity dates, interest payment dates, redemption, bond insurance
1640 provisions and/or purchase provisions and delivery date for such Series of Bonds.

1641 Upon the date and time established for the receipt of bids for a Series of the
1642 Bonds, the Finance Director or the Finance Director's designee will review the bids
1643 received, cause the bids to be mathematically verified and accept the winning bid by
1644 executing the Certificate of Award, which shall designate any Term Bonds, subject to the
1645 parameters set forth in subsection F. of this section. The county, acting through the
1646 Finance Director, reserves the right to reject any and all bids for such Bonds.

1647 D. Loans. If the Finance Director determines that any Series of Bonds will be
1648 sold to the federal government or other purchaser to evidence a loan from that purchaser,
1649 the Finance Director, in consultation with the county financial advisors, will negotiate the
1650 sale of such Bonds and the terms of any Loan Agreement or other agreement with the
1651 purchaser. Subject to the parameters set forth in subsection F. of this section, the Loan

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1652 Agreement or other agreement or closing certificates for such Series of Bonds will
1653 specify whether the Bonds of such Series are being issued and sold as Tax-Advantaged
1654 Obligations, Tax-Exempt Obligations or Taxable Obligations, and whether any Series of
1655 Bonds are designated as "green bonds," social impact bonds, sustainability bonds or
1656 otherwise, and will also identify any Term Bonds and the year and any applicable Series
1657 designation, date, principal amounts and maturity dates, interest rates and interest
1658 payment dates, redemption and/or purchase provisions and delivery date for such Series
1659 of Bonds.

1660 E. Sale and Remarketing of Multi-Modal Bonds, including Notes.

1661 1. Determination by Finance Director. The Finance Director is
1662 authorized to determine that any Series of the Bonds will be issued with interest to be
1663 borne in a daily mode, weekly mode, commercial paper mode (i.e., Notes), term mode,
1664 index floating mode, fixed mode or other mode, subject to minimum rate(s), maximum
1665 rate(s), alternate rate(s) and default rate(s), conversion between modes, optional and
1666 mandatory tender for purchase on dates and at prices and additional provisions relating to
1667 defaults and remedies, all as set forth in the Mode Agreement. If the Finance Director
1668 determines that one or more Series of Bonds will be issued as Notes, the Finance Director
1669 shall determine, in consultation with the county's financial advisors, the principal amount
1670 of each series of Notes, whether each series of Notes will be structured as Tax-Exempt
1671 Obligations or otherwise, and whether a series of Notes will be sold separately or
1672 combined with one or more other series of Notes.

1673 2. Procedure for Sale. In connection with the sale, remarketing,
1674 reissuance or any mode conversion of any Series of the Bonds following the initial

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1675 issuance of such Series of Bonds, the Finance Director is authorized, in the Finance
1676 Director's discretion, without further action by the county council, as necessary and
1677 desirable to effect such sale, remarketing, reissuance or conversion, as applicable:

1678 a. to issue requests for proposals for purchasers, Remarketing
1679 Agents, tender agents, paying agents, calculation agents, Dealers, Credit Providers, or
1680 Liquidity Providers, and to execute and deliver agreements based on responses received
1681 to such requests, including: the Mode Agreement and amendments to, extensions,
1682 replacements and terminations thereof, any continuing covenant or purchase agreements,
1683 Dealer Agreements, Remarketing Agent Agreements, tender agent agreements, paying
1684 agent agreements, calculation agent agreements, Credit Enhancement and amendments
1685 to, extensions, replacements and terminations thereof, Liquidity Facilities and
1686 amendments to, extensions, replacements and terminations thereof, reimbursement
1687 agreements, and other agreements evidencing the county's obligations under any such
1688 agreements and any certifications or documentation in connection therewith;

1689 b. to appoint or replace the Registrar or Securities Depository;

1690 c. to cause the interest rate mode of any Series of the Bonds to
1691 be established or converted in accordance with the Mode Agreement, or amendments to
1692 the Mode Agreement;

1693 d. to establish such funds and accounts as are necessary and
1694 desirable in connection with the sale, remarketing, reissuance or any mode conversion of
1695 any Series of the Bonds following the initial issuance of such Series of Bonds; and

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1696 e. to negotiate and approve terms for the purchase and/or
1697 exchange of Refunding Candidates tendered pursuant to any offer and enter into dealer
1698 manager agreements and other related agreements;

1699 F. Sale Parameters. Except as otherwise provided in section 3 of this
1700 ordinance, as applicable, the Finance Director is hereby authorized to approve the
1701 issuance and sale of any Series of the Bonds upon the Finance Director's approval of the
1702 final interest rates, maturity dates, aggregate principal amounts, principal maturities and
1703 redemption rights for the Series of the Bonds in accordance with the authority granted by
1704 this section so long as:

1705 1. The aggregate principal amount for the Series of Project Bonds
1706 does not cause the aggregate principal amount for all Project Bonds issued under this
1707 ordinance to exceed \$1,200,000,000;

1708 2. The aggregate principal amount of the Series of Refunding Bonds
1709 to be issued does not exceed the aggregate principal amount of the Refunded Bonds to be
1710 refunded, including by purchase or exchange, with such Series of Refunding Bonds, plus
1711 the amount deemed by the Finance Director as reasonably required to effect such
1712 refunding as described in RCW 39.53.050, including amounts reasonably required to pay
1713 the redemption or purchase price of the Refunded Bonds and costs of issuance and the
1714 refunding;

1715 3. The final maturity date for the Series of the Project Bonds to be
1716 issued is not later than 40 years after its date of issuance;

1717 4. The final maturity date for the Series of the Refunding Bonds to be
1718 issued is not later than the end of the fiscal year that includes the final maturity date for

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1719 the Refunded Bonds to be refunded, including by purchase or exchange, with such Series
1720 of Bonds; provided, that the final maturity date for any Series of the Refunding Bonds to
1721 be issued to refund any bond anticipation notes, commercial paper (including without
1722 limitation CP Program Notes), or other interim financing issued in advance of any Junior
1723 Lien Obligations, Multi-Modal LTGO/Sewer Revenue Bonds, Subordinate Lien
1724 Obligations, SRF Loans, or Public Works Board Loans of the county and to be repaid
1725 from the proceeds thereof is not later than 40 years after the date of issuance of the
1726 interim financing;

1727 5. The Series of the Bonds to be issued are sold, in the aggregate, at a
1728 price not less than 95 percent;

1729 6. No Bond will bear interest at a rate higher than 12.0 percent.

1730 7. The methodology for determining variable rates for any Series of
1731 Bonds to be issued in the daily mode, weekly mode, commercial paper mode, term mode,
1732 index floating mode, fixed mode or other mode shall be set forth in the Sale Document;
1733 and

1734 8. The Series of Bonds conforms to all other terms of this ordinance.

1735 G. Authority to Execute Sale Documents. Subject to the terms and conditions
1736 set forth in this section 27, the Finance Director is hereby authorized to execute each Sale
1737 Document to be dated the date of sale of the applicable Series of Bonds. The signature of
1738 the Finance Director shall be sufficient to bind the county.

1739 The Finance Director shall provide an annual report to the Executive Finance
1740 Committee and county council describing the sale of any series of Bonds approved
1741 pursuant to the authority delegated in this section. The annual report shall be

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1742 electronically filed with the clerk of the county council, who shall retain an electronic
1743 copy and provide an electronic copy to all councilmembers. The requirement for an
1744 annual report provided by this subsection expires three years after the effective date of
1745 this ordinance.

1746 The authority granted to the Finance Director by this subsection G. to execute
1747 Sale Documents shall expire on December 31, 2031 (the "Expiration Date"); provided,
1748 that the authority granted to the Finance Director to remarket any Series of Bonds
1749 authorized hereunder, to issue Notes evidenced by a Global Note pursuant to a Sale
1750 Document from time to time, and to enter into, amend, extend or replace Mode
1751 Agreements, Dealer Agreements, Credit Enhancements, Liquidity Facilities, and related
1752 documents will remain in full force and effect notwithstanding such Expiration Date; and
1753 provided further that an amendment to a Sale Document may be executed, and
1754 performance pursuant to any Sale Document may be completed, at any time.

1755 If a Sale Document for a Series of the Bonds has not been executed by the
1756 Expiration Date, the authorization for the issuance of the Bonds shall be rescinded and
1757 the Bonds shall not be issued nor their sale approved unless such Bonds shall have been
1758 reauthorized by ordinance of the county council. The ordinance reauthorizing the
1759 issuance and sale of such Bonds may be in the form of a new ordinance repealing this
1760 ordinance in whole or in part or may be in the form of an amendatory ordinance
1761 approving a bond purchase agreement, certificate of award or loan agreement or
1762 establishing terms and conditions for the authority delegated under this section.

1763 The authority of the county to sell bonds, e.g., enter into a bond purchase
1764 agreement, accept a bid to sell any bonds or enter into a loan or other agreement for the

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1765 sale of the bonds, as defined in and pursuant to Ordinance 19114 and Ordinance 18898,
1766 as amended by Ordinance 19324, will terminate on the effective date of this ordinance,
1767 but all other provisions of Ordinance 19114 and Ordinance 18898, as amended by
1768 Ordinance 19324, will remain in full force and effect.

1769 **SECTION 28. Delivery of Bonds.** Following the sale of each Series of the
1770 Bonds, the county will cause definitive Bonds and Global Notes to be prepared, executed
1771 and delivered in accordance with the provisions of this ordinance and in a form
1772 acceptable to DTC as initial depository for the Bonds or Global Notes, as applicable, with
1773 the approving legal opinion of bond counsel regarding the Bonds or Notes.

1774 **SECTION 29. Preliminary Official Statement; Official Statement.** The county
1775 hereby authorizes and directs the Finance Director: (a) to review and approve the
1776 information contained in one or more preliminary official statements or reoffering
1777 memoranda (each, a "Preliminary Official Statement") prepared in connection with any
1778 sale or subsequent remarketing of any Series of the Bonds; and (b) for the sole purpose of
1779 compliance by the purchasers of such Series of Bonds with subsection (b)(1) of the Rule,
1780 to "deem final" the related Preliminary Official Statement as of its date, except for such
1781 omissions as are permitted under the Rule. After each Preliminary Official Statement has
1782 been reviewed and approved in accordance with the provisions of this section, the county
1783 hereby authorizes the distribution of such Preliminary Official Statement to prospective
1784 purchasers of such related series of Series of Bonds.

1785 Following the sale or remarketing of each Series of the Bonds, the Finance
1786 Director is hereby authorized to review and approve on behalf of the county a final
1787 official statement or reoffering memoranda with respect to such Series of Bonds. The

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1788 county agrees to cooperate with the purchaser of each Series of Bonds to deliver or cause
1789 to be delivered, within seven business days from the date of the Sale Document, or within
1790 such other period as may be required by applicable law, and in sufficient time to
1791 accompany any confirmation that requests payment from any customer of the purchaser,
1792 copies of a final official statement pertaining to such Series of Bonds in sufficient
1793 quantity to comply with subsection (b)(4) of the Rule and the rules of the MSRB.

1794 The county further authorizes and directs the Finance Director to review and
1795 approve the information contained in any invitation to tender bonds prepared in
1796 connection with the county's acquisition of Refunding Candidates by purchase or
1797 exchange.

1798 **SECTION 30. Undertaking to Provide Ongoing Disclosure.** The Finance
1799 Director is authorized to enter into an undertaking to provide ongoing disclosure with
1800 respect to each Series of Bonds, as required by subsection (b)(5) of the Rule. The form
1801 of the undertaking may be set forth in the Sale Document or the Official Statement for the
1802 Bonds.

1803 **SECTION 31. General Authorization.** The appropriate county officials, agents
1804 and representatives are hereby authorized and directed to do everything necessary for the
1805 prompt sale, issuance, execution and delivery, and remarketing of the Bonds, and for the
1806 proper use and application of the proceeds of the sale and remarketing thereof.

1807 **SECTION 32. Investment of Funds and Accounts.** Money in the Construction
1808 Account, Revenue Fund, Junior Lien Bond Fund and Multi-Modal LTGO/Sewer
1809 Revenue Bond Fund may be invested in any Permitted Investments. Obligations
1810 purchased as an investment of money in the Construction Account, Revenue Fund, Junior

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1811 Lien Bond Fund and Multi-Modal LTGO/Sewer Revenue Bond Fund and accounts or
1812 subaccounts therein will be deemed at all times to be a part of such respective fund,
1813 account or subaccount, and the income or interest earned and profits realized or losses
1814 suffered by a fund, account or subaccount due to the investment thereof will be retained
1815 in, credited or charged, as the case may be, to such fund or account.

1816 **SECTION 33. Refunding or Defeasance of Bonds.** The Bonds are designated as
1817 Refunding Candidates for purposes of ordinances of the county authorizing the issuance
1818 of bonds to refund outstanding obligations of the county. The county may issue
1819 refunding obligations pursuant to the laws of the State or use money available from any
1820 other lawful source to pay when due the purchase price, principal of, premium, if any,
1821 and interest on the Bonds of any Series, or any portion thereof included in a refunding or
1822 defeasance plan and to redeem and retire, refund, including by purchase or exchange, or
1823 defease all or a portion of such then-outstanding Bonds of such Series (hereinafter
1824 collectively called the "Defeased Bonds"), and to pay the costs of the refunding or
1825 defeasance.

1826 If money and/or noncallable Government Obligations maturing at such time or
1827 times and bearing interest to be earned thereon in amounts, together with such money, if
1828 necessary, sufficient to redeem and retire, refund, or defease the Defeased Bonds in
1829 accordance with their terms are set aside in a special trust or escrow fund or account
1830 irrevocably pledged to that redemption, retirement, or defeasance of Defeased Bonds,
1831 hereinafter called the "trust account"), then the Defeased Bonds will be deemed not to be
1832 outstanding hereunder, no further payments need be made into the related bond fund for
1833 the payment of the principal of and interest on the Defeased Bonds and the Registered

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1834 Owners of the Defeased Bonds will cease to be entitled to any covenant, pledge, benefit,
1835 or security of this ordinance. The Registered Owners of Defeased Bonds will have the
1836 right to receive payment of the principal of, premium, if any, and interest on the Defeased
1837 Bonds from the trust account.

1838 The county will provide or cause to be provided notice of defeasance of such
1839 Defeased Bonds to the MSRB in accordance with the undertaking for ongoing disclosure
1840 to be adopted pursuant to section 30 of this ordinance.

1841 **SECTION 34. Supplemental Ordinances.**

1842 A. Without Owner Consent. The county council from time to time and at any
1843 time may adopt an ordinance or ordinances supplemental to this ordinance, without the
1844 consent of Registered Owners of any of the Bonds, for any one or more of the following
1845 purposes:

1846 1. To add to the covenants and agreements of the county in this
1847 ordinance such other covenants and agreements thereafter to be observed that will not
1848 adversely affect the interests of the Registered Owners of any Bonds, or to surrender any
1849 right or power herein reserved to or conferred upon the county;

1850 2. To make such provisions for the purpose of curing any ambiguities
1851 or of curing, correcting or supplementing any defective provision contained in this
1852 ordinance in regard to matters or questions arising under this ordinance as the county
1853 council may deem necessary or desirable and not inconsistent with this ordinance and
1854 that will not adversely affect the interest of the Registered Owners of any Bonds;

1855 3. To modify, alter, amend, supplement or restate this ordinance in
1856 any and all respects necessary, desirable, or appropriate in connection with the delivery

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1857 of Credit Enhancement or a Liquidity Facility, other than modifying notice provisions to
1858 Registered Owners of the Bonds;

1859 4. To modify, alter, amend, supplement or restate this ordinance in
1860 any and all respects necessary, desirable or appropriate to satisfy the requirements of any
1861 rating agency to obtain or maintain a rating on the Bonds as the county deems necessary,
1862 provided that such action does not impair the security hereof or materially adversely
1863 affect the interests of the Registered Owners of the Bonds; or

1864 5. For any purpose, on any date all Bonds are subject to mandatory or
1865 optional tender for purchase, in each case after written notice of such amendment has
1866 been given by first class mail to each Registered Owner of the Bonds not less than 30
1867 days prior to such purchase date.

1868 B. With Owner Consent.

1869 1. With the consent of the registered owners of not less than a
1870 majority in aggregate principal amount of the Junior Lien Obligations and Multi-Modal
1871 LTGO/Sewer Revenue Bonds then outstanding, the county council may adopt an
1872 ordinance or ordinances supplemental hereto for the purpose of adding any provisions to
1873 or changing in any manner or eliminating any of the provisions of this ordinance, except
1874 as described in subsection B.2. or 4. of this section.

1875 2. No supplemental ordinance entered into pursuant to this subsection

1876 B. may:

1877 a. Extend the fixed maturity of any Bonds, or reduce the rate
1878 of interest thereon, or extend the time of payments of interest from their due date, or
1879 reduce the amount of the principal thereof, or reduce any premium payable on the

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1880 redemption thereof, or amend provisions governing the mandatory or optional tender for
 1881 purchase or redemption of Bonds, without the consent of the Registered Owner of each
 1882 Bond so affected; or

1883 b. Reduce the aforesaid percentage of registered owners of
 1884 Junior Lien Obligations and Multi-Modal LTGO/Sewer Revenue Bonds required to
 1885 approve any such supplemental ordinance, without the consent of the Registered Owners
 1886 of all Bonds then outstanding.

1887 3. It is not necessary for the consent of the Registered Owners of
 1888 Junior Lien Obligations and Multi-Modal LTGO/Sewer Revenue Bonds under this
 1889 subsection B. to approve the particular form of any proposed supplemental ordinance, but
 1890 it is sufficient if such consent approves the substance thereof.

1891 4. Notwithstanding any provision of this subsection B. to the
 1892 contrary, the Credit Provider, if any, will be entitled to consent, on behalf of the
 1893 Registered Owners of any Junior Lien Obligations or Multi-Modal LTGO/Sewer
 1894 Revenue Bonds secured by Credit Enhancement provided by such Credit Provider, for so
 1895 long as the Credit Provider is not in default of its obligations under the Credit
 1896 Enhancement, to the adoption by the county council of any ordinance or ordinances
 1897 supplemental hereto for the purpose of adding any provisions to or changing in any
 1898 manner or eliminating any of the provisions of this ordinance.

1899 C. Consent of Credit Provider and Liquidity Provider. Any amendment or
 1900 supplement to this ordinance requires the prior written consent of any Credit Provider and
 1901 Liquidity Provider if the rights of such Credit Provider or Liquidity Provider, as the case

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1902 may be, will be adversely affected thereby, for so long as the Credit Provider or Liquidity
 1903 Provider, as applicable, is not in default of its obligations.

1904 **SECTION 35. Contract; Severability.** The covenants contained in this
 1905 ordinance constitute a contract between the county and: (a) the Registered Owner of each
 1906 Bond; (b) the Qualified Counterparty to any Payment Agreement entered into with
 1907 respect to any Bonds; and (c) any Credit Provider or Liquidity Provider with respect to
 1908 any Bonds. If any court of competent jurisdiction determines that any covenant or
 1909 agreement provided in this ordinance to be performed on the part of the county is
 1910 contrary to law, then such covenant or agreement shall be null and void and shall be
 1911 deemed separable from the remaining covenants and agreements of this ordinance and

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1912 shall in no way affect the validity of the other provisions of this ordinance or of the
1913 Bonds.

Ordinance 19955 was introduced on 5/13/2025 and passed by the Metropolitan King County Council on 7/15/2025, by the following vote:

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

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Signed by:



1AEA3C5077F8485...

Girmay Zahilay, Chair

ATTEST:

DocuSigned by:



8DE1BB375AD3422...

Melani Hay, Clerk of the Council

APPROVED this _____ day of 7/17/2025, _____.

Signed by:



AAA4841FD7644BE...

Shannon Braddock, County Executive

Attachments: A. Outstanding Obligations, B. Form of Junior Lien Obligation, C. Form of Multi-Modal Limited Tax General Obligation-Sewer Revenue Bond

Ordinance 19955

ATTACHMENT A – OUTSTANDING OBLIGATIONS**I. OUTSTANDING PARITY BONDS**

Series	Ordinance	Date of Issue	Original Principal	Outstanding Principal (as of 12/31/24)
2015A	17599	02/18/2015	\$474,025,000	\$177,825,000
2015B	18111	11/17/2015	93,345,000	51,080,000
2016A	18116	02/17/2016	281,535,000	228,840,000
2016B	18111	09/12/2016	499,655,000	279,490,000
2017	18587	12/19/2017	149,485,000	87,365,000
2018A ⁽¹⁾	18588	04/19/2018	134,500,000	17,686,000
2018B	18588	11/15/2018	124,455,000	77,095,000
2020A	19112	08/04/2020	179,530,000	126,850,000
2020B	19112	08/04/2020	186,745,000	136,015,000
2021 ⁽¹⁾	19112	01/19/2021	96,844,510	9,616,000
2021A	19112	08/10/2021	231,200,000	173,965,000
2023	19377	07/19/2023	129,970,000	129,530,000
2024 ⁽²⁾	19377	01/25/2024	194,125,628	0
2024A	19785	08/08/2024	392,575,000	392,575,000
2024 ⁽²⁾	19377	12/04/2024	89,891,562	0
2024B	19785	12/23/2024	169,905,000	169,905,000
Total			\$3,309,974,000	\$2,057,837,000

⁽¹⁾ WIFIA loan. “Original Principal” represents the total authorized amount of the loan, and “Outstanding Principal” represents amounts drawn on the loan as of 12/31/24.

⁽²⁾ WIFIA loan. “Original Principal” represents the authorized amount of the first and second loans issued under a WIFIA Master Agreement with a total authorized amount of \$498,344,408. “Outstanding Principal” represents amounts drawn on the first loan as of 12/31/24.

II. OUTSTANDING PARITY LIEN OBLIGATIONS

Series	Ordinance	Date of Issue	Original Principal	Outstanding Principal (as of 12/31/24)
2017A	18116	10/25/2017	\$154,560,000	113,040,000
2019	18588	10/24/2019	101,035,000	97,350,000
2021A	19112	08/10/2021	239,585,000	206,770,000
2021B	19112	08/10/2021	94,510,000	69,480,000
2024B	19785	12/23/2024	229,950,000	229,950,000
Total			\$819,640,000	\$716,590,000

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III. OUTSTANDING JUNIOR LIEN OBLIGATIONS

Series	Ordinance	Date of Issue	Original Principal	Outstanding Principal (as of 12/31/24)
2020B	18898	07/14/2020	\$100,295,000	\$100,295,000
2021A	18898/19324	12/16/2021	140,000,000	140,000,000
2024	18898/19324	06/06/2024	115,580,000	115,580,000
Total			\$355,875,000	\$355,875,000

IV. OUTSTANDING MULTI-MODAL LTGO/SEWER REVENUE BONDS

Series	Ordinance	Date of Issue	Original Principal	Outstanding Principal (as of 3/12/25)
Commercial Paper	18898/ 19324, 19114	01/01/2021	Up to \$250,000,000	\$161,600,000
Total			Up to \$250,000,000	\$161,600,000

FORM OF JUNIOR LIEN OBLIGATION

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1

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9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1041 1042 1043 10

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KING COUNTY

CUSIP NO.

PRINCIPAL AMOUNT: _____ AND NO 100/DOLLARS

Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest on this bond is payable by electronic transfer on the interest payment date, or by check or draft of the Registrar mailed on such 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. Principal of and

Ordinance 19955

premium, if any, on this bond are payable upon presentation and surrender of the 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, 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 _____ (together with the [Sale Document], 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 King County, Washington, Junior Lien Obligation Redemption Fund (the "Junior Lien 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 Junior Lien 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 and the Parity Lien Obligations, equal to the lien and charge securing any other Junior Lien Obligations, and superior to any other charges whatsoever. The County has reserved the right to issue additional Junior 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 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.

Ordinance 19955

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, been done and performed precedent to and in the issuance of this bond do exist and have happened, been done and performed and that the issuance of this bond and the Bonds does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the County may incur.

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

KING COUNTY, WASHINGTON

By: _____
King County Executive

ATTEST:

Clerk of the County Council

Ordinance 19955

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____.

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

WASHINGTON STATE FISCAL AGENT
as Registrar

By _____
Authorized Signer

Ordinance 19955

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.

FORM OF MULTI-MODAL LTGO/SEWER REVENUE BOND

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1

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KING COUNTY

INITIAL INTEREST RATE PERIOD

MATURITY DATE

CUSIP NO.

PRINCIPAL AMOUNT: _____ AND NO 100/DOLLARS

Both principal of and interest on this bond are payable in lawful money of the United States of America. Interest on this bond is payable by electronic transfer on the interest payment date, or by check or draft of the Registrar mailed on such 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. Principal of and

Ordinance 19955

premium, if any, on this bond are payable upon presentation and surrender of the 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, 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 _____ (together with the [Sale Document], 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 become 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 become due.

The County has further obligated and bound itself to set aside and pay into the Multi-Modal LTGO/Sewer Revenue 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, the Parity Lien Obligations and the Junior Lien Obligations, equal to the lien and charge securing any outstanding Multi-Modal LTGO/Sewer Revenue Bonds and any additional Multi-Modal LTGO/Sewer Revenue Bonds hereafter issued, and superior to any other charges whatsoever. The County has reserved the right to issue additional Multi-Modal LTGO/Sewer Revenue Bonds 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.

Ordinance 19955

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, been done and performed precedent to and in the issuance of this bond do exist and have happened, been done and performed and that the issuance of this bond and the Bonds does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the County may incur.

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

KING COUNTY, WASHINGTON

By: _____
King County Executive

ATTEST:

Clerk of the County Council

Ordinance 19955

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____.

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

WASHINGTON STATE FISCAL AGENT
as Registrar

By _____
Authorized Signer

Ordinance 19955

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: B12F9064-A578-4C3F-A213-850FB0DA59AF

Status: Completed

Subject: Complete with Docusign: Ordinance 19955.docx, Ordinance 19955 Attachment A.docx, Ordinance 1995...

Source Envelope:

Document Pages: 86

Signatures: 3

Envelope Originator:

Supplemental Document Pages: 12

Initials: 0

Cherie Camp

Certificate Pages: 5

AutoNav: Enabled

401 5TH AVE

Envelopeld Stamping: Enabled

SEATTLE, WA 98104

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Cherie.Camp@kingcounty.gov

IP Address: 198.49.222.20

Record Tracking

Status: Original

Holder: Cherie Camp

Location: DocuSign

7/16/2025 11:03:08 AM

Cherie.Camp@kingcounty.gov

Security Appliance Status: Connected

Pool: FedRamp

Storage Appliance Status: Connected

Pool: King County-Council

Location: Docusign

Signer Events

Girmay Zahilay

girmay.zahilay@kingcounty.gov

Council Chair

Security Level: Email, Account Authentication (None)

Signature

Signed by:


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Timestamp

Sent: 7/16/2025 11:04:48 AM

Viewed: 7/16/2025 11:38:12 AM

Signed: 7/16/2025 11:38:23 AM

Signature Adoption: Pre-selected Style

Using IP Address: 71.227.166.164

Electronic Record and Signature Disclosure:

Accepted: 7/16/2025 11:38:12 AM

ID: 3f91aae7-4673-4f01-b439-ecd4fab60d1d

Melani Hay

melani.hay@kingcounty.gov

Clerk of the Council

King County Council

Security Level: Email, Account Authentication (None)

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Sent: 7/16/2025 11:38:26 AM

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Signature Adoption: Pre-selected Style

Using IP Address: 198.49.222.20

Electronic Record and Signature Disclosure:

Accepted: 9/30/2022 11:27:12 AM

ID: 639a6b47-a4ff-458a-8ae8-c9251b7d1a1f

Shannon Braddock

Shannon.Braddock@kingcounty.gov

Deputy Executive

Security Level: Email, Account Authentication (None)

Signed by:


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Electronic Record and Signature Disclosure:

Accepted: 7/17/2025 4:31:23 PM

ID: 3cd69a38-1258-4fdc-a38d-4d60693d25e5

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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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: 7/16/2025 11:48:34 AM
Viewed: 7/16/2025 12:06:55 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	7/16/2025 11:04:48 AM
Certified Delivered	Security Checked	7/17/2025 4:31:23 PM
Signing Complete	Security Checked	7/17/2025 4:31:44 PM
Completed	Security Checked	7/17/2025 4:31:44 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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