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S1

12/21/2009

12/14/09 Council Mtg.

Sponsor:

Jimmy Bonnett

dt

Proposed No.: 2009-0633

LG MOVED

PASSED 7-0

KL Excused

STRIKING AMENDMENT TO PROPOSED ORDINANCE 2009-0633, VERSION

1

On page 1, beginning on line 14, strike everything through page 108, line 2421, and insert:

"PREAMBLE:

The county owns and operates facilities for the conveyance and treatment of sewage and control of combined sewer overflows that include, but are not limited to, wastewater treatment plants, interceptor and trunk sewers, pumping stations, regulator stations, outfall sewers, storm sewers to divert stormwater from sanitary sewers, lands for application of biosolids, property rights, and buildings and other structures (collectively the "Sewer System" or the "System"), all in accordance with a comprehensive plan for metropolitan water pollution abatement under the authority of chapters 36.56 and 35.58 of the Revised Code of Washington ("RCW").

Long term service agreements with participating municipalities (the "Participants") obligate the county to treat and dispose of sewage collected by the Participants. The Participants must pay the costs of such services

22701

18 including debt service on bonds payable from sewer revenues.
19 Comparable rates and charges have been established for customers who
20 deliver sewage to the System but are not subject to a contract with the
21 county for such service.
22 In accordance with RCW 35.58.200(3), the county has declared that the
23 health, safety and welfare of people within the metropolitan area require
24 that certain Participants discharge sewage collected by such Participants
25 into facilities of the System.
26 The county has issued the following sewer revenue bonds with a senior
27 lien on revenues of the Sewer System (the "Parity Bonds"):

Series			Original	Outstanding
Designation	Ordinance	Date of Issue	Principal	Principal
				(9/1/2009)
2001 Bonds	14225	11/28/2001	\$ 270,060,000	\$ 223,375,000
2002A Bonds	14406	8/14/2002	100,000,000	94,960,000
2002B Bonds	14406	10/03/2002	346,130,000	249,350,000
2003A Bonds	14406	4/24/2003	96,470,000	91,625,000
2004A Bonds	14753	3/18/2004	185,000,000	185,000,000
2004B Bonds	14753	3/18/2004	61,760,000	58,900,000
2006 Bonds	15385	5/16/2006	124,070,000	124,070,000
2006 (2nd) Bonds	15385	11/30/2006	193,435,000	190,085,000
2007 Bonds	15758	6/26/2007	250,000,000	250,000,000
2008 Bonds	16133	8/14/2008	350,000,000	350,000,000

			Original	Outstanding
Series			Principal	Principal
Designation	Ordinance	Date of Issue	Principal	(9/1/2009)
2009 Bonds	16133	8/12/2009	250,000,000	250,000,000

28 The county has issued the following limited tax general obligation bonds
 29 additionally secured by a lien on revenues of the Sewer System junior and
 30 subordinate to the lien thereon of the Parity Bonds (the "Parity Lien
 31 Obligations"):

			Original	Outstanding
Series			Principal	Principal
Designation	Ordinance	Date of Issue	Principal	(9/1/2009)
Series 2005	15033	4/21/2005	\$ 200,000,000	\$200,000,000
Series 2008	15779	2/12/2008	236,950,000	233,045,000
Series 2009	16133	4/18/2009	300,000,000	300,000,000

32 The county has issued the following sewer revenue bonds with a lien on
 33 revenues of the Sewer System junior and subordinate to the lien thereon of
 34 the Parity Bonds and the Parity Lien Obligations (the "Junior Lien
 35 Obligations"):

			Original	Outstanding
Series			Principal	Principal
Designation	Ordinance	Date of Issue	Principal	(9/1/2009)
Series 2001A	14171	4/15/2001	\$ 50,000,000	\$ 50,000,000

			Outstanding	
Series			Original	Principal
Designation	Ordinance	Date of Issue	Principal	(9/1/2009)
Series 2001B	14172	4/15/2001	50,000,000	50,000,000

36 The county has issued its Sewer Revenue Anticipation Notes, Commercial
37 Paper Series A, in the aggregate principal amount of not to exceed
38 \$100,000,000 at any time outstanding (the "Commercial Paper Notes"),
39 with a lien on revenues of the Sewer System junior and subordinate to the
40 lien thereon of the Parity Bonds, the Parity Lien Obligations, and the
41 Junior Lien Obligations, pursuant to Ordinance 12057, as amended by
42 Ordinance 14173.

43 The ordinances authorizing the issuance of the Parity Bonds, the Parity
44 Lien Obligations, the Junior Lien Obligations and the Commercial Paper
45 Notes permit the county to issue additional sewer revenue bonds with a
46 lien on revenues of the Sewer System junior to the lien thereon of the
47 Junior Lien Obligations and superior to the lien thereon of the Commercial
48 Paper Notes. This ordinance authorizes the issuance of a series of such
49 bonds in the principal amount of not to exceed \$50,000,000 (the "Bonds")
50 to be sold by negotiated sale to Citigroup Global Markets Inc., subject to
51 final approval of a bond purchase contract by the county's finance director.

52 This ordinance further authorizes the form, terms, maturity, method of
53 determining interest rates and options for liquidity support and credit
54 enhancement for the Bonds.

55 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

56 **ARTICLE I**

57 **DEFINITIONS AND INTERPRETATION**

58 SECTION 1.1. Certain Definitions. As used in this ordinance, the following
59 terms and phrases have the meanings set forth in this Section unless the context clearly
60 indicates that another meaning is intended (singular definitions include the plural thereof
61 and vice versa):

62 **"Account"** means each Remarketing Proceeds Account, County Purchase
63 Account and Liquidity Facility Purchase Account established within the Purchase Fund.

64 **"Accreted Value"** means with respect to any Capital Appreciation Bonds, as of
65 any date of calculation, the sum of the amounts set forth in the ordinance, resolution or
66 motion authorizing such bonds as the amounts representing the initial principal amount of
67 such bonds plus the interest accumulated, compounded and unpaid thereon as of the most
68 recent compounding date, as provided in the ordinance, resolution or motion authorizing
69 the issuance of such bonds; provided that if such calculation is not made as of a
70 compounding date, such amount will be determined by straight-line interpolation as of
71 the immediately preceding and the immediately succeeding compounding dates.

72 **"Agency Customer"** means any city, town, water-sewer district or other political
73 subdivision, person, firm or private corporation that collects sewage from customers and
74 disposes of any portion of that sewage into the Metropolitan Sewerage System and is not
75 a Participant.

76 **"Alternate Credit Enhancement"** or **"Alternate Liquidity Facility"** means a
77 letter of credit, insurance policy, line of credit, surety bond, standby purchase agreement

78 or other security or liquidity instrument, as the case may be, issued in accordance with
79 the terms hereof as a replacement or substitute for any Credit Enhancement or Liquidity
80 Facility, as applicable, then in effect.

81 **"Alternate Rate"** means, on any Rate Determination Date, for any Interest Rate
82 Mode, a rate per annum equal to 110% of (a) the SIFMA Municipal Swap Index most
83 recently available as of the date of determination, or (b) if such index is no longer
84 available, or if the SIFMA Municipal Swap Index is no longer published, the S&P
85 Weekly High Grade Index (formerly the J.J. Kenny Index), or if neither the SIFMA
86 Municipal Swap Index nor the S&P Weekly High Grade Index is published, the index
87 determined to equal the prevailing rate determined by the Remarketing Agent for tax-
88 exempt state and local government bonds meeting criteria determined in good faith by the
89 Remarketing Agent to be comparable under the circumstances to the criteria used by the
90 Securities Industry and Financial Markets Association to determine the SIFMA
91 Municipal Swap Index just prior to when the Securities and Financial Markets
92 Association stopped publishing the SIFMA Municipal Swap Index. The Registrar will
93 make the determinations required by this definition, upon notification from the county, if
94 there is no Remarketing Agent, if the Remarketing Agent fails to make any such
95 determination or if the Remarketing Agent has suspended its remarketing efforts in
96 accordance with the Remarketing Agreement; provided, however, that if neither the
97 SIFMA Municipal Swap Index nor the S&P Weekly High Grade Index is available, the
98 county will designate in writing the index for the Registrar to use.

99 **"Annual Debt Service"** means, for designated obligations of the System, with
100 respect to any calendar year, the sum of the following:

101 (1) The interest on such designated obligations due (i) on all interest payment
102 dates (other than January 1) in such calendar year, and (ii) on January 1 of the next
103 succeeding calendar year, plus any Payment Agreement Payments due on such dates in
104 respect of Payment Agreements for such obligations and minus any Payment Agreement
105 Receipts due in such period in respect of Payment Agreements for such obligations.

106 (i) For purposes of calculating the amounts required to pay interest on
107 such designated obligations, capitalized interest, accrued interest paid to the county upon
108 the issuance of such obligations, and Debt Service Offsets pledged to the payment of
109 such designated obligations will be excluded.

110 (ii) The amount of interest deemed payable on any such obligations
111 bearing interest at a variable rate will be calculated on the assumption that the interest
112 rate on such obligations would be equal to the rate (the "assumed RBI rate") that is 90%
113 of the average Bond Buyer Revenue Bond Index or comparable index during the fiscal
114 quarter preceding the quarter in which the calculation is made; provided, however, that
115 for purposes of determining actual compliance in any past calendar year with the rate
116 covenants made in Section 5.1 of this ordinance, the actual amount of interest paid on any
117 issue of variable rate obligations will be taken into account.

118 (2) The principal due (at maturity or upon the mandatory redemption of Term
119 Bonds prior to their maturity) for such designated obligations (i) on all principal payment
120 dates (other than January 1) of such calendar year and (ii) on January 1 of the next
121 succeeding calendar year.

122 (3) An amount for assumed payments of principal of any of such designated
123 obligations that are Balloon Maturity Bonds calculated for the applicable calendar year

124 by amortizing the then outstanding principal amount of such obligations in accordance
125 with a maturity schedule not exceeding 30 years from the date of issuance of such
126 Balloon Maturity Bonds and resulting in approximately level debt service based on their
127 actual interest rates (if such obligations bear interest at fixed rates) or on the assumed
128 interest rate calculated as provided in Paragraph (1)(ii) of this definition (if such
129 obligations bear interest at a variable rate).

130 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or
131 upon the mandatory redemption of Term Bonds that are Capital Appreciation Bonds must
132 be included in the calculation of Annual Debt Service, and references in this ordinance to
133 principal of Parity Bonds include the Accreted Value due at maturity or upon the
134 mandatory redemption of any Capital Appreciation Bonds.

135 Notwithstanding the foregoing, debt service on bonds with respect to which a
136 Payment Agreement is in force will be calculated by the county to reflect the net
137 economic effect of the terms of the bonds and the applicable Payment Agreement, in
138 accordance with the requirements set forth in the ordinances applicable to such bonds.

139 **"Authorized Denominations"** means (i) with respect to Bonds in a Daily Mode
140 or Weekly Mode, \$100,000 and any integral multiple of \$5,000 in excess thereof, (ii)
141 with respect to Bonds in a Flexible Mode, \$100,000 and any integral multiple of \$1,000
142 in excess thereof, and (iii) with respect to Bonds in a Long-Term Mode, \$5,000 and any
143 integral multiple thereof.

144 **"Automatic Termination Event"** means an event of default set forth in a
145 Reimbursement Agreement between the county and the Liquidity Provider that would
146 result in the immediate termination or suspension of the Liquidity Facility prior to its

147 stated expiration date without prior notice from the Liquidity Provider to the Tender
148 Agent.

149 **"Available Amount"** means the amount available under any Credit Enhancement
150 or Liquidity Facility, as applicable, to pay the principal of and interest on the Bonds or
151 the Purchase Price of the Bonds, as applicable.

152 **"Balloon Maturity Bonds"** means any obligations of the System, other than
153 Term Bonds, the entire principal amount of which is due at maturity without serial bond
154 payments or sinking fund redemption payments, including the Bonds.

155 **"Bank Note"** means the bank note authorized to be issued by Ordinance 12057
156 of the county, as amended, to secure payment of the Commercial Paper Notes.

157 **"Beneficial Owner"** means, so long as the Bonds are held in the Book-Entry
158 System, any Person who acquires a beneficial ownership interest in a Bond held by the
159 Securities Depository. If at any time the Bonds are not held in the Book-Entry System,
160 Beneficial Owner means Owner for purposes of this ordinance.

161 **"Bond Counsel"** means any firm of nationally recognized municipal bond
162 attorneys selected by the county and experienced in the issuance of municipal bonds and
163 matters relating to the exclusion of the interest thereon from gross income for Federal
164 income tax purposes.

165 **"Bond Register"** means the registration books maintained by the Registrar for
166 purposes of identifying ownership of the Bonds.

167 **"Bondowners' Trustee"** means the bank or financial institution selected by the
168 Owners of the Bonds pursuant to Section 6.2 of this ordinance.

169 **"Bonds"** means the King County, Washington, Multi-Modal Limited Tax
170 General Obligation Bonds (Payable from Sewer Revenue), Series 2010B, authorized to
171 be issued in the aggregate principal amount of not to exceed \$50,000,000 pursuant to
172 Section 2.1 of this ordinance.

173 **"Book-Entry System"** means the fully immobilized system maintained by the
174 Securities Depository described in Article II of this ordinance.

175 **"Business Day"** means any business day other than (i) a Saturday or Sunday or
176 (ii) a day on which the Registrar, Paying Agent, Tender Agent, or the Remarketing
177 Agent, if any, are required or authorized to be closed or (iii) a day on which the office of
178 the Credit Provider or Liquidity Provider at which it will pay draws or advances are
179 required or authorized to be closed, or (iv) a day on which The New York Stock
180 Exchange is closed.

181 **"Capital Appreciation Bonds"** means any Parity Bonds the interest on which is
182 compounded, accumulated and payable only upon redemption or on the maturity date of
183 such Parity Bonds; provided, however, that Parity Bonds may be deemed to be Capital
184 Appreciation Bonds for only a portion of their term pursuant to the ordinance, resolution
185 or motion authorizing their issuance. On the date on which Parity Bonds no longer are
186 Capital Appreciation Bonds, they will be deemed outstanding in a principal amount equal
187 to their Accreted Value.

188 **"Certified Public Accountant"** means an independent certified public
189 accountant (or firm of certified public accountants) selected by the county and having a
190 favorable national reputation.

191 **"Closing Date"** means the date of delivery of the Bonds to the Underwriter
192 against payment therefor.

193 **"Code"** means the Internal Revenue Code of 1986, as amended, together with
194 corresponding and applicable final, temporary or proposed regulations and revenue
195 rulings issued or amended with respect thereto by the United States Treasury Department
196 or the Internal Revenue Service, to the extent applicable to the Bonds.

197 **"Commercial Paper Notes"** means the King County, Washington, Sewer
198 Revenue Bond Anticipation Notes, Commercial Paper Series A, authorized, issued, and
199 outstanding from time to time pursuant to Ordinance 12057 of the county passed on
200 December 11, 1995, as amended by Ordinance 14173 of the county passed on July 16,
201 2001.

202 **"Comprehensive Plan"** means the county's comprehensive water pollution
203 abatement plan authorized by RCW 35.58.200 and defined in King County Code
204 ("K.C.C.") 28.82.150 as the Comprehensive Sewage Disposal Plan adopted by
205 Resolution No. 23 of the Metro Council on April 22, 1959, and all amendments thereto,
206 together with any amendments hereafter approved by ordinance of the county.

207 **"Conversion Date"** means with respect to Bonds in a particular Interest Rate
208 Mode, the day on which another Interest Rate Mode for such Bonds begins.

209 **"Conversion Notice"** means the notice from the county to the other Notice
210 Parties of the county's intention to change the Interest Rate Mode with respect to the
211 Bonds.

212 **"County Bonds"** means Bonds held by the Registrar for and on behalf of the
213 county or any nominee for (or any Person who owns such Bonds for the sole benefit of)
214 the county pursuant to Section 3.14(c) of this ordinance.

215 **"County Purchase Account"** means each account with that name established
216 within the Bond Purchase Fund pursuant to Section 3.14 of this ordinance.

217 **"Credit Enhancement"** means any letter of credit, insurance policy, surety bond,
218 line of credit or other instrument, if any, then in effect that secures or guarantees the
219 payment of principal of and interest on the Bonds.

220 **"Credit Provider"** means any bank, insurance company, pension fund or other
221 financial institution that provides a Credit Enhancement or Alternate Credit Enhancement
222 for the Bonds.

223 **"Current Mode"** has the meaning specified in Section 2.10(a)(i) of this
224 ordinance.

225 **"Daily Mode"** means the Interest Rate Mode during which the Bonds bear
226 interest at the Daily Rate.

227 **"Daily Rate"** means the per annum interest rate on any Bond in the Daily Mode
228 determined pursuant to Section 2.6(a) of this ordinance.

229 **"Daily Rate Period"** means the period during which a Bond in the Daily Mode
230 bears interest at a Daily Rate, which will be from the Business Day upon which a Daily
231 Rate is set to but not including the next succeeding Business Day.

232 **"Debt Service Offset"** means receipts of the county that are (i) legally available
233 to pay debt service on obligations payable from Revenue of the System, including

234 without limitation federal interest subsidy payments, and (ii) pledged to the payment of
235 obligations payable from Revenue of the System.

236 **"Default"** means any of the events or conditions set forth in Section 6.1 of this
237 ordinance.

238 **"Delayed Remarketing Period"** has the meaning specified in Section 3.15(b) of
239 this ordinance.

240 **"DTC"** means The Depository Trust Company, a limited purpose trust company
241 organized under the laws of the State of New York, as initial Securities Depository for
242 the Bonds, and any successor thereto.

243 **"DTC Participants"** means those broker-dealers, banks and other financial
244 institutions for which DTC holds Bonds as securities depository.

245 **"Electronic Means"** means telecopy, facsimile transmission, email transmission
246 or other similar electronic means of communication providing evidence of transmission.

247 **"Expiration Date"** means the stated expiration date of the Credit Enhancement
248 or the Liquidity Facility, as it may be extended from time to time as provided in the
249 Credit Enhancement or the Liquidity Facility or Reimbursement Agreement, as
250 applicable, or any earlier date on which the Credit Enhancement or the Liquidity Facility
251 will terminate at the direction of the county, expire or be cancelled.

252 **"Favorable Opinion of Bond Counsel"** means, with respect to any action the
253 occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which
254 must be a Bond Counsel, to the effect that such action is permitted under this ordinance
255 and will not adversely affect the exclusion of interest on the Bonds from gross income for

256 purposes of Federal income taxation (subject to the inclusion of any exceptions contained
257 in the opinion delivered upon original issuance of the Bonds).

258 **"Finance Director"** means the director of the finance and business operations
259 division of the county or his or her designee, or the successor to the duties of such office.

260 **"Fiscal Agency Agreement"** means the agreement of that name dated February
261 1, 2007, as amended, between the State of Washington and The Bank of New York (now
262 known as The Bank of New York Mellon), and any amendments and supplements thereto
263 and replacements thereof.

264 **"Fixed Rate"** means the per annum interest rate on any Bond in the Fixed Rate
265 Mode determined pursuant to Section 2.7(b) of this ordinance.

266 **"Fixed Rate Bond"** means a Bond in the Fixed Rate Mode.

267 **"Fixed Rate Mode"** means the Interest Rate Mode during which the Bonds bear
268 interest at the Fixed Rate.

269 **"Fixed Rate Period"** means for the Bonds in the Fixed Rate Mode, the period
270 from the Conversion Date upon which the Bonds were converted to the Fixed Rate Mode
271 to but not including the Maturity Date for the Bonds.

272 **"Flexible Mode"** means the Interest Rate Mode during which the Bonds bear
273 interest at the Flexible Rate.

274 **"Flexible Rate"** means the per annum interest rate on a Bond in the Flexible
275 Mode determined for such Bond pursuant to Section 2.5 of this ordinance. The Bonds in
276 the Flexible Mode may bear interest at different Flexible Rates.

277 **"Flexible Rate Bond"** means a Bond in the Flexible Mode.

278 **"Flexible Rate Period"** means the period of from one to 270 calendar days
279 (which period must end on a day preceding a Business Day) during which a Flexible Rate
280 Bond will bear interest at a Flexible Rate, as established by the Remarketing Agent
281 pursuant to Section 2.5 of this ordinance. The Bonds in the Flexible Mode may be in
282 different Flexible Rate Periods.

283 **"Government Obligations"** means those obligations now or hereafter defined as
284 such in Chapter 39.53 of the Revised Code of Washington, as such chapter may be
285 hereafter amended or restated.

286 **"Interest Accrual Period"** means the period during which a Bond accrues
287 interest payable on the next Interest Payment Date applicable thereto. Each Interest
288 Accrual Period must commence on (and include) the last Interest Payment Date to which
289 interest has been paid (or, if no interest has been paid, from the date of original
290 authentication and delivery of the Bonds) to, but not including, the Interest Payment Date
291 on which interest is to be paid. If, at the time of authentication of any Bond, interest is in
292 default or overdue on the Bonds, such Bond will bear interest from the date to which
293 interest has previously been paid in full or made available for payment in full on
294 Outstanding Bonds.

295 **"Interest Payment Date"** means each date on which interest is to be paid and is:
296 (i) with respect to the Bonds in the Flexible Mode, each Mandatory Purchase Date
297 applicable thereto; (ii) with respect to the Bonds in the Daily Mode or Weekly Mode, the
298 first Business Day of each month; (iii) with respect to the Bonds in a Term Rate Mode or
299 a Fixed Rate Mode, the first day of the sixth calendar month following the month in
300 which such Term Rate Mode or a Fixed Rate Mode takes effect, and the first day of each

301 sixth calendar month thereafter or, upon the receipt by the Registrar of a Favorable
302 Opinion of Bond Counsel, any other six-month interval chosen by the county (beginning
303 with the first such day which is at least three months after the Conversion Date) and, with
304 respect to a Term Rate Period, the final day of the current Interest Period if other than a
305 regular six-month interval; (iv) with respect to the Bonds in the LIBOR Indexed Mode,
306 each January 1, April 1, July 1 and October 1 (beginning with the first such day after the
307 Conversion Date); (v) (without duplication as to any Interest Payment Date listed above)
308 each Maturity Date; and (vi) with respect to any Liquidity Provider Bonds, the day set
309 forth in the Reimbursement Agreement.

310 **"Interest Period"** means, for the Bonds in a particular Interest Rate Mode, the
311 period of time that the Bonds bear interest at the rate (per annum) that becomes effective
312 at the beginning of such period, and will include a Flexible Rate Period, a Daily Rate
313 Period, a Weekly Rate Period, a LIBOR Interest Period, a Term Rate Period and a Fixed
314 Rate Period.

315 **"Interest Rate Mode"** means, as the context may require, the Flexible Mode, the
316 Daily Mode, the Weekly Mode, the LIBOR Indexed Mode, the Term Rate Mode or the
317 Fixed Rate Mode.

318 **"Junior Lien Bond Fund"** means the "King County, Washington, Junior Lien
319 Obligation Redemption Fund" created pursuant to Section 5.01 of Ordinance 14171.

320 **"Junior Lien Obligations"** means the bonds identified as such in the Preamble
321 to this ordinance, together with any revenue bonds that the county may hereafter issue
322 with a lien on Revenue of the System equal to the lien thereon of the Junior Lien
323 Obligations.

324 **"Letter of Representations"** means the Blanket Issuer Letter of Representations
325 heretofore entered into by the county with DTC, or any similar agreement or document
326 relating to a successor to DTC as Securities Depository.

327 **"LIBOR Indexed Mode"** means the Interest Rate Mode during which the Bonds
328 bear interest at the LIBOR Index Rate.

329 **"LIBOR Index Rate"** is the rate borne by the Bonds during each Interest Period
330 determined in accordance with Section 2.9 of this ordinance.

331 **"LIBOR Interest Period"** means, during the LIBOR Indexed Mode, the period
332 from (and including) the Conversion Date to but not including the first Interest Payment
333 Date and thereafter means the period from (and including) an Interest Payment Date to
334 but not including the following Interest Payment Date (regardless of whether or not such
335 Interest Payment Dates are Business Days).

336 **"Liquidity Facility"** means any letter of credit, line of credit, standby purchase
337 agreement or other instrument then in effect that provides for the payment of the purchase
338 price of Bonds upon the tender thereof in the event remarketing proceeds are insufficient
339 therefor.

340 **"Liquidity Facility Purchase Account"** means the account by that name created
341 pursuant to Section 3.14 of this ordinance.

342 **"Liquidity Provider"** means any bank, insurance company, pension fund or
343 other financial institution that provides a Liquidity Facility or Alternate Liquidity Facility
344 for the Bonds.

345 **"Liquidity Provider Bonds"** means any Bonds purchased by the Liquidity
346 Provider with funds drawn on or advanced under the Liquidity Facility.

347 **"London Banking Day"** means any day on which commercial banks are open
348 for general business (including dealings in foreign exchange and foreign currency) in the
349 City of London, United Kingdom.

350 **"Long-Term Mode"** means a LIBOR Indexed Mode, a Term Rate Mode or a
351 Fixed Rate Mode.

352 **"Mandatory Purchase Date"** means: (i) with respect to a Flexible Rate Bond
353 the first Business Day following the last day of each Flexible Rate Period with respect to
354 such Bond; (ii) for Bonds in the Term Rate Mode, on the first Business Day following the
355 last day of each Term Rate Period; (iii) any Conversion Date; (iv) any Substitution Date;
356 (v) the fifth Business Day prior to any Expiration Date (other than as a result of an
357 Automatic Termination Event); (vi) the date specified by the Registrar following the
358 occurrence of an event of default (other than an Automatic Termination Event) under the
359 Reimbursement Agreement, which date must be a Business Day not more than 25 nor
360 less than 20 days after the Registrar's receipt of written notice of such event of default
361 from the Credit Provider or the Liquidity Provider and in no event later than the day
362 preceding the termination date specified by the Credit Provider or the Liquidity Provider;
363 (vii) the date specified by the Registrar following receipt of notice by the Registrar from
364 the Credit Provider that the Credit Enhancement will not be reinstated following a
365 drawing to pay interest on the Bonds (other than interest on Bonds no longer Outstanding
366 after such drawing), which date must be a Business Day not more than five days after the
367 Registrar's receipt of such notice; and (viii) for Bonds in the Daily Mode or Weekly
368 Mode, any Business Day specified by the county not less than 30 days after the

369 Registrar's receipt of such notice and in no event later than the day preceding the
370 Expiration Date.

371 **"Maturity Date"** means January 1, 2040, and, if established pursuant to Section
372 2.10(b)(v) of this ordinance upon a change to the Fixed Rate Mode, any Serial Maturity
373 Date.

374 **"Maximum Rate"** means (i) with respect to all Bonds other than Liquidity
375 Provider Bonds, a rate of interest equal to the lesser of (a) 15% per annum or (b) the per
376 annum interest rate used to calculate the Available Amount under the Liquidity Facility,
377 and (ii) with respect to Liquidity Provider Bonds, the rate specified in the Reimbursement
378 Agreement. In no event may such rate(s) exceed the highest rate allowed by law.

379 **"Moody's"** means Moody's Investors Service, a corporation duly organized and
380 existing under and by virtue of the laws of the State of Delaware, and its successors and
381 assigns, except that if such corporation is dissolved or liquidated or no longer performs
382 the functions of a securities rating agency, then the term "Moody's" will be deemed to
383 refer to any other nationally recognized securities rating agency selected by the county
384 after consultation with the Remarketing Agent.

385 **"MSRB"** means the Municipal Securities Rulemaking Board or any successors to
386 its functions.

387 **"Multi-Modal LTGO/Sewer Revenue Bonds"** means the Bonds, the Series
388 2010A Bonds, and any additional limited tax general obligation bonds of the county
389 payable from Revenue of the System and having the same lien on such revenue as the
390 Bonds and the Series 2010A Bonds.

391 **"Net Revenue"** means Revenue of the System less Operating and Maintenance
392 Expenses.

393 **"New Mode"** has the meaning specified in Section 2.10(a) of this ordinance.

394 **"Notice Parties"** means the county, the Registrar, the Tender Agent, the
395 Remarketing Agent, the Paying Agent, the Credit Provider, if any, and the Liquidity
396 Provider, if any.

397 **"NRMSIR"** means a nationally recognized municipal securities information
398 repository.

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

404 **"Opinion of Counsel"** means a written legal opinion from a firm of attorneys
405 experienced in the matters to be covered in the opinion.

406 **"Outstanding,"** when used as of a particular time with reference to Bonds,
407 means all Bonds delivered hereunder except:

408 (a) Bonds cancelled by the Registrar or surrendered to the Registrar for
409 cancellation;

410 (b) Bonds paid or deemed to have been paid within the meaning of this
411 ordinance; and

412 (c) Bonds in lieu of or in substitution for which replacement Bonds have been
413 executed by the county and delivered by the Registrar hereunder.

414 Notwithstanding the foregoing, Liquidity Provider Bonds will remain Outstanding
415 until the Liquidity Provider is paid all amounts due on such Bonds.

416 **"Owner"** means the registered owner of a Bond, including the Securities
417 Depository, if any, or its nominee.

418 **"Parity Bond Fund"** means the "Water Quality Revenue Bond Account"
419 designated pursuant to Section 30 of Ordinance 12076 of the county for the purpose of
420 paying and securing the payment of the Parity Bonds.

421 **"Parity Bond Reserve Account"** means the bond reserve account in the Parity
422 Bond Fund securing the payment of the Parity Bonds.

423 **"Parity Bonds"** means the bonds identified as such in the Preamble to this
424 ordinance, together with any sewer revenue bonds that the county may hereafter issue
425 with a lien on Revenue of the System equal to the lien thereon of those Parity Bonds.

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

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

431 **"Parity Lien Obligation Payment Agreement"** means a Payment Agreement
432 under which the county's payment obligations are expressly stated to constitute a charge
433 and lien on the Revenue of the System equal in rank with the charge and lien upon such
434 revenue securing amounts required to be paid into the Parity Lien Obligation Bond Fund
435 to pay and secure the payment of principal of and interest on the Parity Lien Obligations.

436 **"Parity Lien Obligations"** means bonds identified as such in the Preamble to
437 this ordinance and any bonds that the county may issue hereafter with a lien on Revenue
438 of the System equal to the lien thereon of those Parity Lien Obligations. "Parity Lien
439 Obligations" include any Parity Lien Obligation Payment Agreements and parity
440 reimbursement agreements entered into with the provider of a Credit Facility securing
441 any Parity Lien Obligations.

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

447 **"Participant"** means each city, town, county, water-sewer district, municipal
448 corporation, person, firm or private corporation that disposes of any portion of its sanitary
449 sewage into the Sewer System and has entered into a Service Agreement with the county.

450 **"Paying Agent"** means the Registrar or such other or additional Paying Agent
451 designated from time to time, pursuant to Section 8.1 of this ordinance, to pay principal
452 of and interest on the Bonds.

453 **"Payment Agreement"** means, to the extent permitted from time to time by
454 applicable law, a written agreement entered into by the county (i) in connection with or
455 incidental to the issuance, incurring or carrying of bonds or other obligations of the
456 county secured in whole or in part by a lien on Revenue of the System; (ii) for the
457 purpose of managing or reducing the county's exposure to fluctuations or levels of
458 interest rates, currencies or commodities or for other interest rate, investment, asset or

459 liability management purposes; (iii) with a Qualified Counterparty; and (iv) which
460 provides, on either a current or forward basis, for an exchange of payments determined in
461 accordance with a formula specified therein.

462 **"Payment Agreement Payments"** means the amounts periodically required to
463 be paid by the county to the Qualified Counterparty pursuant to a Payment Agreement.
464 The term "Payment Agreement Payments" does not include any termination payment
465 required to be paid with respect to a Payment Agreement.

466 **"Payment Agreement Receipts"** means the amounts periodically required to be
467 paid by the Qualified Counterparty to the county pursuant to a Payment Agreement.

468 **"Person"** means a corporation, association, partnership, limited liability
469 company, joint venture, trust, organization, business, individual or government or any
470 governmental agency or political subdivision thereof.

471 **"Principal Office"** means, with respect to the Registrar, Tender Agent and
472 Paying Agent, the designated office of the Registrar indicated in Section 11.3 of this
473 ordinance; or such other or additional offices as may be specified to the county by the
474 Registrar, Tender Agent or Paying Agent.

475 **"Principal Payment Date"** means any date upon which the principal amount of
476 Bonds is due hereunder, including the Maturity Date, any Serial Maturity Date, any
477 Redemption Date, or the date the maturity of any Bond is accelerated pursuant to the
478 terms hereof or otherwise.

479 **"Professional Utility Consultant"** means a licensed professional engineer, a
480 Certified Public Accountant, or other independent person(s) or firm(s) selected by the
481 county having a favorable reputation for skill and experience with sewer systems of

482 comparable size and character to the System in such areas as are relevant to the purposes
483 for which they are retained.

484 **"Public Works Trust Fund Loans"** means loans to the county by the State of
485 Washington Department of Community, Trade and Economic Development under the
486 Public Works Trust Fund loan program pursuant to loan agreements in effect as of the
487 date of this ordinance and any loan agreements hereafter entered into by the county under
488 the Public Works Trust Fund loan program, the repayment obligations of which are
489 secured by a lien on Revenue of the System equal to the lien thereon established by such
490 loan agreements.

491 **"Purchase Date"** means (i) for a Bond in the Daily Mode or the Weekly Mode,
492 any Business Day selected by the Beneficial Owner of said Bond pursuant to the
493 provisions of Section 3.6 of this ordinance, and (ii) any Mandatory Purchase Date.

494 **"Purchase Fund"** means the fund by that name created in Section 3.14 of this
495 ordinance.

496 **"Purchase Price"** means an amount equal to the principal amount of any Bonds
497 purchased on any Purchase Date, plus accrued interest to the Purchase Date (unless the
498 Purchase Date is an Interest Payment Date, in which case the Purchase Price will not
499 include accrued interest, which will be paid in the normal course).

500 **"Qualified Counterparty"** means with respect to a Payment Agreement an
501 entity (i) whose senior long term debt obligations, other senior unsecured long term
502 obligations or claims paying ability or whose payment obligations under a Payment
503 Agreement are guaranteed by an entity whose senior long term debt obligations, other
504 senior unsecured long term obligations or claims paying ability are rated (at the time the

