



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

December 15, 2009

Ordinance 16721

Proposed No. 2009-0632.2

Sponsors Gossett and Phillips

1 AN ORDINANCE authorizing the issuance and sale of
2 multi-modal limited tax general obligation bonds (payable
3 from sewer revenue) in the principal amount of not to
4 exceed \$50,000,000 to finance capital improvements to the
5 county's sewer system; providing the covenants and
6 conditions under which the bonds will be issued, including
7 options for liquidity support and credit enhancement for the
8 bonds; authorizing the form, terms, maturity and method of
9 determining interest rates of the bonds; appointing a
10 remarketing agent; and providing for the sale of the bonds
11 to Goldman, Sachs & Co.

12 PREAMBLE:

13 The county owns and operates facilities for the conveyance and treatment
14 of sewage and control of combined sewer overflows that include, but are
15 not limited to, wastewater treatment plants, interceptor and trunk sewers,
16 pumping stations, regulator stations, outfall sewers, storm sewers to divert
17 stormwater from sanitary sewers, lands for application of biosolids,
18 property rights, and buildings and other structures (collectively the "Sewer
19 System" or the "System"), all in accordance with a comprehensive plan for

20 metropolitan water pollution abatement under the authority of chapters
 21 36.56 and 35.58 of the Revised Code of Washington ("RCW").
 22 Long term service agreements with participating municipalities (the
 23 "Participants") obligate the county to treat and dispose of sewage collected
 24 by the Participants. The Participants must pay the costs of such services
 25 including debt service on bonds payable from sewer revenues.
 26 Comparable rates and charges have been established for customers who
 27 deliver sewage to the System but are not subject to a contract with the
 28 county for such service.
 29 In accordance with RCW 35.58.200(3), the county has declared that the
 30 health, safety and welfare of people within the metropolitan area require
 31 that certain Participants discharge sewage collected by such Participants
 32 into facilities of the System.
 33 The county has issued the following sewer revenue bonds with a senior
 34 lien on revenues of the Sewer System (the "Parity Bonds"):

Series	Ordinance	Date of Issue	Original	Outstanding
Designation			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
2009 Bonds	16133	8/12/2009	250,000,000	250,000,000

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

Series	Ordinance	Date of Issue	Original	Outstanding
Designation			Principal	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

39 The county has issued the following sewer revenue bonds with a lien on
 40 revenues of the Sewer System junior and subordinate to the lien thereon of
 41 the Parity Bonds and the Parity Lien Obligations (the "Junior Lien
 42 Obligations"):

Series

Designation

Ordinance

Date of Issue

Original Principal

Outstanding Principal

(9/1/2009)

Series 2001A	14171	4/15/2001	\$ 50,000,000	\$ 50,000,000
Series 2001B	14172	4/15/2001	50,000,000	50,000,000

43 The county has issued its Sewer Revenue Anticipation Notes, Commercial
44 Paper Series A, in the aggregate principal amount of not to exceed
45 \$100,000,000 at any time outstanding (the "Commercial Paper Notes"),
46 with a lien on revenues of the Sewer System junior and subordinate to the
47 lien thereon of the Parity Bonds, the Parity Lien Obligations, and the
48 Junior Lien Obligations, pursuant to Ordinance 12057, as amended by
49 Ordinance 14173.

50 The ordinances authorizing the issuance of the Parity Bonds, the Parity
51 Lien Obligations, the Junior Lien Obligations and the Commercial Paper
52 Notes permit the county to issue additional sewer revenue bonds with a
53 lien on revenues of the Sewer System junior to the lien thereon of the
54 Junior Lien Obligations and superior to the lien thereon of the Commercial
55 Paper Notes. This ordinance authorizes the issuance of a series of such
56 bonds in the principal amount of not to exceed \$50,000,000 (the "Bonds")
57 to be sold by negotiated sale to Goldman, Sachs & Co., subject to final

58 approval of a bond purchase contract by the county's finance director.

59 This ordinance further authorizes the form, terms, maturity, method of
60 determining interest rates and options for liquidity support and credit
61 enhancement for the Bonds.

62 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

63 **ARTICLE I**

64 **DEFINITIONS AND INTERPRETATION**

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

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

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

79 **"Agency Customer"** means any city, town, water-sewer district or other political
80 subdivision, person, firm or private corporation that collects sewage from customers and

81 disposes of any portion of that sewage into the Metropolitan Sewerage System and is not
82 a Participant.

83 **"Alternate Credit Enhancement"** or **"Alternate Liquidity Facility"** means a
84 letter of credit, insurance policy, line of credit, surety bond, standby purchase agreement
85 or other security or liquidity instrument, as the case may be, issued in accordance with
86 the terms hereof as a replacement or substitute for any Credit Enhancement or Liquidity
87 Facility, as applicable, then in effect.

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

104 SIFMA Municipal Swap Index nor the S&P Weekly High Grade Index is available, the
105 county will designate in writing the index for the Registrar to use.

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

108 (1) The interest on such designated obligations due (i) on all interest payment
109 dates (other than January 1) in such calendar year, and (ii) on January 1 of the next
110 succeeding calendar year, plus any Payment Agreement Payments due on such dates in
111 respect of Payment Agreements for such obligations and minus any Payment Agreement
112 Receipts due in such period in respect of Payment Agreements for such obligations.

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

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

125 (2) The principal due (at maturity or upon the mandatory redemption of Term
126 Bonds prior to their maturity) for such designated obligations (i) on all principal payment

127 dates (other than January 1) of such calendar year and (ii) on January 1 of the next
128 succeeding calendar year.

129 (3) An amount for assumed payments of principal of any of such designated
130 obligations that are Balloon Maturity Bonds calculated for the applicable calendar year
131 by amortizing the then outstanding principal amount of such obligations in accordance
132 with a maturity schedule not exceeding 30 years from the date of issuance of such
133 Balloon Maturity Bonds and resulting in approximately level debt service based on their
134 actual interest rates (if such obligations bear interest at fixed rates) or on the assumed
135 interest rate calculated as provided in Paragraph (1)(ii) of this definition (if such
136 obligations bear interest at a variable rate).

137 In the case of Capital Appreciation Bonds, the Accreted Value due at maturity or
138 upon the mandatory redemption of Term Bonds that are Capital Appreciation Bonds must
139 be included in the calculation of Annual Debt Service, and references in this ordinance to
140 principal of Parity Bonds include the Accreted Value due at maturity or upon the
141 mandatory redemption of any Capital Appreciation Bonds.

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

146 **"Authorized Denominations"** means (i) with respect to Bonds in a Daily Mode
147 or Weekly Mode, \$100,000 and any integral multiple of \$5,000 in excess thereof, (ii)
148 with respect to Bonds in a Flexible Mode, \$100,000 and any integral multiple of \$1,000
149 in excess thereof, and (iii) with respect to Bonds in a Long-Term Mode, \$5,000 and any

150 integral multiple thereof.

151 **"Automatic Termination Event"** means an event of default set forth in a
152 Reimbursement Agreement between the county and the Liquidity Provider that would
153 result in the immediate termination or suspension of the Liquidity Facility prior to its
154 stated expiration date without prior notice from the Liquidity Provider to the Tender
155 Agent.

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

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

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

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

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

172 **"Bond Register"** means the registration books maintained by the Registrar for

173 purposes of identifying ownership of the Bonds.

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

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

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

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

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

195 **"Certified Public Accountant"** means an independent certified public

196 accountant (or firm of certified public accountants) selected by the county and having a
197 favorable national reputation.

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

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

204 **"Commercial Paper Notes"** means the King County, Washington, Sewer
205 Revenue Bond Anticipation Notes, Commercial Paper Series A, authorized, issued, and
206 outstanding from time to time pursuant to Ordinance 12057 of the county passed on
207 December 11, 1995, as amended by Ordinance 14173 of the county passed on July 16,
208 2001.

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

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

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

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

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

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

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

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

232 **"Daily Mode"** means the Interest Rate Mode during which the Bonds bear
233 interest at the Daily Rate.

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

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

239 **"Debt Service Offset"** means receipts of the county that are (i) legally available
240 to pay debt service on obligations payable from Revenue of the System, including
241 without limitation federal interest subsidy payments, and (ii) pledged to the payment of

242 obligations payable from Revenue of the System.

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

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

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

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

252 **"Electronic Means"** means telecopy, facsimile transmission, e-mail transmission
253 or other similar electronic means of communication providing evidence of transmission.

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

259 **"Favorable Opinion of Bond Counsel"** means, with respect to any action the
260 occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which
261 must be a Bond Counsel, to the effect that such action is permitted under this ordinance
262 and will not adversely affect the exclusion of interest on the Bonds from gross income for
263 purposes of Federal income taxation (subject to the inclusion of any exceptions contained
264 in the opinion delivered upon original issuance of the Bonds).

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

267 **"Fiscal Agency Agreement"** means the agreement of that name dated February
268 1, 2007, as amended, between the State of Washington and The Bank of New York (now
269 known as The Bank of New York Mellon), and any amendments and supplements thereto
270 and replacements thereof.

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

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

274 **"Fixed Rate Mode"** means the Interest Rate Mode during which the Bonds bear
275 interest at the Fixed Rate.

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

279 **"Flexible Mode"** means the Interest Rate Mode during which the Bonds bear
280 interest at the Flexible Rate.

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

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

285 **"Flexible Rate Period"** means the period of from one to 270 calendar days
286 (which period must end on a day preceding a Business Day) during which a Flexible Rate
287 Bond will bear interest at a Flexible Rate, as established by the Remarketing Agent

288 pursuant to Section 2.5 of this ordinance. The Bonds in the Flexible Mode may be in
289 different Flexible Rate Periods.

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

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

302 **"Interest Payment Date"** means each date on which interest is to be paid and is:
303 (i) with respect to the Bonds in the Flexible Mode, each Mandatory Purchase Date
304 applicable thereto; (ii) with respect to the Bonds in the Daily Mode or Weekly Mode, the
305 first Business Day of each month; (iii) with respect to the Bonds in a Term Rate Mode or
306 a Fixed Rate Mode, the first day of the sixth calendar month following the month in
307 which such Term Rate Mode or a Fixed Rate Mode takes effect, and the first day of each
308 sixth calendar month thereafter or, upon the receipt by the Registrar of a Favorable
309 Opinion of Bond Counsel, any other six-month interval chosen by the county (beginning
310 with the first such day which is at least three months after the Conversion Date) and, with

311 respect to a Term Rate Period, the final day of the current Interest Period if other than a
312 regular six-month interval; (iv) with respect to the Bonds in the LIBOR Indexed Mode,
313 each January 1, April 1, July 1 and October 1 (beginning with the first such day after the
314 Conversion Date); (v) (without duplication as to any Interest Payment Date listed above)
315 each Maturity Date; and (vi) with respect to any Liquidity Provider Bonds, the day set
316 forth in the Reimbursement Agreement.

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

322 **"Interest Rate Mode"** means, as the context may require, the Flexible Mode, the
323 Daily Mode, the Weekly Mode, the LIBOR Indexed Mode, the Term Rate Mode or the
324 Fixed Rate Mode.

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

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

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

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

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

338 **"LIBOR Interest Period"** means, during the LIBOR Indexed Mode, the period
339 from (and including) the Conversion Date to but not including the first Interest Payment
340 Date and thereafter means the period from (and including) an Interest Payment Date to
341 but not including the following Interest Payment Date (regardless of whether or not such
342 Interest Payment Dates are Business Days).

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

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

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

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

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

357 **"Long-Term Mode"** means a LIBOR Indexed Mode, a Term Rate Mode or a
358 Fixed Rate Mode.

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

378 **"Maturity Date"** means January 1, 2040, and, if established pursuant to Section
379 2.10(b)(v) of this ordinance upon a change to the Fixed Rate Mode, any Serial Maturity

380 Date.

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

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

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

394 **"Multi-Modal LTGO/Sewer Revenue Bonds"** means the Bonds, the Series
395 2010B Bonds, and any additional limited tax general obligation bonds of the county
396 payable from Revenue of the System and having the same lien on such revenue as the
397 Bonds and the Series 2010B Bonds.

398 **"Net Revenue"** means Revenue of the System less Operating and Maintenance
399 Expenses.

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

401 **"Notice Parties"** means the county, the Registrar, the Tender Agent, the
402 Remarketing Agent, the Paying Agent, the Credit Provider, if any, and the Liquidity

403 Provider, if any.

404 **"NRMSIR"** means a nationally recognized municipal securities information
405 repository.

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

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

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

415 (a) Bonds cancelled by the Registrar or surrendered to the Registrar for
416 cancellation;

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

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

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

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

425 **"Parity Bond Fund"** means the "Water Quality Revenue Bond Account"

426 designated pursuant to Section 30 of Ordinance 12076 of the county for the purpose of
427 paying and securing the payment of the Parity Bonds.

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

430 **"Parity Bonds"** means the bonds identified as such in the Preamble to this
431 ordinance, together with any sewer revenue bonds that the county may hereafter issue
432 with a lien on Revenue of the System equal to the lien thereon of those Parity Bonds.
433 "Parity Bonds" include any Parity Payment Agreements and parity reimbursement
434 agreements entered into with the provider of a Credit Facility securing any Parity Bonds.

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

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

443 **"Parity Lien Obligations"** means bonds identified as such in the Preamble to
444 this ordinance and any bonds that the county may issue hereafter with a lien on Revenue
445 of the System equal to the lien thereon of those Parity Lien Obligations. "Parity Lien
446 Obligations" include any Parity Lien Obligation Payment Agreements and parity
447 reimbursement agreements entered into with the provider of a Credit Facility securing
448 any Parity Lien Obligations.

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

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

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

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

469 **"Payment Agreement Payments"** means the amounts periodically required to
470 be paid by the county to the Qualified Counterparty pursuant to a Payment Agreement.
471 The term "Payment Agreement Payments" does not include any termination payment

472 required to be paid with respect to a Payment Agreement.

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

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

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

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

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

491 **"Public Works Trust Fund Loans"** means loans to the county by the State of
492 Washington Department of Community, Trade and Economic Development under the
493 Public Works Trust Fund loan program pursuant to loan agreements in effect as of the
494 date of this ordinance and any loan agreements hereafter entered into by the county under

495 the Public Works Trust Fund loan program, the repayment obligations of which are
496 secured by a lien on Revenue of the System equal to the lien thereon established by such
497 loan agreements.

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

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

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

507 **"Qualified Counterparty"** means with respect to a Payment Agreement an
508 entity (i) whose senior long term debt obligations, other senior unsecured long term
509 obligations or claims paying ability or whose payment obligations under a Payment
510 Agreement are guaranteed by an entity whose senior long term debt obligations, other
511 senior unsecured long term obligations or claims paying ability are rated (at the time the
512 Payment Agreement is entered into) at least as high as A3 by Moody's and A- by S&P, or
513 the equivalent thereof by any successor thereto, and (ii) who is otherwise qualified to act
514 as the other party to a Payment Agreement under any applicable laws of the State.

515 **"Quotation Agent"** means Goldman, Sachs & Co., or, if Goldman, Sachs & Co.
516 cannot perform the duties of a Quotation Agent set forth herein, such other quotation
517 agent as may be designated by the county.

